DEAL LEADERS
INTERNATIONAL

AN OWNER'S GUIDE TO THE EXIT

Navigating the Minefield of Selling Your Business

What every business owner should know before they take the first step.

THE PROBLEM MOST OWNERS NEVER SEE

99% → **50%**

COMPLETE

CHANCE OF FAILURE

A transaction can survive months of engagement, valuation, negotiation and due diligence, and still collapse at the finish line. Deals do not fail because the numbers are wrong. They fail because of what was never prepared at the start.

Introduction: Why Good Deals Die

There is a statistic in our industry that every business owner considering an exit deserves to hear before they take a single step. When a deal is 99% complete, it still carries a 50% chance of failure.

Sit with that for a moment. A transaction can survive months of engagement, valuation, negotiation and due diligence. It can be so close to signature that the champagne is practically on ice, and still collapse. When it does, the damage is rarely confined to the deal itself. The owner has spent a year distracted from the business. Confidential information has circulated. Key people have started asking questions. Energy, the most precious and least renewable resource any founder has, is gone. The business that goes back onto the shelf is usually worth less than the one that came off it.

We at Deal Leaders International have spent years on the front lines of selling South African businesses to acquirers both local and international. If that experience has taught us one thing, it is this: deals do not fail at the finish line. They fail at the starting line. They fail in the assumptions owners make before the process even begins, about what their business is worth, about who will buy it, about how ready they are, about how much of this they can manage themselves. The collapse at 99% is merely where the earlier mistakes finally surface.

> **Deals do not fail at the finish line. They fail at the starting line.**

That is why we describe selling a business as a minefield. Not to frighten anyone, but because the metaphor is precise. The dangers are real. They are largely invisible to someone crossing the terrain for the first time, and every one of them is avoidable if you know where it lies. Most owners will sell a business once in their lives. We do it for a living.

You can spend 30 years building an exceptional business, and how you exit will still have the single biggest impact on your financial position and your legacy. You get one swing at it. Our purpose in the pages that follow is to make sure that swing connects.

01

Businesses Are Bought, Not Sold

Until an owner turns to face the buyer, everything else in a sale is compromised.

If we could change only one thing about the way business owners approach an exit, it would be the direction they are facing. Almost every owner who walks through our door is looking at their own business: its history, its profits, its hard-won victories, the price they believe it deserves. Very few are looking outward, at the person on the other side of the table. Yet that person, the acquirer, is the one who will decide what the business is worth. Not the owner. Not the auditor. Not the valuation model. The buyer.

This is what we mean when we say that businesses are bought, not sold. It sounds like a slogan, but it describes a genuine shift in perspective, and until an owner makes that shift, everything else they do in a sale process is compromised. Selling is not an act of persuasion, in which you talk someone into wanting what you have. It is an act of positioning, in which you understand what a particular buyer is trying to achieve in their own world and show them, credibly, how your business helps them achieve it.

Businesses are bought, not sold.

Consider a question we are often asked, in one form or another. If a buyer walked into two businesses with identical profits, what could possibly make one worth dramatically more than the other? The answer, put simply, is fit. A buyer looking at two businesses generating the same earnings will pay more for the one that carries less risk in their hands and more opportunity in their world. Notice the phrasing: in their hands, in their world. Risk is not an absolute quality of a business. It is a relationship between the business and the party acquiring it.

Take succession, one of the most common weaknesses in founder-led companies. Imagine two manufacturers, each producing R20m of EBITDA, each heavily dependent on its founder. To most buyers, both look risky, and both offers will carry a heavy risk discount. Now imagine an acquirer who already owns a similar manufacturing operation with a surplus of management skill. To that acquirer, the succession problem in one of those businesses is barely a problem at all. They can solve it from within their own stable. They will not load a risk premium onto their offer, because for them the risk hardly exists. The other buyer, who knows nothing of the industry and can see only that everything walks out the door if the founder does, will discount aggressively. Same business, same profits, wildly different numbers, because value lives in the eye and the circumstances of the acquirer.

WHY VALUE IS NOT ABSOLUTE

Two identical businesses. R20m EBITDA each. Very different value.

The generalist buyer

Sees a company that depends on its founder. Everything walks out the door if the owner does.

Heavy risk discount

The adjacent owner

Already runs a similar operation with surplus management. The succession gap is barely a problem at all.

Little to no discount

Risk is not a fixed quality of a business. It is a relationship between the business and the party acquiring it.

This single insight explains something that bewilders many owners: why offers for their business can vary so enormously. It is tempting to conclude that the low bidders are chancers and the high bidder finally understands the business. The truth is more useful. Each buyer is pricing a different thing. Not your business in the abstract, but your business inside their strategy, alongside their existing investments, measured against their alternatives and their appetite on that particular day. It is also why so many of our transactions end up with investment holding companies rather than pure private equity or pure trade buyers. Acquirers who can visualise a business sitting alongside their other investments often see the most fit, and therefore the least risk, and therefore the most value.

Once you accept this, a powerful practical question follows, and it is one we put to every seller we work with. How are you, as the seller, going to help the buyer reduce their risk in this transaction? Make no mistake: if you do nothing, the buyer will reduce their risk themselves, and they will do it with instruments you will not enjoy. Lower prices. Earn-out structures. Deferred payments. Warranties. Every unanswered question, every gap in your information, every uncertainty you leave hanging gets converted into deal structure that shifts risk back onto you. The sellers who achieve premium outcomes are the ones who have stood in the buyer's shoes early, anticipated the questions a buyer will ask when they are trying to solve a problem for themselves, and prepared answers in layers of credible detail. A thin information memorandum with a few financials attached tells a buyer almost nothing, except, perhaps, that risk is lurking in everything you have not shown them.

Two words capture what every acquirer is ultimately looking for: certainty and growth. Certainty that the earnings are real, sustainable and independent of any single individual. Growth that is credible rather than cosmetic. Anyone who has sat on the buying side of the table has seen the ritual hockey-stick forecast, the business that has grown modestly for a decade but will, apparently, shoot the lights out the moment it goes on the market. Buyers do not merely discount those forecasts. They discount the seller who presents them. Proving the future is one of the hardest things a seller must do, and it can only be done by demonstrating the fundamentals:

understanding precisely what drives your business, showing why those drivers will keep working, and grounding tomorrow's numbers in yesterday's evidence. It requires governance, documentation and process that stand independently of the owner, because a buyer must be able to audit the story, not merely admire it. There is a subtlety many sellers miss. You must leave enough growth on the table for the next person. An acquirer is buying tomorrow. If you have squeezed every drop of tomorrow into today's price, there is nothing left for them to get excited about.

