

How Understanding Psychology Can Benefit Your Deals

We work closely with our clients to preserve the integrity of deals so that they have the best chance of a successful closing. An often-overlooked aspect of the process is understanding and embracing human psychology. In this article, we will explore some of the most common ways that psychology comes into play.



The Element of Time

It is critical that both buyers and sellers feel well prepared at every stage of the process. It is also essential that a certain momentum is established through every stage of the deal. When too many delays happen, this can start to derail deals.

Think about the Buyer and the Seller

For both parties, the buying or selling of a business is a life-changing event. For this reason, it is important that you invest the time to think about the point of view of the other people involved. No doubt, buying and selling can be stressful, so it's important to take other people's thoughts and feelings into account. You are not the only one who may be experiencing a little stress.

The Issue of Non-Active Partners

In some deals, non-active partners can pose challenges to finalizing deals. They often have different motivations than the seller who is in the role of running the business. In a situation where two sellers have divergent goals, it can pose a challenge to a deal. The best thing to do is to try to understand the point of view of each seller and help them both reach their respective goals.

Identify Influencers

Influencers and recommenders can have a powerful sway over both buyers and sellers. By influencers, this could mean accountants, lawyers, relatives, etc. In order for a deal to go through successfully, often these influencers must be identified and their viewpoints must be addressed. On a practical level, there are also other people involved that can interfere with a deal, such as landlords. It's important to make sure that these individuals feel as though they will benefit from the success of the deal as well.

There are many moving parts needed to get to the finishing line. Human psychology plays a huge role in what decisions get made. It's vitally important to take the time to consider what others involved in the deal might be thinking or doing. Your Business Broker or M&A Advisor will benefit you by getting to know all parties involved and taking the appropriate actions to ensure things are done to the satisfaction of all parties.



Business Sales & Acquisitions

Petroleum & Propane Industries Since 1976

CK Business Consultants, Inc. has been dealing exclusively in the sale and acquisition of petroleum and propane related mid-market companies since 1976. We are qualified, experienced, and highly professional intermediaries working with both buyers and sellers in the successful transfer of business ownership. We handle all phases of the project including initial analysis, valuations, developing a confidential information memorandum, locating qualified buyers, negotiations, and execution of the transaction. For more information, please call or email Gary Papay @ 570-584-6488, gpapay@ckbc.net or visit our website @ www.ckbc.net.