WTA TECHNOLOGY MERGERS & ACQUISITIONS

MARKET VIEW

TIPS FOR A SUCCESSFUL M&A TRANSACTION

Preparing owners for their deal of a lifetime

For most owner-managed businesses, selling is a once-in-a-lifetime event. For buyers, it's often just another transaction.

This imbalance can make negotiations tricky, especially when the stakes are high and experience levels differ. At WTA, our team has supported hundreds of technology businesses through M&A processes, and we know what helps owners secure the best outcomes on the best terms.

Here are ten practical tips to help you prepare and protect your interests.

Ten tips for a successful M&A transaction

1) **It's not about "winning"** - Successful deals aren't zero-sum. Compromise is part of the process. Know what matters most to you, where you can flex, and which items are true deal-breakers. Building rapport and staying professional throughout will pay off - especially if you're staying on after the sale.

2) **Earnouts need clear guardrails** - If a portion of your payment is linked to the company's future performance, the terms of the earnout must be meticulously defined and watertight. Define:
    - Timeframe and payment schedule
    - Measurable financial targets
    - Sliding scale vs. all-or-nothing payouts
    - What happens if the buyer is acquired
    - Your right to access performance data

3) **Use experienced negotiators** - Every deal involves tough conversations. Let seasoned M&A advisors lead these - on both sides. management should focus on the relationship, not the wrangling.

4) **Get the heads of terms in writing** - Before committing to heavy diligence or legal spend, agree the key terms in a "heads of agreement" or letter of intent. It should outline price, structure, exclusivity, working capital treatment, and any other critical terms - even if much is non-binding.

5) **Preparation is everything** - The smoother your preparation, the smoother the deal. This includes financial readiness, legal hygiene, and being clear on your goals. With the right guidance, sellers are in a much stronger position to control the process and avoid last-minute surprises.

6) **Create competition** - Achieving the most favourable terms often stems from having choices and leverage. Even the perception of multiple interested buyers can shift dynamics in your favour. An experienced advisor can discreetly create competitive tension that improves both price and structure.

7) **Choose an advisor who knows your space** - Choose an M&A advisor who possesses a deep understanding of your industry and has access to an appropriate network of potential buyers. A quality advisor helps with everything: preparing documents, valuing your business, handling negotiations, and managing the sale process. Make sure the engagement terms are clear - including fees, retainer, and any "tail" period for success fees post-engagement.

8) **Sell the future** - Buyers want to know about your history and current numbers - but they're really buying your future. Be ready to clearly explain your growth plans and why the future is exciting. Make it compelling. But stay grounded - financial projections need to be credible, or your management team's reputation will take a hit

9) **Don't skimp on due diligence** - Understand exactly what's being sold - and bought. Financials, contracts, people, systems, and working capital all need careful review. Many failed acquisitions come down to missed red flags during due diligence.

10) **Plan for the people side** - Not all founders make great employees. And even great companies can clash post-sale due to culture. Think ahead about how you - and your team - will transition, and how you'll maintain alignment with your buyer.

Final Word

M&A success isn't just about valuation. It's about preparation, positioning, and understanding how deals really get done.

At WTA, we help founders and management teams navigate the M&A process with clarity, control, and confidence. If you're considering a sale - or want to understand what it might take - get in touch for a confidential conversation.

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