WHAT EVERY ACQUIRER IS BUYING

Certainty

That the earnings are real, sustainable and independent of any single individual.

Growth

That is credible rather than cosmetic, grounded in yesterday's evidence, not a hockey-stick forecast.

Owners often fixate on the multiple, and understandably so. The multiple is the number that gets quoted at dinner parties. But a multiple is a multiple of something. The size and quality of the earnings underneath it, and the believability of their trajectory, matter as much as the factor applied to them. High multiples are not extracted from buyers. They are earned by businesses that make certainty and growth visible. We have seen what happens when they are, including an offer we recently accepted at 18x EBITDA, a number that would be fantasy for a business that had not done the work of making its future provable.

18×

EBITDA

a recent offer we accepted, earned by a business that made its future provable

Everything in the chapters that follow, readiness, preparation, buyer research, process, flows from the reorientation this chapter describes. Stop asking what your business is worth. Start asking: to whom is it worth the most, and why, and what must they be able to see in order to believe it?



02

The Right Buyer is Rarely the Obvious One

The party who pays the premium is usually one the owner had never heard of.

Ask a business owner who is likely to buy their company, and they will usually name a competitor, a large customer, or a well-known industry player, the usual suspects. It is a natural instinct. It is also, in our experience, one of the most expensive assumptions in the entire exit journey. Time and again, the buyer who ultimately pays the premium is one the owner had never heard of before the process began: a party sitting in a different part of the value chain, a different sector, or a different hemisphere, who sees in the business something the obvious candidates cannot.

The reason is the logic of the previous chapter playing itself out. The obvious buyer, the direct competitor, often has the least to gain. They already have your customers' attention, your kind of capability, your market. What they are buying is mostly the removal of an irritant, and they will price accordingly. The non-obvious buyer may be acquiring a foothold into Africa, a proven product they can push through a global distribution network, a solution to a capability gap you did not know they had. For them, your business is not an irritant to be absorbed but a door to be opened, and doors command better prices. This is why we insist on asking three questions of any potential acquirer before we take them seriously. Can they do better with the business than the current owner can? Are they non-competing but complementary, close enough to understand the value, but far enough away to be energised by it? And, bluntly, where is the money? The world is full of enthusiastic tyre-kickers who answer the first two questions beautifully and fail the third. A buyer who cannot transact is not a buyer.

THE THREE QUESTIONS WE ASK OF EVERY ACQUIRER

01

Can they do better with the business than the current owner can?

02

Are they non-competing but complementary: close enough to understand the value, far enough to be energised by it?

03

Where is the money? A buyer who cannot transact is not a buyer.

Finding these parties is not a matter of intuition, and it is certainly not a matter of running a filter through a database. There are millions of companies in the global datasets we subscribe to. A keyword search will hand you thousands of names and no answers. What actually identifies the right buyer is market intelligence built through engagement. We speak to well over 1,000 acquirers a year, and it is those conversations, not scraping, that reveal who is genuinely acquisitive, what problems they are trying to solve, and, critically, who is looking now. Timing is its own minefield. We sold LK Products, the makers of the braai equipment found across South African backyards, to Bidvest in what was an excellent transaction for everyone involved. Had we taken the identical business to the identical acquirer a year later, the answer would have been a polite "we are not buying at the moment." The right buyer on the wrong day is the wrong buyer. This is one of the strongest arguments for engaging many parties rather than few, a theme we will return to when we discuss process, and it is why buyer research is the largest and most expensive part of what we do. Artificial intelligence has added real capability here, but only when it

is applied to proprietary data built from years of real engagement. Pointed at the open internet, it simply finds the same obvious names faster.

1,000+	130	30%
acquirers engaged every year	buyers approached on one cross-border sale	annual growth we regularly see

The International Dimension

For South African owners, "look beyond the obvious" has a second meaning: look beyond the border. Here we need to confront a narrative that costs local owners real money, the belief that international investors are avoiding South Africa, that our transformation legislation frightens them off, that we do not offer attractive growth. The evidence on the ground tells a different story. We have concluded transactions with acquirers across continents. A Chilean industrial group bought a South African foundry. International private equity continues to deploy capital here. European engineering groups keep expanding their local footprint.

What are these buyers seeing that many local owners are not? In a word: growth. Real growth, obscured by averages. South Africans stare at national GDP figures and despair, forgetting that an average contains multitudes. We regularly sit with businesses growing 30% year on year, rates that are simply unheard of in the markets most first-world acquirers call home. The sophisticated buyers understand that a country's headline risk premium tells you almost nothing about a specific company, and that applying a blanket discount to everything South African means walking past extraordinary opportunities. It is panning for gold. Yes, there are pebbles in the pan, but there are nuggets too, and a disciplined process exists precisely to make the nuggets shine. That granularity, this company for this acquirer, not "these kinds of businesses" for "those kinds of buyers", is the whole game.

The most attractive profile we see combines two ingredients: a South African base and international revenue. South Africa, whatever its headlines, is a trusted, stable place to headquarter and run a business. When a company adds revenue from north of our border and beyond, it stops being a South African business and becomes an international business that happens to enjoy South African cost structures and skills. That combination has driven intense buyer interest in mining services and mineral processing, and it explains much of the appetite in software and technology. The international revenue need not dominate. We sold a South African software business into the United Kingdom where roughly 30% of revenue came from abroad. That was not the product of some grand global campaign, but accumulated over years, client by client. It was enough. It proved the product had value beyond home soil, which let the acquirer say: this is solid, proven, and proven internationally, and we can take it further. That is the lesson for any owner nursing an innovation and dreaming of an international partner who will "help take it global." Buyers do not purchase potential. They purchase proof. Proof, first, that you can sell the thing. Not that it works, but that you can sell it, which is a different achievement altogether. And then at least early proof that someone outside South Africa will pay for it too. A little international

traction transforms the conversation from "nice idea, but we cannot grow this for you" into "there is demand for this, and we can pour fuel on it."

