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M&A Industry Specialist – A Poor Choice

Atlantic Highlands, New Jersey (March 7, 2018) – A Neumann & Associates, LLC, a New Jersey-based Mergers & Acquisitions and Business Brokerage firm, outlines the three advantages of industry generalists in the M&A field as recently experienced.

Only an industry specialist in the Mergers & Acquisition field can sell our company, nobody else,” – sentiments quite often expressed by business sellers. “Nothing can be further from the truth than such statements,” says Achim Neumann, President, A Neumann & Associates, LLC, a New Jersey based Mergers & Acquisitions Advisory firm, “unfortunately, all too often, business sellers do not recognize the implication of such decision making.”

First and foremost, investors typically view mid-sized businesses in terms of five major market segments: retail, manufacturing, service, distribution, and IT. A buyer with a comfort level in any one of the aforementioned market segments perceives a company in an industry within such segments as a desirable investment.

More importantly, industry specialists are (should be) well connected in their respective industry, however, they can seldom recruit investors from outside of their industry. Quite simply, it limits the number of qualified investors interested in looking at a business. What does limited interest translate into? Lower price!

Finally, the investor marketing for companies for sale and the subsequent investor pre-qualification process is considerably more refined with a ‘generalist’ M&A Advisor than with an ‘industry specialist’. By its very definition, the ‘generalists’ maintains a consistent, daily presence on many websites, generates large targeted marketing campaigns and is much better suited to pre-qualify inquiries than a specialist. As a matter of fact, a ‘generalist’ M & A advisory firm is most often in a much stronger financial position with more resources than a specialist. This translates, again, into more investor interest in a particular business for sale - and more interest translates into more leverage or higher transaction amount for the seller.

In sum, while the company to be sold might be uniquely positioned in its geography, industry, and market segment, it’s best to hire an M&A advisor firm that has extensive experience in the process of selling a business in diverse industries rather than having experience in a specific industry. The best

buyer may not be from within the selling company's industry, or the ideal buyer could be a company in a complimentary industry.

Only an advisor firm with an understanding of a broad range of market segments, industries, and companies—both inside and outside the seller's niche— and with access to a large pool of buyers across many market segments, will be able to identify these synergies and often unexpected opportunities, and ultimately provide negotiation leverage to a seller in the process. A large network of investor relationships allows the advisor to generate more opportunities which are strategically better aligned, rather than to focus on just one industry.

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About A Neumann & Associates, LLC

A Neumann & Associates, LLC is a professional mergers & acquisitions and business broker firm having assisted business owners and buyers in the business valuation and business transfer process through its affiliations for the past 30 years. With an A+ Better Business Bureau rating and over 5,000 valuations performed through its affiliation, the company has senior trusted professionals with a deep knowledge base in multiple field offices in Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, DC, Virginia, North Carolina and Florida. The firm's competitive fees are based on successfully completing transactions.