



STRUCTURING THE SALE

Insights for *Private Business Owners*

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FOREWORD

We are pleased to share our Insights for Private Business Owners Report, *Structuring the Sale*. Designed to help owners prepare for the successful sale of a business, it features advice and recommendations from 354 experts—including attorneys, investment bankers and CPAs—who structure hundreds of transactions each year.

This proprietary report explores how to avoid common pitfalls and mistakes when selling a business, how to prepare for optimal outcomes, and how to choose the right deal structure. The study reflects the specialists' perspective on the state of the M&A market and, more importantly, its future. Above all, this information underscores the value that a trusted team of experts can bring to a sale when prospective sellers engage them as early as possible.

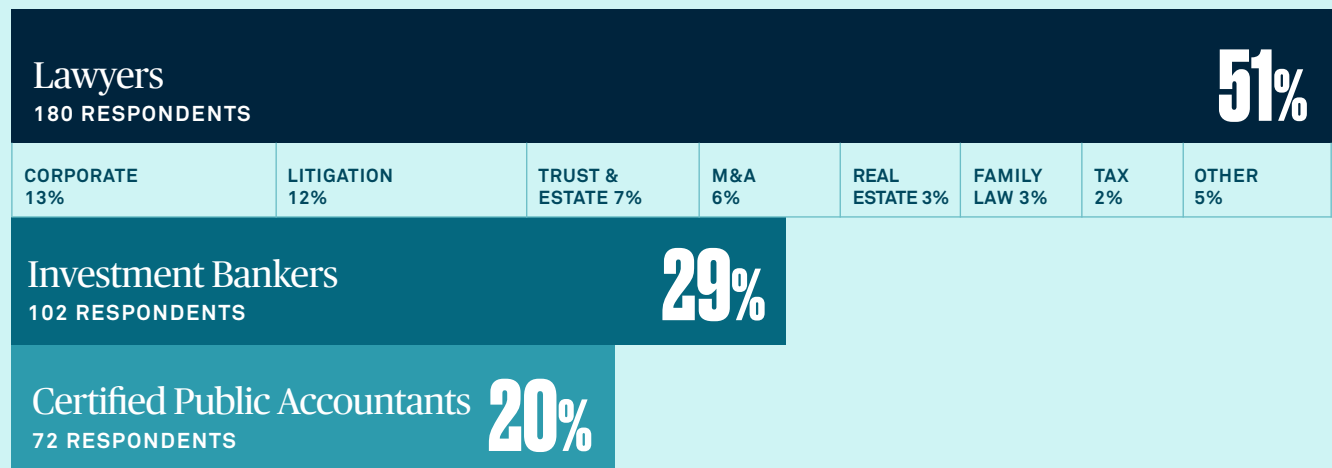
These timely insights build on our 2025 *Mastering the Sale* research report, which presented data and first-hand experience from private business owners who were either navigating or had recently completed a sale. This year, we turn to the professionals who advise on these transactions every day. The result is a complementary perspective on a process that is often both exciting and daunting.

Because publicly available guidance on selling a private business remains limited, many owners begin the journey feeling less prepared than they would like. At BNY Wealth, we hope this multi-year body of research helps narrow that information gap. Drawing on more than 240 years of experience advising business owners, we are proud to offer expertise, resources and a specialist network to support owners and their advisors at every stage of the journey.

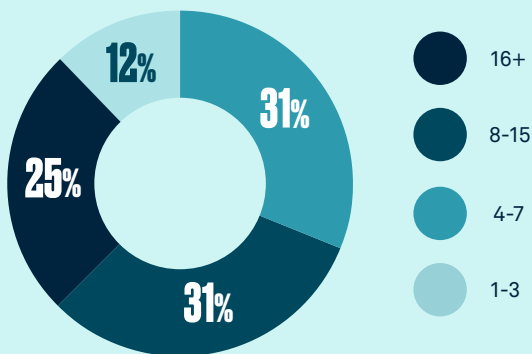
RESPONDENT PROFILE

In collaboration with The Harris Poll, we surveyed 354 professional advisors and attorneys. We enriched these quantitative findings with in-depth qualitative interviews.

