



GET YOUR TECH  
BUSINESS READY FOR  
MARKET

Corporate and M&A



Selling any business in today's market can be a complex process. Buyer's typically carry out an extensive due diligence process that scrutinises the regulatory and compliance performance of the business. Small to medium sized enterprises who tend to operate without extensive compliance teams and resource, can find that the sale process becomes protracted at this stage of due diligence with primary focus being on commercial and financial due diligence.

This is particularly true for tech businesses, where exits can progress at a much faster pace than exits for businesses in legacy sectors. It is especially important for tech business owners to take proactive steps to prepare their business for sale in good time and ahead of any sale to maximise the value they can attain from an exit and to keep transaction costs as low as possible.

# Preparing your business for sale

We recommend taking the following steps to ensure your business is best placed to capitalise upon a quick and efficient sale process:

## 1. Plan ahead

Minimise time spent on due diligence and opportunities for buyers to reduce the sale price by ensuring statutory books are up to date, resolve any employment liabilities and ensure that all key contracts are securely in place. For technology companies, the key asset being sold is often the intellectual property that the company holds, so it is important to carry out an IP audit to ensure that it is securely owned.

## 2. Choose your advisers

The right corporate advisers can be the difference between a smooth sale process and a costly failure. Look for those with a proven track record in the technology industry, identifying strong potential buyers and who can negotiate a good deal on your behalf. Your advisory team can then work to make your exit as stress free as possible whilst you continue to focus on what you do best – running and growing your business.

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*The team at Clarkslegal stands out for their exceptional personal attention and bespoke advice. They are not just legal advisors but trusted partners who take the time to understand our unique needs and provide tailored solutions. Their fair and insightful recommendations have enabled us to secure the best possible deal in our negotiation. Their genuine commitment to our success and their ability to offer personalised guidance truly set them apart.”*

Legal 500



### 3. Understand the process

It is a good idea to familiarise yourself with the broad structure that is common across most forms of exit. Most exits begin with confidentiality and exclusivity agreements once a suitable buyer has been found.

This is followed by due diligence, which allows the buyer to identify any issues with the company that may reduce its value or present problems in the future. Proper preplanning can have a big positive impact on negotiations leading to completion, as the transaction documents are often prepared whilst due diligence is still ongoing.

### 4. Types of exit

As an owner-manager looking to exit your business, there are a range of options to choose from. Your choice will largely depend on tax considerations, the buyer's preference and your intentions post sale. A breakdown of the different types of exit can be found [here](#).

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*The legal services provided by this firm uniquely combine extensive legal expertise with a forward-thinking approach. Their innovative mindset ensures that clients receive not just traditional legal advice but also strategic insights that anticipate potential legal issues before they arise. This proactive approach empowers clients like us to strengthen our negotiating position and navigate complex legal landscapes with confidence.”*

Legal 500

# How we can help you

At Clarkslegal we are specialists in advising the owners of SMEs on successfully exiting their business. We have strong track record of successful transactions, and from our head office in Reading are well placed to assist the burgeoning tech sector in Thames Valley and beyond.

We have a strong focus on working with owner-managers and understand the challenges of trying to run a business at the same time as trying to market it. We also have close contacts with a select few high-quality corporate finance advisors and accountants, meaning we can make introductions to advisers who we have worked with before and who you can trust.



## Expertise in M&A

At Clarkslegal we are specialists in advising the owners of SMEs on successfully exiting their business, with a strong track record of successful transactions.



## Extensive Local Knowledge

From our head office in Reading are well placed to assist the burgeoning tech sector in Thames Valley and beyond.



## Tailored Support

We have a strong focus on working with owner-managers and understand the challenges of trying to run a business at the same time as trying to market it. We're by your side to cover the legal issues, allowing you to focus on managing your business.



## Trusted Network

We have close contact with a select few high-quality corporate finance advisors and accountants, meaning we can make introductions to advisers who we have worked with before and who you can trust.


As a full service commercial law firm ranked in the Legal 500, we can provide a broad spectrum of legal services to cover all issues that might arise.



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