

M&A Survey Results

In 2020, the youngest baby boomers will turn 55 years old, and baby boomer business owners, who own over 75% of the 6million+ private businesses in the US with payroll, will need to transition their companies to new owners.

- 70% of M&A professionals surveyed said that business owners are minimally prepared or not prepared at all to sell or transfer their companies.
- 95% of M&A professionals believe a business owner’s unrealistic expectation of company value and operational or market issues are the biggest obstacles facing business owners who want to sell or transfer their companies, followed by perceived risk of the company not staying on track without the current business owner(s) in charge, and lack of transparency into the operations:

Top Issues Facing Private Companies Trying to Sell				
	Extremely Problematic	Very Problematic	Somewhat Problematic	Total
Business owner has an unrealistic expectation of what their company is worth	30%	48%	17%	95%
Company has operational or market issues that would make it hard to sell	13%	35%	48%	95%
Perceived risk that the company won't be able to continue on its path without the current business owner in charge	4%	40%	48%	92%
Lack of transparency into the operations of the company	4%	40%	43%	87%
The company needs a lot of work before it could be marketed to a third party	9%	30%	35%	74%