

# Contents

<b>Preface</b>	<b>ix</b>
<b>Acknowledgments</b>	<b>xi</b>
<b>CHAPTER 1</b>	
<b>Introduction</b>	<b>1</b>
Notes	8
<b>CHAPTER 2</b>	
<b>The Players</b>	<b>10</b>
The Buyer	10
The Seller	17
Investors/Owners	19
Corporate Staff	29
Advisors	36
Regulators	46
Others	49
Notes	51
<b>CHAPTER 3</b>	
<b>Decision to Buy or Sell</b>	<b>55</b>
Reasons to Buy	56
Choosing to Sell	70
Notes	84
<b>CHAPTER 4</b>	
<b>Buyer's Preparation for the Deal</b>	<b>85</b>
Developing a Strategy	85
Building a Capability	89
Devising a Process	95
Planning the Message	102
Notes	103

<b>CHAPTER 5</b>	
<b>Seller's Preparation for the Deal</b>	<b>104</b>
Building a Capability	104
Making the Business Most Sellable; Cleaning It Up	107
Setting Expectations with Constituents	130
Preparing the Business for Sale	134
Notes	145
<b>CHAPTER 6</b>	
<b>Deal Process</b>	<b>147</b>
Determining the Universe of Buyers	148
Making the Approach	149
One-on-One Negotiation	151
Formal Auction	155
Informal Auction	159
Bankruptcy Auction	160
Direct versus Proxy	161
Relative Positions of Power	161
International M&A	162
Seller Behavior and Building Trust	167
Notes	173
<b>CHAPTER 7</b>	
<b>Due Diligence</b>	<b>174</b>
Building a Team	174
What the Buyer Wants to Know	186
Notes	209
<b>CHAPTER 8</b>	
<b>Valuation</b>	<b>211</b>
Standard Valuation Methods	212
Pro Forma: Finding and Splitting the Upside	228
Getting the Valuation and Pro Forma Done	239
Deal Structure and Consideration	255
Notes	259
<b>CHAPTER 9</b>	
<b>Integration Planning</b>	<b>261</b>
Dedicating Resources	262
Linking Due Diligence to Integration Planning and Execution	263
Key Integration Issues	264
Notes	275

<b>CHAPTER 10</b>	
<b>Financing Issues</b>	<b>276</b>
Cost of Capital	276
Lost Opportunities	285
Financing Contingency: “Bird in the Hand”	286
Notes	287
<b>CHAPTER 11</b>	
<b>Closing the Deal and After</b>	<b>288</b>
How Is a Deal Closed?	288
Other Signing and Closing Events	291
Post-Closing Issues	294
Integration and Look Back (the Postmortem)	295
Note	296
<b>APPENDIX A</b>	
<b>Standard Form Deliverables During a Strategic Transaction Example</b>	<b>297</b>
<b>APPENDIX B</b>	
B1: Due Diligence Report Table of Contents	298
B2: Due Diligence Report for Project X	299
<b>APPENDIX C</b>	
<b>Standard Deal Process Checklist Example</b>	<b>301</b>
<b>APPENDIX D</b>	
<b>Standard Approval Process Example</b>	<b>303</b>
<b>APPENDIX E</b>	
<b>Approval of a Strategic Transaction: Key Topics in Presentation</b>	<b>304</b>
<b>APPENDIX F</b>	
<b>Generic Valuation Exercise</b>	<b>306</b>
<b>APPENDIX G</b>	
<b>Generic Acquisition Term Sheet for Acquisition by Public Buyer of Privately Held Target</b>	<b>307</b>
<b>APPENDIX H</b>	
<b>Generic Investment Term Sheet for Project “Moon”</b>	<b>313</b>
<b>APPENDIX I</b>	
<b>Notable Transaction Issues by Country/Territory</b>	<b>315</b>
<b>Index</b>	<b>325</b>

<http://www.pbookshop.com>