

FINANCIAL TRANSACTIONS: WHO SHOULD BE AT YOUR TABLE?

By Marilyn J. Holt, CMC

Business negotiations work best when both sides get what they want. That means you get what you want.

As you raise capital from angel investors, venture capital firms, borrow money, or otherwise buy or sell all or part of your company, you need to have a team of advisors to bring to the table who watch your back. Support from the right experts will make your transaction successful.

THE BEST TEAM WINS

Your primary support people at the table are your management team. Since the word "management" is in their title, they are probably best used keeping the company on track as you conduct the negotiation and close of your transaction. Use their time wisely by giving them small, discrete tasks relating to the transaction that do not interfere with their primary management job.

The other people who need to be at the table are your legal counsel, accountant and a less costly number cruncher, an investment banker or broker, and other

advisors. For each position, bring to the table the most appropriate person for the job. While most of these positions are hired guns, the advisors can come from your board of directors/advisors, family, and friends.

SUPPORT YOUR TEAM TO DO THEIR VERY BEST

One key behind the scenes person must be assigned to coordinate your team, and keep everyone working for you and not building his/her own fiefdom in the midst of your transaction.

If anyone of your management team is required to contribute to the transaction task at the detriment of his/her management job, provide that person with a sub-manager who can perform the daily duties.

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BE CLEAR ABOUT EXPECTATIONS

Before you ask anyone to the table, you need to have the role of each person clearly stated as the value, role, and need. Then, with each person you invite to the table, you need to discuss their role and responsibilities, and clearly state your specific expectations of what constitutes appropriate behavior and success. This should be put in writing, even if it is a handwritten note, and initialed by both of you.

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