



Mergers & Acquisitions Consulting Practice Q&A

Q: Do you work with both sellers and buyers?

A: Yes. NAPL client members tend to be buyers, because they are using growth by acquisition as part of a larger strategic plan. NAPL also works with owners who wish to transition from an ownership position while preserving capital and maximizing value.

Q: Are there big percentage fees involved, like those charged by a brokerage or investment firm?

A: No. NAPL approaches each engagement as a project with pre-determined fees. Percentages create an inherent conflict with the M&A provider looking to create the highest commission rather than provide the best outcome for the client.

Q: How do you handle confidentiality regarding my business?

A: NAPL has a long history of maintaining confidential member information and we work with the same ethical guidelines and practices as the company has had in effect for many years. Simply, any confidential client information will remain confidential. That includes not just financial information but also insights on strategies, plans, customers, and tactics.

Q: What about conflicts?

A: NAPL has a significant leadership position among entrepreneurial and family-owned businesses who are seeking objective insights on "what works" and "what doesn't work" in the print and graphic communications industry. Given that the landscape is shrinking as companies merge or go out of business, we may encounter the situation in which we have two clients speaking with each other about joining forces. If we have two clients engaging in a discussion, we only serve as an independent, objective resource; advocacy is conducted if and when clients request such assistance and this is never done when one member-client is negotiating with another member-client. Our advice reflects both parties' interests but we are mindful of potential conflicts. If the transaction process reaches the "legal stage," each side needs to have separate attorneys to handle paperwork and closing mechanics.

Q: How do you maintain confidentiality when you visit an owner who is considering selling the business?

A: NAPL staff members regularly visit hundreds of companies each year, so it is quite normal to say that someone from NAPL is taking a tour of the facility as a way of keeping up to date on our members' businesses.

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Q: How are meeting logistics handled?

A: We can discuss sensitive matters in a private office or a conference room at the client's location or at the offices of their accountant or lawyer. We have, on occasion, had meetings at the client's house. Others prefer to come to NAPL offices and get away from the distraction of day to day operations. It should be noted there is very little on-site work associated with mergers and acquisitions; most of it is on the phone and in email or "Go To Meeting".

Q: What communications tips do you advise?

A: Clients should set up a personal email account just for this process and schedule telephone conferences ahead of time so they can be in a quiet place.

Q: Does NAPL work with multiple merger and acquisition clients in the same market? If so, how is that handled?

A: As the M&A team researches target companies and develops a list of potential strategic partners, it's feasible that a target company could be contacted on behalf of more than one client. However, the two major factors that dictate whether a merger or acquisition works -- chemistry between the parties and strategic fit -- are unique to the individual situation. The success of a particular transaction is determined by the level of trust, compatibility, consolidation savings and revenue enhancement inherent in the partners' relationship. For this reason, working with more than one client in a particular market is not a problem.