have strong success in understanding the steps, pace and all deliverable expectations.

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By David Braun.

Even with cleverly designed spreadsheets and vibrantly colored pie charts, no company looking to sell and no company looking to buy should accept an internal financial picture. There exists the very real potential for bias, however inadvertent, due to a naïve or overly enthusiastic staffer. Not having a professional audit can tank a deal even before it gets started. And, in an economic climate when M&A activity is hopefully on the upswing, every company is better positioned for opportunity, so the less mistakes made the better!

For an M&A deal to progress into next steps by both sides, every business needs to

Know your power in this part of your client's growth strategy. This is the time for CPAs to jump in and lead. Serious consideration by both sides will always require serious financial documentation of the most important earnings and expenditures to the most minor and miscellaneous. Therefore, every fixed or fluctuating incoming and outgoing invoice, inventory count, and asset valuation must be audited and presented for review by a CPA-led professional team. Here's what needs to be done to satisfy each side on their way to a win-win deal!

Complete CPA conducted audit.

Anything less than this is worthless. In order to consider an offer or to secure one, buyers need to require it and sellers need to provide it – a third-party audited financial statements going back a minimum of three years. Taking a short-cut on this will put both sides at a disadvantage. Evidentiary proof through an external audit by CPAs of past, current and future projections will produce credibility and elevate the interest. An outside audit, prepared and reviewed, shows a leadership seriousness-of-purpose which is the best way to start off the relationship and build confidence on both sides in moving the due diligence process forward.

Bring on tax specialists.

Many retained CPA firms work hand-in-hand with client in-house accounting departments on general duties. But in M&A, the skills needed to *operate* a business are not the same as the skills needed to *buy or sell* a business. The M&A process is unlike any other which is why your firm must lead by retaining specialists who are very experienced with an exceptional attention to detail.

Every step from how to organize document preparation and evaluating letters of intent to being up to date on tax implications, government compliance, quality assurance and federal, state and international industry regulations. Financial leaders

When your company has internal and external communications that can be tracked for users, engagement, and growth, include them! Apps, subscription models, customer and prospect databases, social media followers, as well as audio/video communications, like podcasts and webinars, are all modern-day assets that should be included to determine a fair and accurate valuation assessment. Additionally, it is important to examine the particular market in which the business operates to determine how crowded or wanting companies in this field are locally, regionally, nationally, and internationally. A thorough valuation can also show a trend line of future growth which sellers need to understand and communicate fully and buyers need to promote to prospects effectively.

Know ways to structure deals.

This is where having a CPA-led team can make all the difference in the deal for both buyers and sellers. Who better to share perspective and recommendations when it comes to evaluating current and future taxes, depreciation factors, cash flow, EBITA, and other potential liabilities that should be addressed. They will also know how to structure win-win deals based on the finances that will also satisfy the company cultures involved. For example, deals that involve ESOP (Employee Stock Ownership Plan), are often viewed as especially complex.

However, involving experienced accounting experts in the earliest phase of this type of transaction process will help minimize complications at the onset, and may very well provide cost savings to the client by resolving minor issues before they become major ones later in the deal's progression.

We can't forget that all CPAs think numbers, and this sensibility will reinforce selling clients won't rest on their laurels because potential purchasers will want to know there are opportunities for future growth already in the pipeline. The same goes for buyer clients by making sure their teams will know how to accelerate the new

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