

HOW TO FIND A BUY-IN PARTNER FOR YOUR COMPANY IN 15 WEEKS

When Kennedy Needham was engaged by a Perth freight and logistics company to find a suitable buy-in partner for a \$1m opportunity, Drew Williams completed the entire transaction from engagement-to-settlement in just 15 weeks, significantly reducing both transaction costs and a time frame that can take 6 months.

The client had developed and patented a new containerised palette system for handling dangerous and precious goods. One founder wanted to sell down a portion of his interest. Freight is a niche market and not the most glamorous of propositions. However, Drew has shared some of the steps you can take to achieve a swift, successful outcome for a business Buy-in opportunity.

PROOF OF CONCEPT

Can you demonstrate that your product is viable and that your business model and channel partners will enable scale? You need evidence to support this in the form of good business structure, sound accounts, and a business plan to show that your house is in order. In this case, the freight system had already been trialled for the past 2.5 years, as well as having the first IP filings completed.

USE YOUR INDUSTRY NETWORKS

There will be phone calls, emails and plenty of legwork involved. Finding an appropriate partner can be an emotional rollercoaster. You might feel frustrated, then hopeful and sometimes despondent. Unless you are part of numerous industry networks, this stage can be arduous.

The client had already generated significant interest from major freight and logistics groups, this was helpful, but success came after Drew profiled smaller groups with an established interest in this sector, adding competitive tension. This method can sometimes generate interest in the direction a company is headed from even the most unlikely groups. The parameters of the deal were clearly communicated to each party at every stage, helping to separate the time-wasters from the serious contenders, meaning that the transaction was concluded with minimal disruption.

OPEN TO NEGOTIATION

You might have an idea of what you want, but your investors are likely to bring a wealth of management and business experience to the table too. Put any emotional attachment to your business to one side. Be prepared to listen, you might end up formulating a new plan and strategy for your venture.

EQUIP YOURSELF WITH AN EXPERIENCED, PROFESSIONAL TEAM

When the time comes, you'll need transaction experts. It goes without saying, engage a group you can entrust, that has experience doing similar work, who demonstrate a high level strategic thinking and understand the execution and due diligence processes.

This process can sometimes be extremely daunting if undertaken without guidance. A wrong path can be financially and emotionally costly. A corporate advisory relationship might be premature for you at the moment, but all of Kennedy Needham's advisors are on hand to answer your questions and can point you in the right direction.

Drew is known for his expertise in numerous technology sectors. He has an expansive professional network, years of experience and his advice widely respected. If you want to know more about buy-ins, contact Drew Williams on +61 3 8622 8622, or email dwilliams@kennedyneedham.com for more information.