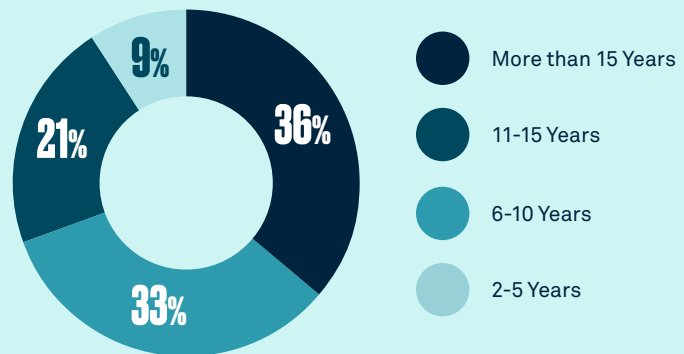
PROFESSIONAL TYPE



BUSINESS DEALS ADVISED ON IN 2025-2026



YEARS OF EXPERIENCE



ENTERPRISE VALUE ADVISED



PRIMARY INDUSTRY ADVISED

- 31% Financial Services
- 13% Business Services
- 12% Real Estate
- 9% Technology
- 7% Consumer/Industrial/Energy/Other
- 5% Healthcare
- 21% A Combination of Industries

*Combined percentages may not total 100% due to rounding.

01

WHEN TO SELL

For many entrepreneurs, a business they have built is far more than a professional achievement—it is the embodiment of years of ambition, sacrifice and unwavering belief in something they have created from the ground up.

For founders and business owners, a sale is therefore not simply a transaction, but the culmination of a personal journey defined by perseverance, resilience and carefully weighed risk. The longest-established business we included in our 2025 study had been nurtured for nearly 40 years before it was sold.

As with many of life's defining decisions, the choice to sell is rarely shaped by a single consideration. More often, it reflects a convergence of personal, financial and market forces that together make the timing feel right. On average, advisors identified three primary factors behind their clients' decision to sell, with the leading motivations closely clustered: personal considerations, favorable exit opportunities and competitive pressures.

For some, a sale marks not only an ending, but also the beginning of a new chapter. Serial entrepreneurs are a notable part of this picture, with 40% selling at least in part to redeploy capital into other business or investment opportunities.

WHAT ARE THE TOP REASONS ADVISORS SAY PRIVATE OWNERS ARE CHOOSING TO SELL THEIR BUSINESS NOW?



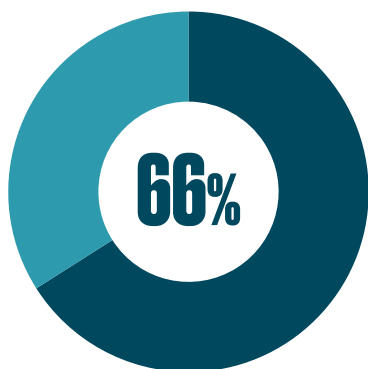
The range of reasons for selling underscores that the decision is ultimately personal and not only driven by market conditions but also by evolving careers, ambitions and family circumstances.

02

M&A MARKET TAILWINDS AND RISKS

The prevailing view among advisors is that current M&A conditions remain favorable. Two-thirds (66%) describe the market as strong, and more than half report increases in letters of intent, closed deals and mandate volume compared to 12 months ago.

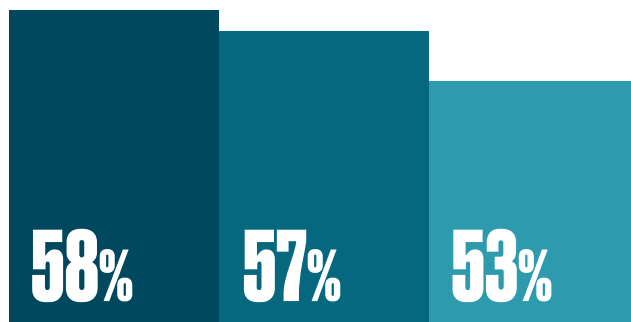
HOW WOULD YOU CHARACTERIZE THE CURRENT M&A MARKET FOR PRIVATE BUSINESS OWNERS?



- Rate the market as somewhat or very strong
- Rate the market as average, somewhat weak or very weak

COMPARED TO 12 MONTHS AGO, HOW WOULD YOU DESCRIBE DEAL ACTIVITY AROUND EACH OF THE FOLLOWING?

