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Key moves to maximize value when selling your business

Benjamin M. Cooke

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Benjamin M. Cooke

There may be no more difficult decision for a business owner than the decision to sell a business. The difficulty in the decision lies not only in the emotion of turning over a life's work and a career, but also in the number of complex questions that must be answered: What will happen to my employees and my leadership team? Will the culture of my business change? Will my legacy be remembered? Will the values of my business be upheld? Is now the best time to sell the business? This last question is vitally important.

Middle-market M&A is currently experiencing a robust level of activity. Anecdotally, Hahn Loeser's practice has experienced a significant uptick in transactions in 2025. Entering the 4Q of 2025, there remains healthy optimism that deal activity will remain strong into 2026. Interest from private equity and strategic acquirers remains solid.

Technology, healthcare, energy and life sciences sectors remain popular areas for M&A due

to growth potential and innovation, particularly around artificial intelligence. Similarly, demand for electrical infrastructure is strong. Anticipated interest rate stabilization or cuts, combined with a healthy private credit market, will add clarity to enhancing conditions that we believe will ultimately drive deal activity.

This healthy deal market begs the question: what proactive steps can a business take to position itself to capitalize on this upward trend? Our core recommendation to clients considering a sale focuses on four key elements.

First, businesses should maintain an engaged management team that is focused on key growth drivers. If the business is presented with a growth opportunity, like a capital expenditure to meet new customer demand, pursuit of innovation through technology (i.e. AI) or a potential acquisition, the business should pursue these opportunities as if no transaction is on the horizon. Business owners should empower management to operate the business to achieve business growth. It is important to be able to articulate to buyers the business' growth strategy and proposition. It may seem counterintuitive to business owners, but a business that can operate and grow without the founder/owner is far more attractive to potential acquirors than a business whose success has been tied to a founder who is looking to exit.

Second, business owners need to review key customer and supplier relationships. Businesses with a diversified supply chain and documented standard operating procedures are viewed favorably. Customer concentration is always a focus. Reliance on a single or small group of customers is less problematic when the business is a single or dual source supplier or is entrenched in the customers program. Buyers prefer to see longevity over time when reviewing the list of top customers.

Third, businesses need to consistently review their financial performance to ensure that their earnings remain on par with historical levels and exceed budgets and projections. Consistent profitability and clean financial statements, with a consistent approach to revenue recognition, are a must. Buyers are interested in consistent recurring revenue. Long term or recurring contracts are much preferred over lumpy sales and one-time projects.

Lastly, engaging your professional advisors early in the process is key. Whether that be legal counsel or investment banking, a business owner needs to engage its advisors at the inception of the sale process. As the business will be subject to significant scrutiny in due diligence, your professional advisors can help you anticipate issues and prepare for the transaction process. This initial work is paramount if a selling business wants to capitalize on the current deal environment. Further, in our experience, engaging advisors early in the process can decrease overall transaction costs and streamline the ultimate timeline to a successful closing.

Benjamin M. Cooke is Partner and Corporate Transactions Group Co-Chair at Hahn Loeser & Parks LLP. He has a wide range of experience representing both private sellers and buyers in M&A transactions and has advised numerous buyers in management group buyouts, corporate divestitures and spin-offs.