

A man and a woman in business attire are looking at a tablet together in an office setting. The man is wearing a grey suit and glasses, and the woman is wearing a light blue shirt and glasses. They are both smiling and appear to be engaged in a collaborative work activity. The background shows a blurred office environment with a computer monitor.

ACQUISITIONS GUIDE

# MAXIMISE THE VALUE OF YOUR BUSINESS

**elitegroup**

TECHNOLOGY | COMMUNICATIONS | SERVICES

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“ The aim of our acquisitions programme is to add value to our customers by developing our offering of market leading products and services, and by growing our team of talented people with great skill sets. ”

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## A win-win Outcome

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We understand that choosing to sell your business can be one of the most difficult decisions you'll ever make. Finding the right buyer, who you can trust to do right by your business and its people can make the process easier. We believe that the acquisition process should be simple to understand and provides the best outcome for both parties.

# Driven By **Our Values**

After spending so long building your business, it's only natural for you to seek a buyer that you can trust. Our company values underpin everything we do at Elite, including our acquisitions process.



**BUILT ON TRUST**

Our people, customers, suppliers and partners trust us to continually deliver on our promises.



**EMPOWERED BY OUR TEAM**

We show up for each other, act with empathy and bring our authentic selves to work every day.



**FUELLED BY HARD WORK**

We strive to continuously develop our understanding of our role, the business, and the industry we operate in.



**GROUNDING BY HUMILITY**

Everybody is equal and their voice should be heard, regardless of seniority or experience.

We focus on acquisitions where all parties will benefit from the transaction, therefore we make no excuse for having a comprehensive evaluation and due diligence process. Our acquisitions are carefully evaluated and we ensure that they align with our values, culture, strategic objectives and goals.



# Our Acquisition Process

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Our tried and tested methodology is designed to make the acquisitions process simple with understandable timelines and key milestones that reduce workload, complexity, stress and, ultimately, create a better outcome.

# Step 1: Initial Review

Working under a non-disclosure agreement (NDA), we will hold the initial meetings with you and your advisors, where the objective will be to evaluate your business, its fit within Elite, and determine a valuation based on the information provided by you. Depending on the complexity of your business, we may have one or several meetings, which are key to developing the relationship between both our business and yours, building trust and finding efficient ways of working as a team.

## Expectations

- **For you to be open and willing to engage with us about all aspects of your business.**
- **Establish criteria for a successful sale.**
- **Establish the outcome you would like to see at the end of the transaction.**
- **Outline timelines.**



## Step 2: **Formal Offer**

At the end of the initial meeting(s), we will then present a formal offer for your business. We will make a genuine offer for what we believe your business is worth, based on the information disclosed and discussions to date. We believe that success is dependent on both parties being happy, so we'll always offer a fair price.

### **Expectations**

- **Both parties know the expectations of the other party.**
- **Both parties will have a clear understanding of the basis and valuation of the offer.**
- **Understanding that when the offer is accepted we will enter into a period of exclusivity and a formal due diligence process will begin.**



## Step 3: **Heads of Terms**

Our Heads of Terms (HoTs) are well-structured and detailed, to make the process of creating the Sale and Purchase Agreement (SPA) straightforward. We aim to include as much detail as possible at this early stage to ensure it is included within the SPA. As well as speeding up the process, this approach also helps to keep legal costs in check. Once signed, both parties have a legal framework with which to progress to the due diligence process.

### **Expectations**

- **The transaction will now have a timeline, allocated owners for the various tasks and the respective legal teams will have made contact.**
- **All parties will be working to a successful sale under a period of exclusivity.**

# Step 4: Due Diligence

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This is where the hard work begins, but don't worry, we'll be there to support you!

## Our comprehensive list of questions cover:

- Department
- Commercials
- Customers
- Technology
- Dependencies

We will also want to see copies of all supplier and customer contracts.

Throughout the process we will be examining the information provided, evaluating it and asking supplementary questions for further information, where necessary.

Typically, if no problems are encountered, the due diligence process will take from one to three months.

## What Due Diligence is for:

- Validate information previously provided by you
- Gain a complete understanding of your business, its commitment and key requirements
- To ensure both parties feel that the agreed sale is in their interest
- The agreed price is correct

# Step 4: Due Diligence

## What Due Diligence isn't for:

- Reducing the price already offered.
- Gain a complete understanding of your business, its commitment and key requirements
- To ensure both parties feel that the agreed sale is in their interest
- The agreed price is correct

Working to a structured template, we will issue a list of requirements across all aspects of your business. A data room (a virtual area for shared documentation) will be held for both parties.

## Expectations

- **Both teams will share and provide all the information in a timely manner.**
- **Openness with all information provided.**
- **Honesty regarding gaps or missing information, which allows us to address such issues without delaying the due diligence process.**

# Step 5: Sale & Purchase Agreement

Running in parallel with the due diligence process, we will have created a formal sale and purchase agreement (SAP) with an agreed commercial and sale structure.

Whilst this will be a substantial document, the ground work covered during HoTs will make the process simple.

The framework from the HoTs will be supplemented with the answers and findings from the due diligence process to produce the final document.

As we will have been discussing the terms of sale throughout the due diligence process, the signing of the sales document is a legal formality and nothing in it should come as a surprise.

## Expectations

- A finalised offer.
- Terms agreed with all parties by the end of this stage.
- Once the document is signed by all parties, the deal is complete.



# Step 6: Integration into Elite Group

Dependent on the structure of sale and whether you and your management team are going to be working with the Elite team, we will provide a clear pathway for integration.

- Assurance that it will still be 'business as usual' moving forward.
- Why we have purchased the business.
- How we intend to grow your business as part of Elite Group.

We will also appoint an Integration Officer to oversee the process and report on progress to both management teams.

## Expectations

- As the leaders of your business, you will communicate the benefits of the transaction to your team.
- If you are staying with the business, it will be your time to embark on your Elite journey and work with us to successfully complete the transition.
- Working in partnership throughout to ensure effective integration of your employees, customers and suppliers into Elite Group.



# Looking to **Sell Your Business?**

lot of care, time and money has gone into building your business, so it's only right that you seek the best buyer. Elite Group have a faultless acquisition history. Our experience and knowledge ensure a smooth process and successful integration of people, products, and processes within our company.

If you're looking to sell your business, get in touch today and our team will help you to find out more about our acquisition approach and how it could benefit you and your business.

Call: **0344 875 8880** let's work together to achieve success.





**elitegroup**

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