

M&A expert explains how businesses can prepare and make their numbers tell a compelling story

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May 4, 2022



When prepping for a significant deal, one of the most important aspects a company must showcase is their metrics. However, many don't realise the message the numbers themselves are telling potential buyers about the history and the future of the business. Numbers don't lie, and their narrative could be the difference between a successful deal, and one that falls flat.

Mergers and acquisitions are not for the faint of heart. They require the difficult task of seamlessly blending systems, teams, cultures, and processes effectively. According to the Harvard Business Review, around 70-90% of M&As end up in failure. Therefore, it's so important for both parties involved in the deal to do their due diligence, delving into the data to establish what it reveals about the culture, team, and overall if the businesses are a good match for each other.

Numbers tell a story, and businesses in the market for a deal need to be cognisant of the message their numbers are telling stakeholders. Stakeholders are on the lookout for numbers telling them what deal is in their best interest, the growth rate of the business, their profit trajectory, the long-term strategy, and ultimately, how the company fits with theirs.

Chris Biggs, Partner at Theta Global Advisors – an accounting and consultancy disruptor – comments:

“With 2022 being another big year for mergers and acquisitions, it is integral for companies involved to be keenly aware of the numbers they are highlighting and the message they send about their business. From company culture to profit history and future trajectory, the numbers don’t lie – and companies need to prepare well in order to share a story that benefits themselves and stakeholders.

“Companies must prepare their business optics when in the market for a deal by emphasising the message told by the numbers, showcasing their sustainability and profitability, and highlighting their strong second-tier management, ready to take reigns at a moment’s notice.

“Prepping for a deal in the right way also involves further considerations such as reviewing company culture, financial controls and systems, and ensuring personnel stay after the deal is done. Focussing attention on these areas, along with increasing visibility, identifying potential acquirers, and hiring an astute advisor for guidance, will set your business up for success in the M&A arena.”