We should be honest about the barriers, because they are real but smaller than feared. In that software sale, we spoke to some 130 potential acquirers around the world. Among the Americans, responses split cleanly in two. Some said flatly: we do not invest in South Africa, or Africa, or outside the United States. But the ones who leaned in almost always had something that had already de-risked the idea of this country for them. They had just hired a South African, or been welcomed to their first braai, or worked alongside a South African supplier. It rarely took much. A single human connection dissolved the barrier, and from there the conversation was about the business and where the value lay. There is a lesson in that about how thin the wall between "no" and "tell me more" really is, and why you need to knock on many doors to find the ones already ajar.

Then there is the question we are asked at almost every engagement: does B-BBEE frighten international buyers away? There is still genuine ignorance abroad. Some acquirers arrive with the vague impression that South African empowerment legislation means surrendering equity for nothing, a confusion with entirely different regimes elsewhere on the continent. But we have closed many international transactions, and solutions have been found in every one. The strategic error owners make is leading with it. Because South Africans expect empowerment to be the sticking point, they raise it first, and in doing so they make it the story. Our counsel, sharpened by years of international dealmaking, is the opposite: make the business the issue. Position the company as what it is, a worthwhile business, a foothold into Africa, an international growth opportunity, and secure the buyer's conviction about the value first. A buyer who wants the business will solve for the rest, often in ways nobody could have scripted. When a Chilean industrial group acquired Prima Foundry here, part of the local entity was owned by an educational trust as its empowerment structure. The acquirer's own majority shareholder turned out to be an educational trust. What looked like an obstacle from Johannesburg looked, from Santiago, like a perfect philosophical fit. You cannot plan that kind of resolution. You can only run a process that keeps the main thing the main thing until it arrives.

THE BUYER IS RARELY WHO YOU ASSUMED

LK Products	Braai equipment maker	→	**Sold to Bidvest, South Africa**
A software business	~30% revenue offshore	→	**Sold into the United Kingdom**
Prima Foundry	Empowerment trust structure	→	**Acquired by a Chilean industrial group**

None of this means every business should market itself to the world. Where a product is proven only locally, the wiser route may be a local acquirer who can fund international growth, with a larger exit later, while still testing international appetite along the way, because going to market is as much an information-gathering exercise as a selling one. And where cultural and language distance is significant, as it can be with acquirers from China or elsewhere in the East, on-the-ground representation matters. It is precisely why we built our international network, Pandea Global M&A, with partners across 36 geographies, from Beijing to the Americas. The point is not that the right buyer is always foreign. The point is that the right buyer is almost never who you assumed, and you will not find them by assuming. You find them by looking properly: widely, granularly, and with help from people who spend their lives looking.

> **Buyers do not purchase potential. They purchase proof.**

03

Two Journeys, the Business and Its Owner

Almost every business is ready for something. The question is what, and whether it is what you want.

"Is my business ready to sell?" It is usually the first question an owner asks us, and it is subtly the wrong one. After years of unpacking readiness with founders across sectors, we have come to a conclusion that surprises most of them: almost every business is ready for something. The real question is not whether you can sell, but what kind of transaction your current state of readiness makes possible, and whether that transaction is the one you actually want.

Size is the bluntest filter. A business generating less than about R20m of EBITDA is unlikely to attract the kind of significant exit most founders picture. It needs a different process and a different category of buyer. Aim at international acquirers and the bar rises again, roughly 3x that level of earnings before most cross-border buyers will engage seriously. The relationship between size and outcome is not merely about admission to the game. The quality of acquirer improves with size, reliably and without exception in our experience. This is not a reason for despair if you are below the threshold. It is a reason for clarity. Readiness determines the type of transaction available to you, and knowing that early lets you choose: transact now within your weight class, or build deliberately toward a heavier one.

SIZE SETS THE TYPE OF TRANSACTION

Below R20m EBITDA	A different process and a different category of buyer.
R20m+ EBITDA	The kind of significant exit most founders picture becomes possible.
~3x that level	The bar for serious cross-border and international acquirers.

Readiness does not decide whether you can sell. It decides what kind of sale is open to you.

The second great determinant is succession, and here we must be candid, because we are entrepreneurs ourselves and the affliction is universal: founders struggle to hire their own replacements. It is one of the strangest blind spots in business. People who have built formidable companies, who hire brilliantly at every other level, somehow cannot bring themselves to recruit and empower the person who could run the place without them. At the extreme end sits the owner, and we have all met them, some of us in the mirror, through whom every decision flows, with a yawning gap to the next layer of management. That dependency is not a discount on the sale price. In many cases it is a barrier to any meaningful sale at all. But succession readiness is a spectrum, not a switch. As the gap between the founder and the next level closes, more and more types of exit become possible. And there is a paradox worth savouring. While succession is often the obstacle to an exit, the exit is often the solution to succession. The right acquirer arrives with management depth, systems and skills that the founder could never have recruited alone. The problem and the answer are frequently the same event.

The deeper truth about readiness, the one that changes how owners see their entire situation, is that the business and the owner are on two different journeys, and they are rarely at the same point on the road. We have seen many businesses that are thoroughly exit-ready attached to owners who are not, and many owners desperate to exit businesses that need another two years of work. Owners tend not to separate themselves from their companies, understandably, after decades of the two being indistinguishable, and so they answer the readiness question with a single yes or no when it actually requires two answers. It is towards the back end of a transaction, when the paperwork is real and the change is imminent, that the human dynamic surges to the fore and unprepared owners falter. The deals that die at 99% are often not killed by the numbers. They are killed by a person realising, too late, that they never truly decided to let go.

READINESS NEEDS TWO ANSWERS, NOT ONE

The business and the owner travel on two different journeys.



They are rarely at the same point. The deals that die at 99% are usually killed by a person who never truly decided to let go, not by the numbers.

