

# Deals Done Efficiently: Four Things M&A Advisors Need to Know



**PAUL KOENIG**  
CEO and Co-Founder  
SRS Acquiom

Before co-founding SRS Acquiom, Paul was one of the founding partners of Koenig & Oelsner, a Denver-based corporate and business law firm with a strong practice in mergers and acquisitions, securities, and financing transactions. Prior to that, he was an attorney in the Chicago office of Latham & Watkins, and in the Colorado office of Cooley LLP.

Paul has authored numerous articles and is a frequent speaker at industry events. He received his BBA in finance from the University of Iowa and graduated from Northwestern University School of Law.

**“Look for a technology partner that can evolve with every phase of the deal cycle.”**

—Paul Koenig

*Consideration of both pre- and post-closing deal requirements creates a more holistic client experience. While M&A advisors (and their clients) may not be thinking about closing mechanics and post-closing matters now, doing so can help drive efficiencies, ensure a smoother close, and remove added work and headaches later in the deal process. SRS Acquiom offers these tips to help you provide more value in your role as an M&A advisor.*

M&A advisors play a pivotal role in managing the deal process and can be essential in navigating the elements of a transaction across its lifecycle—striving to ensure all parties arrive at closing as efficiently as possible. In private M&A transactions, the client’s journey doesn’t end at the deal closing. Issues with working capital adjustments, earnouts, escrow releases, and potential claims can cause the M&A post-closing mechanics to play out for quite some time. Considering these kinds of post-closing challenges earlier in the deal can help drive efficiencies and remove added work later in the deal process. Based on our experience servicing more than 6,300 deals with an aggregate value of more than \$775 billion, the team at SRS Acquiom presents the following information to consider on your next transaction.

## 1. Pick a consistent M&A technology partner for the entire deal process

It doesn’t have to be complicated: Pick a technology partner that understands what you and your clients will encounter throughout the deal process. From building the pitch book for your client, to efficient due diligence, to digital stockholder solicitation, to fast, efficient payment of the merger consideration, a “once-and-done” tightly integrated approach can remove headaches and set deal parties up for success.

Look for a technology partner that can evolve with every phase of the deal cycle. A single end-to-end partner can help you minimize the friction that can complicate and delay

M&A deal administration. Examples of such efficiencies include digital solicitation of stockholders to ensure a timely closing, online payments with integrated FX to ensure a smooth shareholder experience, and a real-time dashboard that provides visibility and control across all your deals.

Ease of use is also key: the technology interfaces should be simple and intuitive, so M&A advisors, clients, and all involved deal parties do not have to waste energy on training and trial and error. Deal parties should also be able to access the real-time status of documents and signatures. Genuine support is also integral. Look for access to people with the expertise to help quickly resolve issues at hand.

## 2. Be a more valuable partner: Proactively solve post-closing issues before they start

In the past, advisors were mostly focused on certain aspects of the deal. In broad terms, bankers brought the parties together and helped reach agreement on high level terms. Lawyers handled documentation and many of the details. Increasingly, advisors have the opportunity to add even more value by advising their clients on what will be coming several steps later in the process and ensuring that the client has the best overall experience possible.

It is easy to assume that the client team can readily manage post-closing aspects of the deal process—such as escrow releases and indemnification claims. But indemnity

claims, post-closing purchase-price adjustments, and earnout status tracking take time and specialized experience to resolve correctly. Any wrong move can result in prolonged disputes and reduced payouts.

Most clients benefit from professional, systemic management of the deal process and value their M&A advisor's recommendation. Professional shareholder representatives typically resolve a wide range of post-closing demands, such as managing disputes and reporting, and ultimately reduce the considerable stress on clients and other deal parties.

Connecting your clients early in the process with an experienced professional shareholder representative to handle post-closing issues will help achieve better outcomes for your clients and ensure a smoother post-closing experience. A seasoned professional shareholder representative will have in-house expertise to anticipate potential problems, execute solutions, and sustain support throughout the multi-year process of earnouts and payments—taking the burden off your clients.

### 3. Speed matters: Use digital shareholder solicitation for an efficient path to closing

Paper or email-based systems for capturing shareholder permissions can quickly bog down an M&A deal closing. Arrive at deal closing in a more

efficient and timely way by using digital shareholder solicitation. It removes the friction from gathering consents, joinders, 280G elections, multi-party signatures, LOTS, W8s, W9s, and any other documents or workflows needed for your client's deal.

With an online M&A system, your client can quickly solicit shareholders as well as control which documents shareholders see, and when. Each shareholder receives only the information pertinent to them and can respond immediately. Not only is the process intuitive, but it also reduces the need for individual follow-up and clarification. And of paramount importance, choose a technology solution with robust security and data privacy protocols. A digital approach makes the process far more efficient—saving time, headaches, and money.

### 4. Ensure your clients have a professional paying agent with the latest technology for efficient and effective merger consideration payouts

M&A advisors sometimes believe that an escrow agent may be the best way to handle the distribution of deal proceeds. Some escrow agents, however, do not handle payments. This requires the parties to bring in an additional vendor. With escrow agents that do handle payments, there are often

functions beyond what a typical escrow agent performs that can slow down a deal closing. A typical escrow agent is not usually responsible for collecting letters of transmittal, which include tax forms and payment instructions at closing. As such, the deal parties must pause the transaction to coordinate how to solicit shareholders.

There is a better way. A full-service, professional agent that handles both escrow and paying agent services can address various M&A payments, including escrows, compensation payments, non-gross proceeds such as dividend or interest payments, and transaction expenses at the closing. They can collect tax information, and they are knowledgeable about tax reporting. This relieves the administrative burden from the deal parties.

A voyage through the M&A deal process can be fraught with many unknowns, especially the downstream effects of decisions made early in the deal process. M&A advisors can spare themselves and their clients from added work later in the process by keeping closing and post-closing matters in mind and looking for a single vendor that can handle the requirements of many stages of the deal. An M&A technology partner with an integrated approach that supports each phase of the deal process can help deals flow more easily. Such a partner can reduce friction and help M&A advisors deliver a better client experience. ●

## ABOUT SRS ACQUIOM

SRS Acquiom delivers a smarter way to run deals with solutions that reduce the administrative burden throughout the entire deal lifecycle. Our M&A services include paying and escrow agent services, online document solicitation and reporting, professional shareholder representation, and virtual data rooms. For loan and credit transactions, we provide independent administrative, collateral, and sub-agent services. Since 2007, we have helped sophisticated deal parties reduce administrative drag, enabling them to focus on building great businesses and maximizing value.