

# 9 DIFFERENTIATORS

*THAT SEPARATE ACQUISITION  
WINNERS AND LOSERS*

PRESENTED BY  
**TENNEY**  
GROUP



## **DIFFERENTIATOR #1**

**COUNT THE COST  
BEFORE YOU BUILD**

# **DIFFERENTIATOR #1**

## **COUNT THE COST BEFORE YOU BUILD**

- **QUANTIFY COST OF ACTION & INACTION**
- **ASSESS VALUE & FUNDING SOURCES**
- **REFINE GOALS, YOUR WHY, & TIMELINES**
- **SHARE CLEAR VISION AND COMMIT!**

## **DIFFERENTIATOR #2**

**MOBILIZE DEAL FLOW**

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### **MOBILIZE DEAL FLOW**

- **IDENTIFY ADVOCATES WITH ALIGNED INTERESTS**
- **SHARE GOALS & PROBLEM YOU'RE SOLVING FOR**
- **EQUIP WITH COMPELLING MESSAGE**
- **BE GRATEFUL**

## **DIFFERENTIATOR #3**

# **ESTABLISH POINT PERSON AND DEAL SCREENING PROCESS**

## **DIFFERENTIATOR #3**

### **ESTABLISH POINT PERSON AND DEAL SCREENING PROCESS**

- **LEAD WITH BEST BRAND AMBASSADOR**
- **PRESENT PROFESSIONAL PROCESS WITH TIMELINE**
- **IDENTIFY SHOW STOPPERS**

## DIFFERENTIATOR #4

# SHOW RESTRAINT



## **DIFFERENTIATOR #5**

**MAKE WRITTEN OFFERS  
FAST AND OFTEN**



## **DIFFERENTIATOR #5**

### **MAKE WRITTEN OFFERS FAST AND OFTEN**

- **SPEED & EFFICIENCY > \$\$\$\$\***
- **NON-BINDING & RANGE OF OFFERS**
- **STRUCTURE AND POST TRANSACTION EXPECTATIONS**
- **OUTLINE NEXT STEPS**

# INDICATION OF INTEREST TEMPLATE

May 7th, 2021

## PERSONAL & CONFIDENTIAL – INDICATION OF INTEREST

To the ABC Trucking Team:

Thank you for the opportunity to learn more about ABC Trucking and for allowing my team to explore a possible transaction together. We are optimistic that, with your help, we can clearly understand the complete risks and rewards associated with a business purchase and confidently move forward. Please consider this letter our indication of interest to purchase the assets of the ABC Trucking.

In the interest of efficiency, I would like to provide you a framework for a possible offer. Hopefully, this will help expedite the process of getting our goals in alignment with one another. My team is interested in a transaction that contains the following characteristics:

- Proposed Consideration Structure based on our current understanding of ABC Trucking:
  - **Range of total consideration of \$XXX - \$XXX, with structure varying based on:**

Total Consideration	\$XXX - \$XXX
Basis of Valuation	Multiple of LTM EBITDA
Consideration Structure (i.e. range or % of Cash vs. Contingent)	\$X - \$X Cash Up to \$X Contingent
Contingent Consideration Type (i.e. Earn-out, etc.)	Earn-out
Basis of Earn-out (i.e. Revenue, Gross Margin, Operating Income, EBITDA, etc.)	
Approximate Length of Earn-out	X-X years
Approximate Length of Management Team Involvement in Transition	X-X years
Approximate time from LOI execution to Purchase Agreement execution (i.e. time for Diligence / Purchase Agreement drafting)	X Days

## Template – Indication of Interest (non-binding offer)

- Buyer would expect to:
  - Evaluate key employees and determine possible employment contracts.
  - Negotiate leases with the seller for the main facilities used in the operations of the Company.
  - Require assistance from key employees following close of transaction for a mutually agreeable period.

If the proposed transaction framework or a similar framework is acceptable to seller, buyer proposes to move forward with the following next steps:

- Execute a letter of intent that clarifies expectations for all parties concerning terms and process for completing a transaction.
- Perform customary due diligence.
- Finalize the purchase agreement.
- Work together with the ABC Trucking team to formulate a thoughtful transition strategy that meets everyone's objectives.
- Complete the transaction.
- Celebrate the beginning of an exciting new chapter for all parties involved.

Again, my team is very enthusiastic about the possible purchase of the ABC Trucking. Thank you for your time and consideration. I look forward to your feedback.

Sincerely,

Name

Title

ABC Trucking

## **DIFFERENTIATOR #6**

**ENSURE FIRST MANAGEMENT  
MEETING IS A "WOW"**

## **DIFFERENTIATOR #6**

**ENSURE FIRST MANAGEMENT MEETING IS A "WOW"**

- **CLEAR AGENDA & RULES OF ENGAGEMENT**
- **BREAK THE ICE – DISARM**
- **FOCUS ON FIT**
- **LEAVE WITH CLEAR ACTION PLAN**

## **DIFFERENTIATOR #7**

**REMEMBER WHAT THEY  
WILL REMEMBER**

## **DIFFERENTIATOR #7**

### **REMEMBER WHAT THEY WILL REMEMBER**

- **60 DAYS VS. 11 MONTHS**
- **CAST VISION – LIFETIME BRAND AMBASSADOR**
- **SET HIGH STANDARDS – EFFICIENT DATA ROOM**
- **CLOSING ARGUMENT – LOWEST EXECUTION RISKS**



## **DIFFERENTIATOR #8**

**RIGHT INFORMATION**



**RIGHT PARTY**



**RIGHT TIME**

## DIFFERENTIATOR #9



**ALWAYS BE  
HUMBLE AND  
KIND**

# TENNEY

GROUP



**PROVEN  
PROCESS**



**50 YEARS OF T&L  
M&A EXPERIENCE**



**BUYER  
RELATIONSHIPS**

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