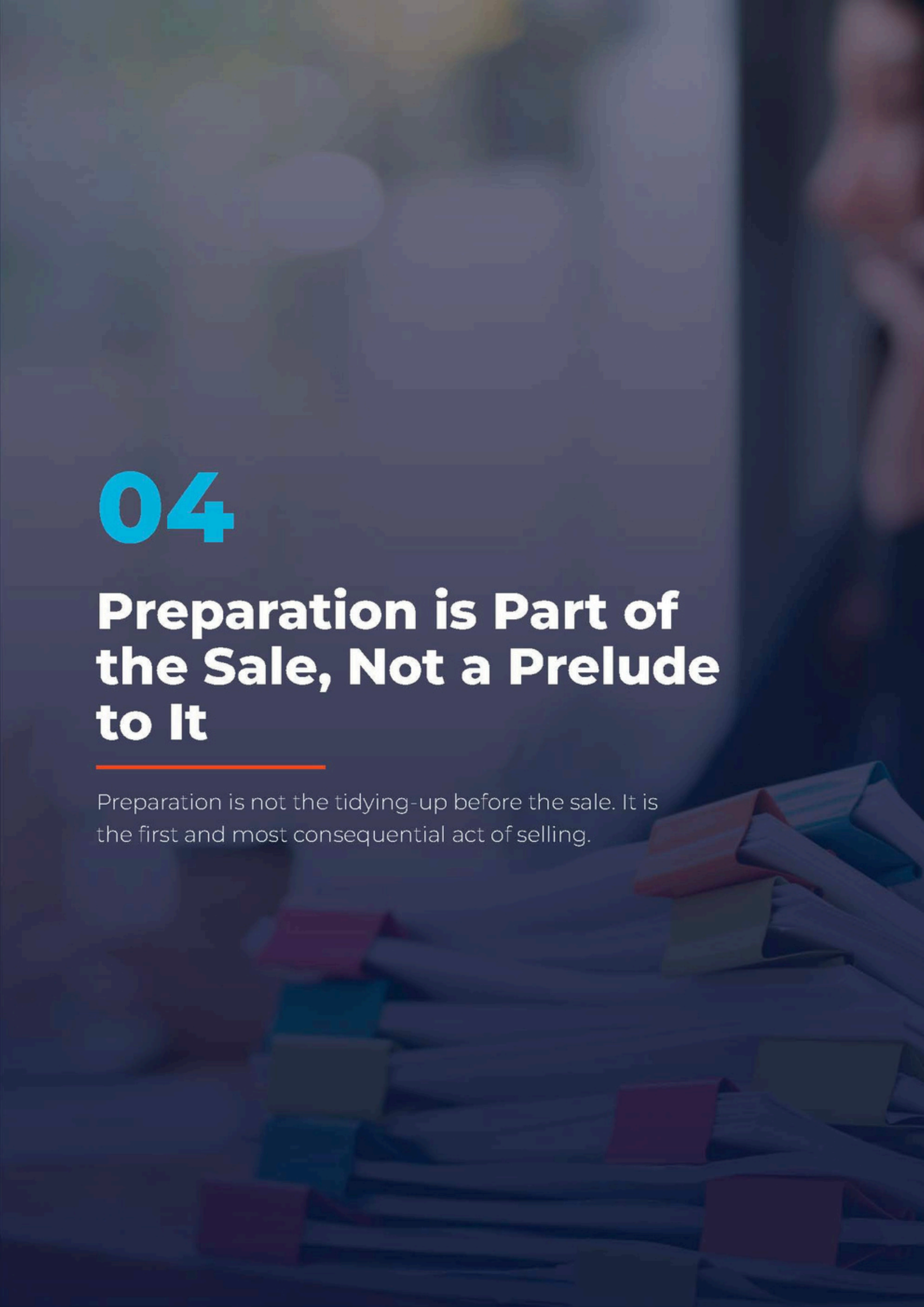
When the Person, Not the Spreadsheet, Sets the Clock

This is why, when owners ask us about timing, whether there is a rule of thumb, a right moment, a market window, our answer starts somewhere unexpected: with the owner's own life. The biggest driver behind a well-timed exit is not the market cycle. It is the founder's needs, set apart from the business altogether. How secure is your retirement? What is your appetite for risk at this stage of life, with this much of your wealth concentrated in one asset? How much time do you have, and how much energy? A founder in their seventies should not be handed a five-year grooming plan. Their moment is now. A founder whose focus is waning, who feels the pull of family, of the coast, of the next chapter, should also move quickly, for a harder-edged reason: a distracted owner does damage. The slow leak of energy from the top of a business erodes value faster than almost anything else, and a three-year preparation plan executed by someone whose heart has already left is worth less than a faster, well-run process begun honestly.

There is one more timing signal, less emotional and more structural, that we encourage every owner to watch for. Businesses do not grow in smooth curves. They grow in steps, and each step up demands investment, in capacity, in people, in working capital, in risk. If you can see the next inflection point approaching, a year or two out, and you know in your bones that you no longer have the appetite to fund that leap, then the right time is not when you reach the step. It is now, while the growth story still belongs to the future and can be sold to someone with the appetite you no longer have. Waiting until you are standing at the base of a climb you refuse to make converts your growth story into a stagnation story, and buyers price the difference ruthlessly.

We will not pretend the personal reckoning is easy, and we would be doing you a disservice if we treated it as a footnote. For most founders, a business is never just an asset. It is identity. It is the answer to "what do you do?" for 30 years. It is family, in every sense: relatives on the payroll, employees who feel like relatives, a community that has organised itself around the enterprise. It is legacy, the visible proof of a working life. Letting go of that is not a line item in a transaction. It is one of the largest emotional events in a person's life, and it deserves to be treated as such. We have watched the process of preparing for sale hold a mirror up to founders, playing their own business back to them with a clarity they had never had, and rekindle something. In one case, we brought owners an offer of just under R1bn, a superb outcome by any measure, and they declined it. The process had shown them how much value still lay ahead and reminded them how much energy they still had, and they chose to keep building. As advisers, we admit that outcome carries a certain occupational hazard. But we tell the story anyway, because it makes the essential point. Readiness is not a scorecard imposed from outside. It is an alignment between a business that is prepared and an owner who is resolved. You will not know where either truly stands until you start the conversations, which is exactly why the conversations should start earlier than feels comfortable.





04

Preparation is Part of the Sale, Not a Prelude to It

Preparation is not the tidying-up before the sale. It is the first and most consequential act of selling.

Most owners think of preparation as the tidying-up that happens before the real work of selling begins, the corporate equivalent of painting the house before the estate agent arrives. We want to persuade you of something stronger. Preparation is the sale process. It is the first and most consequential act of selling, and the outcomes it shapes cannot be recovered later by clever negotiation.

