

Sell-side assistance

Executing an efficient disposal: Maximising speed and minimising management disruption

ADVISORY

It is common knowledge that buyers need to spend considerable time and effort in a sophisticated due diligence process to ensure they acquire the right company at the right price. However, sellers need to engage in a similar process not only to determine the correct valuation for their businesses, but to ensure that they achieve that price.

KPMG can assist you in all aspects of a disposal of a company or a subsidiary or a business unit. Our services include vendor due diligence reports, as well as data room assistance, presale reviews, completion of financial information and advice throughout the disposal process.

[Vendor assistance vs. Vendor Due Diligence](#)

Vendor Assistance is appropriate when a company is considering

restructuring or spinning off operations and the company has limited experience and resources for the planning and possible execution of the disposal process.

Vendor Assistance is carried out solely for the benefit of the vendor.

Vendor Due Diligence is particularly valuable for carve-outs or disposals of subsidiaries of larger companies that have not previously been analysed on a stand-alone basis and for private companies that don't have the advantage of a public market valuation.

A Vendor Due Diligence report will be an independent report for the benefit of the potential purchaser.

For a detailed comparison, please see next page or following chart.



Issues	Vendor Assistance	Vendor Due Diligence
Public/Private reporting	Private reporting, assistance and advice to the business	Independent report available to prospective purchasers. Replaces or supplements data room for financial and operational information
Maximise pool of bidders	Our transaction professionals drawn from a variety of backgrounds will identify information required to access the maximum numbers of bidders	An independent report designed to meet the needs of overseas bidders
Demonstrating value of business	Identifies key bidder value drivers, the key related risks, and hence information required by bidders	Independent report identifies key business streams and clarifies any areas which are not obvious from public material
Addressing weaknesses	Pre sale review prepares management for questions likely to be asked	Independent report will address areas of weakness likely to be attacked and set out reasons behind weaknesses and remedies implemented
Minimise erosion of prices bid to completion	Quality assurance of information provided throughout the process	Bids are based on detailed due diligence in vendor due diligence report
Increasing prices bid	Independent pre sale review will ensure no misunderstandings arise around financial record	Independent report presents financial and commercial review
Minimize disruption to management and staff	Our well established Q&A handling process can assist management in providing answers to questions raised and we can attend meetings with prospective parties	Independent report provides a comprehensive picture with the aim to limit questions of prospective purchasers
Understand bidder's negotiating strategy	During dataroom phase, monitor dataroom files usage and other bidder team activity	Due diligence provides advance warning of likely bidder reaction to issues identified
Effect a quick and effective separation	Transfer of the business will require some practical separation planning and identifying possible barriers at an early stage	Independent report can set out steps to effect separation defining boundaries and planning for transitional arrangements
Minimize contractual warranties/ indemnities	Contract specialist assistance in drafting accounting sections of contracts. Data room methodologies integration with needs of disclosure schedules	Independent report provides comprehensive information around expected areas of concern helping to limit warranties.

For more information please contact: Munawarali Cassoobhai, mcassoobhai@kpmg.com
 Al Dainy Plaza, Al Medina Road, P.O. Box 55078, Jeddah 21534, Kingdom of Saudi Arabia, Tel: +966 2 658 1616, Fax: +966 2 605 0597

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