

## Selling Your Business: How to Tell Employees and Customers

The Sale of a Company requires many ingredients:

- Finding the buyer with the best strategic fit,
- Negotiating a good deal,
- Putting together the optimal contractual and tax structure

**Not to forget -> the treatment of two very important “stakeholders”**

- 1. Your employees** and
- 2. Your customers**

*Just a few thoughts on those:*

### Be Strategic

- Communication is very important, both before and during a sale, but you have to be careful about who you tell and what you tell them
- Do not communicate too much information to too many people because it can scare away customers

### Ensure Key Employees Help Your Sale

- Key employees will be some of the first to know about the sale because they will play an important role
- Key employees are important to helping you prepare the company and satisfy any due diligence requests
- Make sure you share with them how the company can benefit from the sale to reassure their commitment

### Reassure Major Accounts

- Before announcing the sale broadly, talk to your major customers and vendor accounts
- Reassure that it will not affect the relationship of the two businesses and things will continue as normal
- It may also be beneficial to schedule individual meetings to introduce the new owners

### Other Specifics

- Although you cannot share some information too early, be sure to circle back and clear up any rumours or misinformation
- Make sure any questions that customers or employees have are answered
- If the transaction is not complete, make sure that the information is confidential
- Consider establishing a timeline for the deal

### Express Confidence

- Finally, it is very important to express confidence
- Make sure employees and customers feel confident about the future of the company
- Have the new owner be involved in announcements and begin to meet employees and customers throughout the transition

Ultimately, timing is everything. Bad timing of communication can ruin a deal. A smooth transition occurs when key players understand their role, as well as how the transition will happen and affect all parties involved. By preventing the spread of misinformation as well as regulating the spread of information, a sale can happen smoothly and effectively.

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