Recall the logic of the first chapter. Buyers pay for certainty, and they punish risk with structure: discounts, earn-outs, deferrals. Every one of those instruments is, at bottom, a response to a question the seller could not answer convincingly. So picture the moment that actually decides your premium. A serious acquirer, engaging with your business because it might solve a problem in their world, asks the question that matters to them, about customer concentration, about the durability of a key contract, about what happens to the order book if you leave. If the answer is ready, precise, documented, consistent with everything else they have seen, the risk in their mental model shrinks, and with it the discount. If the answer is a scramble, the risk premium grows, and no amount of charm at the negotiating table will fully claw it back. A hastily assembled information memorandum with a few financial statements stapled to it cannot survive that moment. Layers of credible, verifiable information can. That is what preparation actually builds: not a prettier brochure, but a shorter list of reasons to pay you less.

How long does it take? For a typical business, allow a good year or two to reach genuine readiness. But, and this is the encouraging part, a well-run business needs far less, and many owners are more ready than they think. The tell-tale signs are mundane and merciless. Do your management accounts come out by the middle of the following month, or six months later? Nothing, and we mean nothing, deflates a buyer's confidence faster than stale numbers. It is perhaps our biggest single bugbear. Is your information good? Does your management team function without you in the room? If those foundations are in place, the remaining work is refinement, not reconstruction, which is precisely why the readiness conversation should happen early, while there is still time to fix what needs fixing and to discover, pleasantly, what does not.

THE TELL-TALE SIGNS OF READINESS

- ✓ Management accounts out by the middle of the following month, not six months later.
- ✓ Information a buyer can audit, not merely admire.
- ✓ A management team that functions without you in the room.

There is a second dividend of preparation that few owners anticipate, and it echoes the story that closed the last chapter. The discipline of preparing a business for sale, interrogating its drivers,

documenting its processes, professionalising its reporting, articulating its equity story, routinely lifts the business to a level it has never reached before. We have seen owners emerge from preparation with a company so much stronger that the exit itself became optional: a genuine choice made from strength, rather than a necessity accepted from fatigue. That is the quiet, radical promise of doing this properly. Preparation creates options where there were none, and an owner with options negotiates from an entirely different place than an owner with a deadline. Whether you ultimately sell next year or in five, the prepared version of your business is worth more, runs better, and leaves you genuinely free to decide.

> **Preparation creates options where there were none. An owner with options negotiates from an entirely different place than an owner with a deadline.**



05

The Discipline of Process, How Leverage is Really Made

Most owners leave money on the table without ever knowing it was there.

Here is how most South African businesses get sold, and why most owners leave money on the table. One day, an offer arrives, from a competitor, a private equity firm, or an intermediary acting for "a serious buyer." It is flattering. It feels like validation, and it feels like fate: the buyer found us. The owner engages. A number gets mentioned that sounds like the answer to everything. Hands are shaken, an exclusivity period is signed, due diligence begins, and the owner, without noticing the moment it happened, has surrendered every ounce of negotiating leverage they will ever have. There is now one buyer, who knows they are the only buyer, holding exclusive access, with months of runway in which to discover reasons the price should come down. Six months to a year later, the owner discovers the deal was never as good as it sounded on day one, or that these were the wrong people entirely. The passive seller does not choose their buyer. They are chosen, and being chosen is a weak position dressed up as a compliment.

So the first commandment of process is simply this: do not be passive. But activity alone is not discipline, and owners who take charge of their own sale often step directly onto the next mine, this one of their own making. They put a price on the business. It seems like the obvious, business-like thing to do. In fact it is the single most common way sellers destroy their own outcome, and it destroys it in both directions at once. Announce that you want R100m, and buyers who might have paid more now know they never need to. You have capped your own upside with your own signature. Meanwhile, buyers who see the number as ambitious conclude you are being greedy and quietly disappear, without ever telling you what they would have offered. The seller learns nothing and forfeits everything. The same trap, in different clothing, is forcing a deal structure: declaring upfront that you will only sell a minority, only accept a certain earn-out, only deal on your stipulated terms. Every stipulation narrows the field before you have learned what the field contains. There may be a superb acquirer out there who only ever takes majority stakes, and who, once at the table and in love with the business, could have been negotiated down to the 45% you wanted all along. Announce "minority only" at the outset and that buyer never engages. Here is the cruelty of it: you will never know what you lost, because you cannot negotiate with someone who has not made an offer. Going to market is as much an information-gathering exercise as a selling exercise. Let the market speak first. Invite offers on the buyer's terms, learn what the landscape truly holds, and then negotiate. Owners who reverse that order are pre-negotiating against themselves, alone in a room, before the game has even started.

What replaces passivity and prescription is something we call deal heat, and it is worth understanding properly, because even many advisers do not. Suppose you speak to interested parties one at a time. An offer arrives, you do not love it, you wait. Six weeks later another. Some weeks after that, a third. Each buyer, engaging in isolation, feels no urgency and no competition, and each offer is made in a vacuum. Series engagement achieves almost nothing. Now run the same conversations in parallel: many qualified parties, engaged simultaneously, with offers landing inside a short window. Everything changes, and it changes inside the buyers' heads before a single negotiation begins. Each party knows, without being told, that if they do not put their best foot forward, someone else will take the prize. The offers themselves arrive stronger and comparable. You can weigh them against one another while they are all still warm. In the 2025 calendar year, we sold 8 businesses with a combined value of R1.4bn, and across those 8 transactions we did not have to negotiate price once. Not because we are fearsome negotiators, but because the process did the negotiating before we sat down. Every accepted offer had been

proven excellent by the other offers around it. One buyer sets a price. Multiple buyers create a market. And markets, not arguments, are what establish true value.

HOW LEVERAGE IS REALLY MADE

One buyer sets a price. Many buyers create a market.

Series · one at a time

Each buyer engages in isolation. No urgency, no competition. Every offer is made in a vacuum.

Parallel · all at once

Qualified parties engage together, offers landing in a short window. Each knows another will take the prize. Offers arrive stronger and comparable.

