The MBO Process

Undertaking an MBO is a time consuming and complex process. It involves many different phases with a whole host of crucial elements needing to be pieced together before the picture is complete. Whilst no two MBO's are the same, the approach to the vendor needs careful consideration, the following is a typical sequence of events :-

Assemble the management team

Identify suitable funders

Develop the business plan

Negotiate Legal Documentation

Select and appoint a corporate finance adviser

Tax Planning

Approach the vendor to obtain approval

Due Diligence

Feasibility study to see if suitble for MBO

Negotiate the price/terms

Obtain and negotiate offers of funding

Negotiate heads of agreement with vendor

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