

professional development portfolio

Buying a Business

Peter Howson



Acquisitions consume an enormous amount of management time and other resources. In order to make a successful acquisition you need to be properly prepared. You need to understand the market, the target business and how you are going to manage the business integration. In *Buying a Business*, Peter Howson guides learners through each step – from their initial decision to acquire a business, through initial negotiations and due diligence up to and including the final integration.

Buying a Business enables the learner to:

- plan carefully and strategically for their acquisition
- understand what they need to know about the market, the target company, and the deal
- understand the due diligence process, what it's for and how to conduct it effectively
- create a plan for effective integration of the acquired business

Learning outcomes

Deciding to acquire

- When should I acquire a business?
- How can I plan for the acquisition?
- How can I ensure I understand the details?
- How can I make sure the acquisition is a success?
- How do I find candidates?

Preliminary negotiations

- Why do I need a confidentiality agreement?
- What is the letter of intent?
- What are some advantages of the letter of intent?
- What are some disadvantages of the letter of intent?

Investigations

- What is due diligence?
- Who does due diligence?
- What is commercial due diligence?
- What is financial due diligence?
- Where does the information come from?
- What should be in the report?
- What are the appropriate legal investigations?
- How is the business valued?
- What is discounted cash flow?
- What other valuation techniques are there?

Final negotiations

- How do I negotiate the purchase?
- How can I improve my negotiation skills?
- How should I start discussions?
- How do I keep control of the discussions?
- How can I move the discussions forward?
- What is the legal agreement?
- What are warranties and indemnities?
- How do I finalise the agreement?

Integration

- How can I plan for effective integration?
- How can I minimise uncertainty?
- How can I manage the integration?
- What are the potential barriers to integration?
- How can I review the results?

Target audience

This course is designed for Professionals who might find themselves involved in acquisition.

Author: Peter Howson is a director of AMR International, London's leading independent provider of commercial due diligence. He has worked on over 200 due diligence assignments. He has over 25 years of mergers and acquisitions (M&A) and business development experience gained both in industry and as an advisor. Peter has a degree in Economics, is a CIMA qualified accountant and holds an MBA from Manchester Business School. He has written three M&A and due diligence related books.