R1.4bn across 8 businesses in 2025. Times we had to negotiate price: **0**

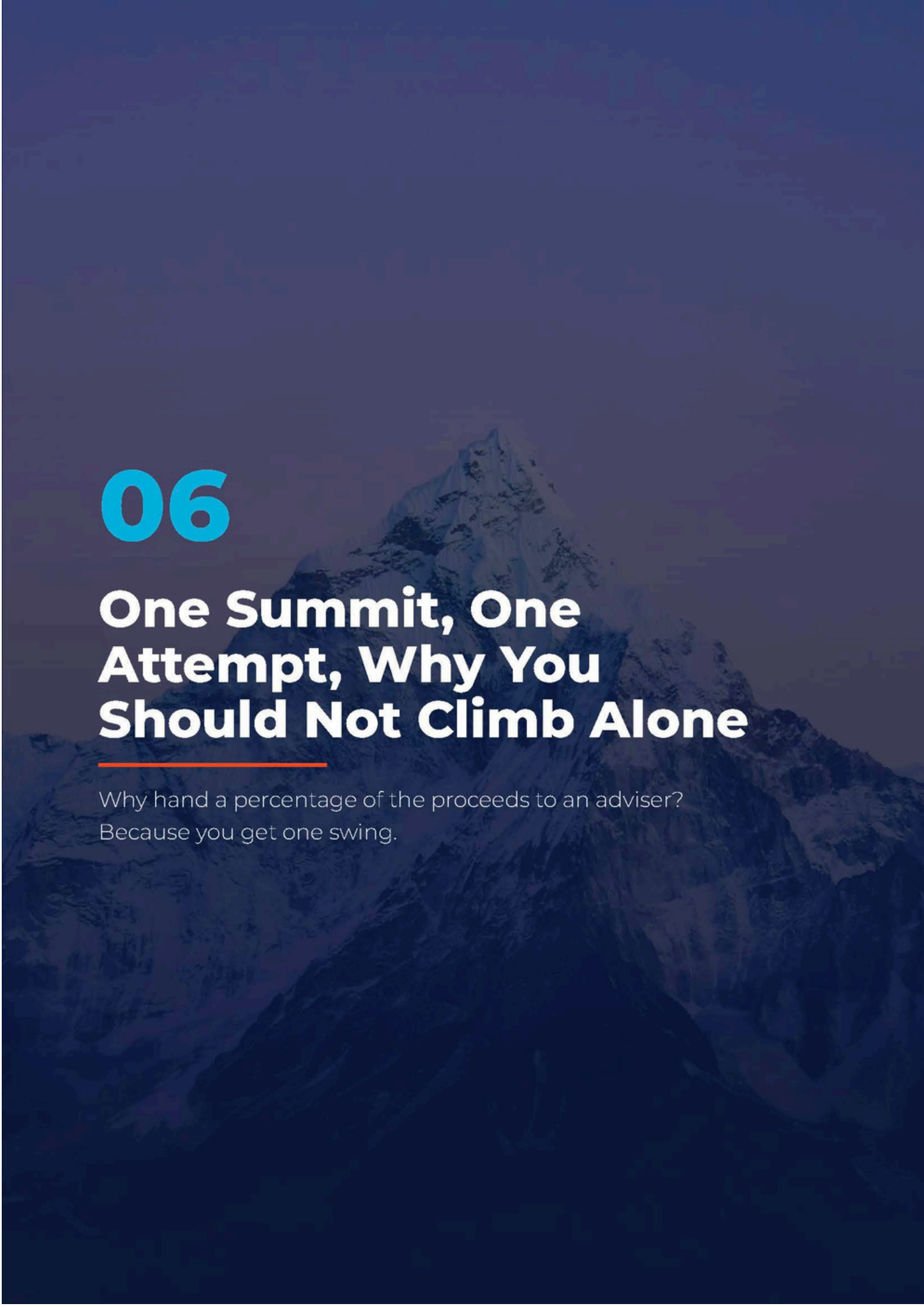
Competitive, Yes. An Auction, Never.

At this point, a fair question arises. Is this not just an auction with better manners? It is not, and the distinction is worth real money. Announce a sealed-bid auction, envelopes opened Friday noon, offers binding, and watch what happens to buyer psychology. Every bidder, nervous of what they cannot see and cannot ask, prices in every risk they can imagine, because winning an auction while having missed something is the acquirer's nightmare. Auctions manufacture caution, and caution comes off the price. On a recent transaction of a few hundred million rand, we received 7 offers, and the most important thing we did to get them was to convince each buyer of the opposite of auction logic: that we would work with them, individually, to help them arrive at their best possible deal. Not necessarily their highest price, but the deal that made most sense for them. We answered every question. We studied their portfolios and looked for the fit ourselves. We were inquisitive about their world so we could show them how this business plugged into it. After the offers arrived, we held clarification meetings with every party to make sure we had understood their offer, and that they had fully understood the opportunity. Offers moved. Some rose, one dropped, and that is exactly as it should be, because the goal is 7 parties each confident they have put forward the deal that is right for them. Competition supplies the tension. Partnership supplies the confidence. The combination produces offers that are both strong and real, offers that survive due diligence rather than unravelling in it.

None of this works without trust, and trust is the asset that takes longest to build. We are not pals with the buyers we work with. We do not go for drinks. Every mandate starts with a clean sheet of paper. But those buyers, many of whom we will meet across the table on deal after deal, know one thing about us absolutely: we do not play games. We will never whisper "hit this number, and it is yours" to one party while saying the same to another. Ask the acquirer community whether we would play them off against each other, and the answer is an unhesitating no. Sellers should

understand why this matters to them. Buyers who trust the process make their best offers inside it. Buyers who suspect manipulation hedge, lowball, or walk. Your adviser's reputation in the buyer market is, quite literally, part of your negotiating leverage. So, for that matter, is their independence. Beware the adviser so deeply embedded in one sector that they know all the players socially. Cosiness with buyers, and the tunnel vision of over-familiarity with an industry, both end the same way: a narrower process, less deal heat, and value quietly given away.

