

PACE Capital Advisors

Creating Transferable Value

This issue brought to you by:

Denis M. Brown

dbrown@pacecapitaladvisors.com

Pace Capital Advisors, LLC

5279 Glenridge Drive NE

Atlanta, GA 30342

<http://www.pacecapitaladvisors.com>



Is the Bank With You or Against You?

Many business owners have mixed feelings about their banks and their banking representatives. They are unsure about whether they can be completely honest about their business without a negative impact on the bank relationship.

On a daily basis, you do not spend much time thinking about your banking relationship. When the time comes to tell the bank you're planning to exit your business, or when you need money, however, you may experience feelings ranging from mild anxiety to outright dread.

Why? We've been conditioned to believe that bankers say "no" far more often than they say yes. That may or may not be true but bankers make money by saying yes. When they turn down a lending opportunity, they just don't lose money.

Like all other businesses, banks are eager to continue mutually beneficial relationships. If the sale or transfer of your business is unlikely to disturb that relationship, your banker is (or should be) vested in helping you execute that transfer. It should come as no surprise that smart banks value the relationship even if you are no longer part of it.

How to Answer the Question

Two sale scenarios clarify our point.

The first is a sale to a third party in which the entire purchase price is paid in cash. In this scenario, your banker is an excellent source of financing for your buyer. If loans are hard to come by, you may wish to help out the buyer by introducing them to your banker.

Banks have certain criteria they need to see and restrictions that must be imposed on the buyer, but in the end this may help you vet potential buyers and choose the best one.

In the second scenario, you are transferring your company to insiders (children or employees). The buyer(s) may not have much money so there's a real need to strategize with your banker to enlist bank support. In this case your banker may be able to support the transaction (which benefits you) and retain the banking relationship with your company (which benefits them).

Again, the bank needs the business and the buyer(s) to meet certain standards, but this will likely help you ensure a more stable, successful transition of ownership of your most precious asset, your business.

Where to Go Next?

Don't be intimidated by the bank. Let us work with you to identify all of the steps that will help you secure bank financing successfully and without stress or anxiety. Your banker is ultimately a member of your team of trusted advisors, when the relationship is working well.

For more information about the role of bank financing in your plans for the future, and what the bank will require or request, contact us and we are ready to help you today.

The information contained in this article is general in nature and is not legal, tax or financial advice. For information regarding your particular situation, contact an attorney or a tax or financial advisor. The information in this newsletter is provided with the understanding that it does not render legal, accounting, tax or financial advice. In specific cases, clients should consult their legal, accounting, tax or financial advisor. This article is not intended to give advice or to represent our firm as being qualified to give advice in all areas of professional services. Exit Planning is a discipline that typically requires the collaboration of multiple professional advisors. To the extent that our firm does not have the expertise required on a particular matter, we will always work closely with you to help you gain access to the resources and professional advice that you need.

This is an opt-in newsletter published by Business Enterprise Institute, Inc., and presented to you by our firm. We appreciate your interest.

As a Certified Exit Planning Specialist, Denis brings a unique blend of experience to the marketplace having been involved in more than 100 transactions as a buyer, seller, investor, advisor or financier of businesses throughout his career. He previously was involved in private equity for ten years and was responsible for identifying, underwriting, structuring, closing and managing investments including developing growth and exit strategies. In addition he has served as a director of a variety of both domestic and international privately held companies.

Pace Capital Advisors provides merger and acquisition advisory services to owners of lower middle market businesses in the Southeastern US, typically companies with revenues ranging from \$5 million to \$50 million. Our target market comprises entrepreneurs, family business owners, and other privately-held business owners who seek the guidance and counsel of proven merger and acquisition professionals when considering the complex set of options available to them for selling or transferring ownership of their business. Our services range from preparing business owners and their companies for the process of ownership transition to full responsibility for conducting a business sale process on the owners' behalf. Pace's principals have acquired and sold numerous businesses during our careers in private equity, corporate development, investment banking and venture capital. We know how to properly package and position a business to maximize its transferable value. Our experience includes over one hundred merger and acquisition transactions in which we have occupied almost every seat at the transaction

closing table - buyer, seller, owner, lender, and M&A advisor. We know what it takes to make a deal work, strategically, financially and psychologically, how to prepare business owners and their companies for the sale process, and what it takes to close the deal. (404) 843-8618

Pace Capital Advisors, LLC is a Mergers & Acquisitions Advisory firm serving the lower middle market primarily in the Southeast, typically companies with revenues ranging from \$5 million to \$50 million.

Copyright © 2015 Business Enterprise Institute, Inc., All rights reserved.