

The Sale of a Business May Actually Excite Employees

Many sellers worry that employees might “hit the panic button” when they learn that a business is up for sale. Yet, in a recent article from mergers and acquisitions specialist Barbara Taylor entitled, “Selling Your Business? 3 Reasons Why Your Employees Will Be Thrilled,” she brings up thought-provoking points on why employees might actually be glad to learn the owner is selling the company. Let’s take a closer look at the three reasons that employees might actually be pretty excited by the prospect of a sale.



Taylor is correct in her assertion that employees may indeed get nervous when they hear that a business is up for sale. She recounts her own experience selling a business and being concerned that her employees might “pack up their bags and leave . . .” As it turned out, they didn’t and the employees stayed on after the company sale.

Interestingly, M&A brokers and advisors often see something of a paradox. In a business sale, employees often worry that a business buyer will “come in and fire everyone”, yet, in the vast majority of business sales, the buyer has no intention to clean house and, worried that everyone will quit, the business buyer works to ensure the employees will stay.

An excellent point for business owners to relay to their employees is that when buying a business, the buyer will be highly dependent on the expertise, know-how and experience of the current employees. An ownership transition will most likely mean better job security.

A second positive factor that can give employees reason for enthusiasm is that a business acquisition brings the prospect of new opportunities for career advancement. The size of your business will help determine the opportunities for employees to move up. Selling a business to a bigger firm may present workers more places and options to move up through the organization. If your firm changes overnight, from an owner operator

management style to a mid-sized company, then your people may suddenly have opportunities open up for them.

Finally, divesting a business can bring “new growth, investment capital, energy and ideas.” Taylor discusses how she had worked with a 72-year-old business owner that was exhausted and simply didn’t have the energy to run the business. The owner came to recognize that new blood could nourish the business with fresh ideas, renewed energy and drive to propel new growth and success.

Experienced M&A brokers and business sale advisors know that how information is presented is critical. They can help prepare for talking to the employees before or after a sale, and can help minimize damage if the employees discover plans to sell the business before the owner decides to tell them. One concept people have learned who have a great deal of experience in selling businesses, such as merger and acquisition brokers, is the importance of giving the appropriate people the right information in the right way, at the appropriate time.

If it is time to sell your business, whether a propane business, an oil & gas service company (exploration, production, or transmission), a manufacturer, or other business, reach out and tap into wisdom built through experience. Feel free to give us a call at (844) 749-6016 for a confidential visit.

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