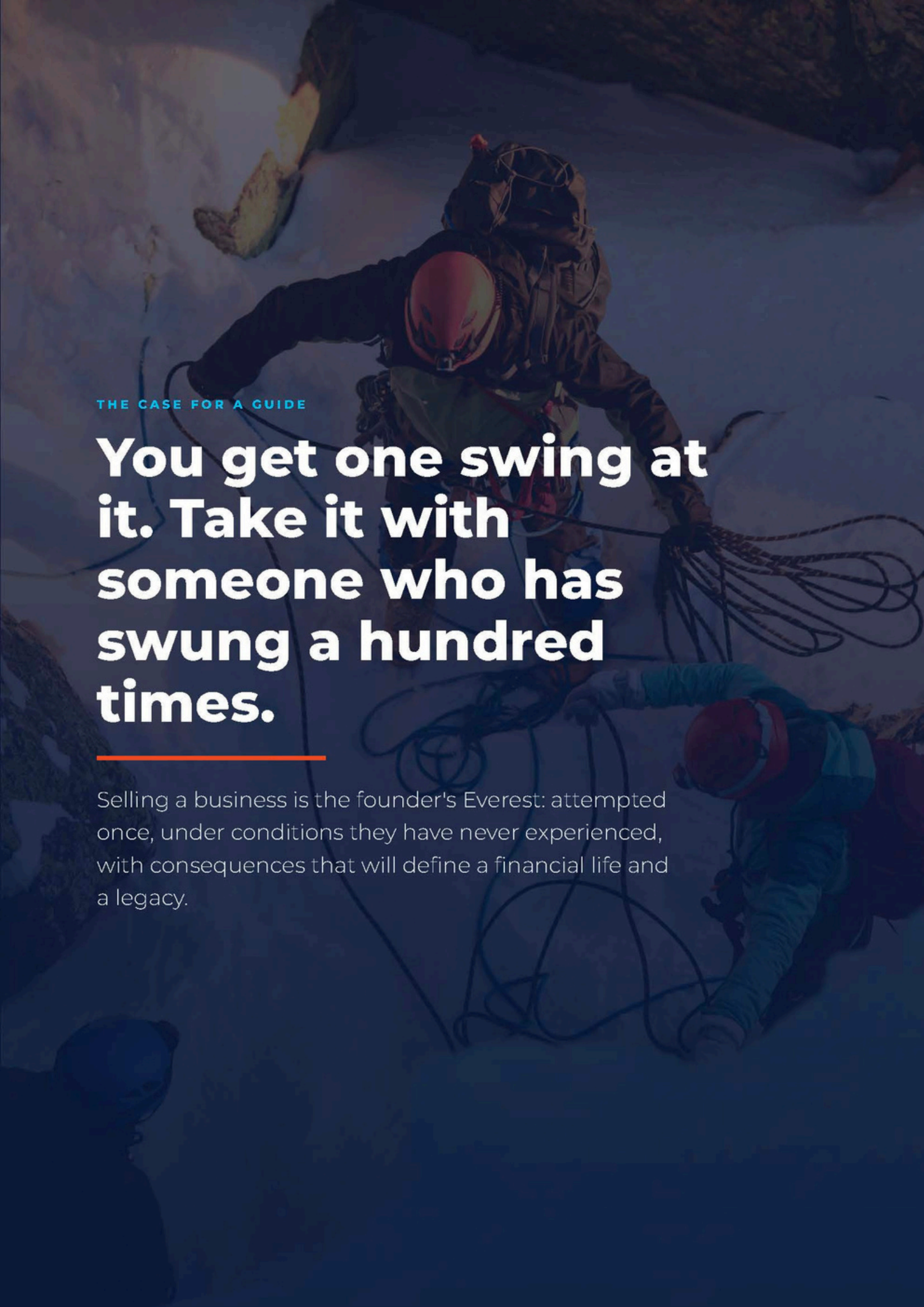
Which brings us to the human discipline the process demands of the seller. Listen more than you speak. The entrepreneurial instinct to close, to drive, to wrap it up, is precisely wrong here, and the right buyer's first offer is often not their best. Leave your ego outside the room, because none of it is personal. A buyer's hesitation is information about their world, not a verdict on your life's work. Do not force. Do not price. Do not prescribe. Prepare, engage widely, create genuine choice, and let a well-run market tell you what your business is worth. It will almost always say a bigger number than you would have dared to.



06

One Summit, One Attempt, Why You Should Not Climb Alone

Why hand a percentage of the proceeds to an adviser? Because you get one swing.



THE CASE FOR A GUIDE

You get one swing at it. Take it with someone who has swung a hundred times.

Selling a business is the founder's Everest: attempted once, under conditions they have never experienced, with consequences that will define a financial life and a legacy.

We come, finally, to a question every owner is entitled to ask us, and which we would ask in their position: after building this business for decades, why on earth would I hand a percentage of the proceeds to an adviser? It deserves a straight answer, and the straight answer begins with an analogy. If you decide to summit Everest, you will likely do it once in your life, and no sane person attempts it without a guide who has stood on that mountain many times. Not because the climber lacks strength or intelligence. The climber may be extraordinary. But the guide knows where the crevasses are, which weather windows are real, what the mountain does to people at altitude. Selling a business is the founder's Everest: attempted once, under conditions they have never experienced, with consequences that will define their financial life and their legacy. The irony we live with daily is that it is the one endeavour accomplished people most often believe they can improvise with their accountant, their lawyer, or their own considerable wits. They either fail, or they succeed and never learn how much they left on the table.

Let us make "on the table" concrete. On a business we sold recently, the offers ranged from roughly R200m to R400m, for the same company, in the same process, in the same season. If you are content with the R200m, then by all means, transact with the first credible party who approaches you. The premium, the difference between the offer you would have stumbled into and the offer a properly researched, properly heated, properly run process produces, does not come from negotiating harder. It comes from everything this book has described: finding the non-obvious buyer among a thousand engaged, preparing answers before questions are asked, creating choice, running parallel engagement, keeping the process competitive without letting it curdle into an auction. That premium routinely exceeds an adviser's cost many times over. And value is only half the argument. The other half is survival. Remember where we began. At 99% complete, a deal still carries a 50% chance of failure. An experienced adviser's other job, less glamorous and just as valuable, is getting the transaction across the line and shielding the owner from the thing failed deals consume most greedily: the focus and energy that keep the underlying business healthy while the process runs.



There is also a quieter reason, and we mention it because owners rarely anticipate it. Selling a business is a lonely journey. Founders typically have no support structure for it. This is not something you discuss at the golf club, and often not even at home. Even where there are several shareholders, each is walking their own private road: different ages, different needs, different fears about what comes after. Through the months of a transaction, you need a peer beside you.

Someone objective, who has walked this path many times, who can give you honest perspective when an offer excites or insults you, and who will take your call on a Saturday after the rugby, win or lose. That is not a line item on a fee schedule.



It is, according to the owners we have guided, one of the things they valued most. What we do is thin-slice one moment in a company's life, the exit, and live inside it every working day. We speak to over 1,000 buyers a year, run process after process, absorb the scars, and accumulate a kind of knowledge that cannot be improvised in the one year an owner gives themselves to learn it. You get one swing. Take it with someone who has swung a hundred times.

