

Responsiveness and knowing the unique needs of a closely held family business provided the steadying hand needed to complete a business sale and transition plan for the family and the purchaser

January 29, 2020

Where we started: Our client – a highly successful, family-owned, specialized defense industry manufacturer – was approached by one of its vendors who expressed strong interest in purchasing the business.

Our strategy – plus more: We recognize that the needs of family-owned businesses differ – often in significant ways – from those of investor-owned and public companies. In this case, the proposed sale of the company required strategizing not only the legal and business strategy for the transaction with the buyer but also handling issues unique to the family's ownership of the company. The family needed a transition plan which would accommodate the needs of several generations of family members – those with arms-length ownership interests as well as those currently working as employees and operating the company – and it needed help positioning the company to maximize its value for sale (evaluating vendor contracts and other cost centers, for example) and negotiating the transaction.

Upshot: Working closely with the core family ownership group, members of McGlinchey's Corporate and M&A team brought a steadying hand to the family's deliberations over the sale, taking the owners' desire to investigate the proposed transaction from idea to exploration to written agreements to closing. Our clients as sellers were able to propose and complete a sale of their business on favorable terms while ensuring continuity for current employees and a transition of duties that helped the purchaser improve prospects for the business sooner than its original timeline.