



How and When to be Ready With an Exit Strategy: 2015 Inc. 5000 Conference Panel Review

As part of Harris Williams & Co.'s exclusive partnership with Inc., several of the firm's senior professionals attended the Inc. 5000 conference in Orlando last year. John Neuner, a managing director in the firm's Consumer Group, participated in a panel about potential exit strategies. The panel, which, in addition to John, was comprised of two private equity professionals and a CEO, addressed a wide variety of topics. Below is an outline of key takeaways.

How are valuations calculated?

While the criteria to determine valuation is unique to each company, the panelists commented that buyers invest in what they believe a company will do in the future. The panelists advised attendees to prove that new lines of growth can be executed, rather than simply stating that there are future growth opportunities. Finally, the panelists discussed that management teams should think about what potential buyers are looking to achieve with the transaction and the catalyst for the deal.

What are buyers thinking about when looking to make an investment?

One of the panelists described four items that investors are considering before going through a transaction. They consider the market (both the M&A market and the company's industry), the business's momentum, the company's management, and the motivation for the deal (for the seller and the buyer).

When should a CEO or management team begin developing a relationship with an investment bank?

The unanimous response from all of the panelists was to develop a relationship with an investment bank well in advance of going through a transaction. That way, the CEO or founder can get early insight into key areas that will drive investor appetite in the future.

This year at the Inc. 5000 conference in San Antonio, Mike Wilkins, a managing director in Harris Williams & Co.'s Technology, Media & Telecom Group, will be participating on a panel with Rob Rogers, principal at Vista Equity Partners, Doug Tatum, chairman of the board for the Newport Board Group, and Pooneh Mohajer, co-founder of Hard Candy and Tokidoki.

We hope you can join us at the conference for this year's panel. If you have any questions, please contact info@harriswilliams.com.