A Final Word: Where to Begin

If this book has a single message, it is that the outcome of your exit is largely decided before the first buyer ever sees your name: in the readiness you build, the preparation you invest, the breadth of the search, and the discipline of the process. Which raises the practical question every owner is left holding. Where do I actually start?

Start by refusing to start passively. Do not wait for the approach that flatters you into a corner. Start the conversations about what your business would command today, what type of transaction your readiness currently supports, who the right acquirers might be and why, and honestly, whether you are ready, not just your balance sheet. For owners who want that clarity before committing to anything, we built a standalone engagement we call the Foundation Phase: a formal valuation expressed as a range, a market approach identifying who we would take the business to and why, and a frank assessment of readiness and timing. Should you wait, should you move, and how would you get to the top of that value range rather than merely being told what it is. It requires no sale mandate. Some owners take what they learn and transact. Others take it and build for another few years. Both are good outcomes, because both are chosen outcomes. Our valuations are deliberately conservative, and our record is that the market proves them out at the top of the range. But the deeper value of the exercise is that it converts the fog of "someday" into a map you can actually walk.

You spent decades building something remarkable. The exit is the chapter where all of that value is finally realised, or quietly forfeited. It is a minefield, but it is a mapped one. Walk it prepared, with choice on your side, and with a guide who has crossed it many times before.

WHERE TO BEGIN

The Foundation Phase

A standalone engagement for owners who want clarity before committing to anything. It requires no sale mandate.

A valuation

Expressed as a range, deliberately conservative, proven out at the top.

A market approach

Who we would take the business to, and exactly why.

Readiness & timing

A frank assessment of whether to wait, to move, and how to reach the top of the range.

Some owners take what they learn and transact. Others build for another few years. Both are good outcomes, because both are chosen.

About Deal Leaders International

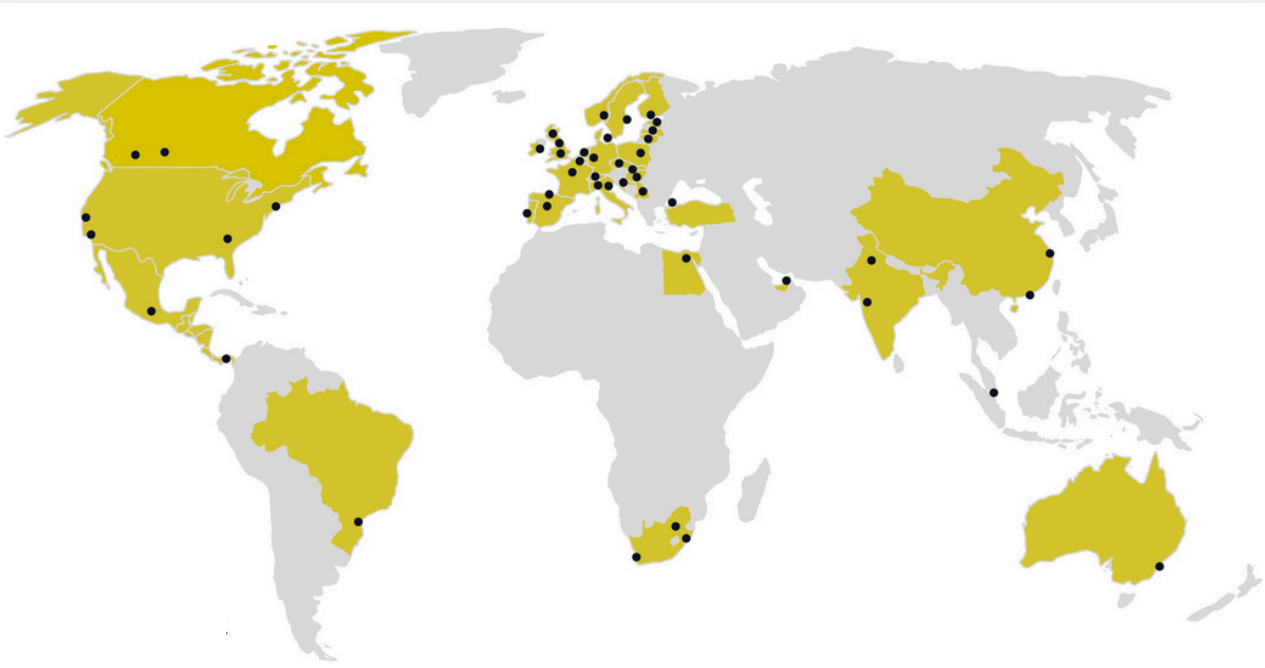
Deal Leaders International (DLI) is a boutique sell-side M&A advisory firm. We specialise in helping business owners and executives, with a business EBITDA between R20m and R300m a year, engineer their growth-to-exit journey.

We go beyond traditional advisory services, partnering with our clients to design, execute and optimise the strategies that achieve maximum value when selling their businesses.

Our mission is to empower our clients to achieve outcomes that align with their financial, professional and personal goals, while positioning their businesses as highly attractive to the right buyers.

As the Africa representative of the Pandea Global M&A Network, we offer our clients both local and international expertise and experience. The network spans 36 geographies and 68 offices, with more than 2,500 completed transactions and a combined deal value of €50 billion. DLI offers deep market insights, practical expertise and a results-driven approach to prepare and successfully execute business growth and exit strategies.

THE PANDEA GLOBAL M&A NETWORK



35	68	2,500+	€50bn	422
countries	offices	deals closed	combined deal value	professionals

DEAL LEADERS INTERNATIONAL



Andrew Bahlmann and Rick Grantham
DLI Joint Chief Executives

About Andrew

Andrew works closely with business owners, corporates and private equity on complex, high-stakes exits. Having built and sold businesses himself, he brings a practical, outcomes-focused approach to every transaction. Andrew is a recognised M&A thought leader, hosting *The M&A Exit Lab* podcast and contributing regularly to the media.

About Rick

Rick is actively involved in executing transactions for business owners. Having built, acquired and sold businesses himself, Rick brings a practical, results-driven perspective to every engagement. He is also the author of *Premium Exit Blueprint* on Substack, a weekly thought-leadership series in which he shares insights to help entrepreneurs navigate the complexities of selling a business.

DEAL LEADERS INTERNATIONAL

START A CONVERSATION

You get one swing. Make it count.

Whether you are a year from selling or five, the earlier the conversation starts, the more choice you have. Book a discovery call and we will map the ground ahead of you.

Scan the QR code to book a discovery call

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