



Corporate Restructuring

NEGOTIATIONS WITH INTERESTED PARTIES

A CONVERSATION WITH
PETER BARTON, ELLIOTT DAVIS

WHERE ARE WE NOW?

Due to the uncertainty surrounding COVID, there was a slowdown in transaction activity from March through May. Credit markets froze and many investors sought a flight to safety with their capital.

As the economy recovers from the depths of the pandemic, there are clear winners and losers. For the resilient industries, deal activity has resumed, financial buyers have entered the market, and capital is flowing to facilitate these transactions. In addition, baby boomer entrepreneurs continue to pursue exit opportunities and some who do not have the same risk appetite they did pre-COVID are ready to take chips off the table. As an advisor, our largest challenge is deal valuation and structure – while individual businesses have performed, buyers are seeking structures to mitigate any downside risk related to future potential closures of the economy and sellers aim to maximize their valuations.

HOW DID WE GET HERE?

For buyers and sellers, the biggest influencer continues to be the aging baby boomer entrepreneur who seeks to monetize their life's work. In the 10 years following the Great Recession, the economy grew steadily without many external influences. Business ownership became somewhat predictable, but as COVID shocked the world it gave pause to business owners as to whether they want to push through another recovery.

WHERE ARE WE GOING?

We anticipate a continued rise in transaction activity. To help our customers thrive we provide a collaborative approach to serving the entrepreneur by providing finance, operational and tax advisory services.

For sellers, we help owners properly position their businesses pre-sale to realize their financial goals. Positioning is maximizing value through seller due diligence and preparation. Once prepared, we act as advisor during negotiations and structuring.

For buyers, we help owners properly navigate the buy. Navigation is valuation, buy side financial and commercial due diligence, and structuring.



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To learn more about this resource and how you can incorporate it into your service offerings, contact Lauren Williams (williams@moore-na.com).