

Seller Due Diligence

Olympic success or epic fail

GOLD MEDAL:

In corporate mergers and acquisitions for both asset sales and share sales, sellers often fail to undertake their own thorough due diligence before going to market.

SILVER MEDAL:

Effective seller due diligence does involve time and cost but, in our view, is most certainly worthwhile.

BRONZE MEDAL:

Thorough seller due diligence, before going to market, is likely to positively impact the prospects of a sale and to maximize the sale price.

HONORABLE MENTION:

Sellers should undertake due diligence on prospective buyers where post-closing buyer commitments will be important for the seller, to ensure that those commitments are properly recorded in the transaction documents.

HONORABLE MENTION:

A thorough seller due diligence process is likely to enhance the prospects of a successful sale – Olympic gold medal success. On the other hand, an inadequate or non-existent seller due diligence process is likely to contribute to a difficult sale process with a less than ideal outcome or worse still, a failed sale process – an epic fail.

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