Advisors reporting an increase in:



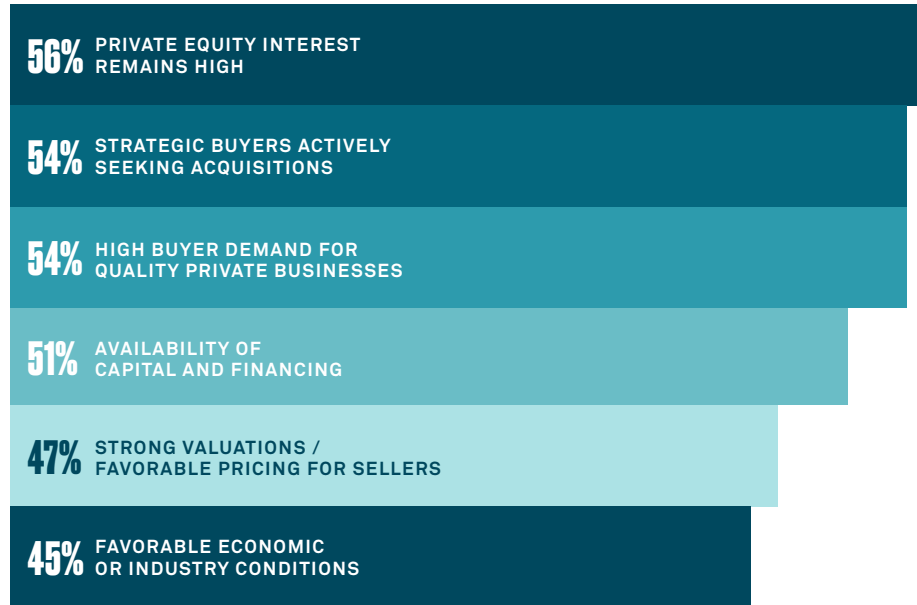
- Number of Letters of Intent
- Number of Closed Deals
- Volume of Mandates

Advisors who view the market as strong flag interest from private equity and strategic buyers as key reasons for current market strength. Many advisors also cite favorable financing conditions and robust valuations. Dealmaking staged a strong comeback in 2025, as buyouts surged, exits rebounded and initial public offerings (IPOs) returned.

In fact, deal value, when measured across all buyout and growth deal sizes, increased 17 percent in 2025.*

*McKinsey, Global Private Markets Report 2026.

WHAT ARE THE PRIMARY REASONS YOU RATE THE CURRENT M&A MARKET FOR PRIVATE BUSINESS OWNERS AS STRONG?



Respondents were able to select multiple options, hence combined percentages total over 100%. Sample, n=232.

“The market remains very active for our clients in the \$10-\$250M range, [though] transactions have taken a little longer to do and have become very professionalized.”

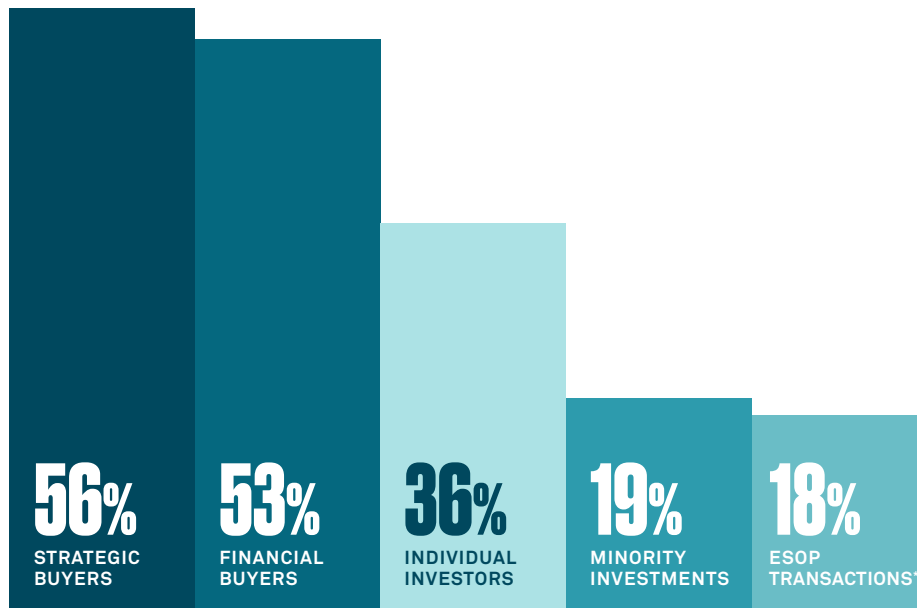
SAM WARWAR

Shareholder, Coolidge Wall Co., L.P.A.



Advisors plan to continue prioritizing strategic and financial buyers over the coming three years.

OVER THE NEXT 3 YEARS, WHICH BUYER TYPES WILL YOU PRIORITIZE IN YOUR OUTREACH FOR CLIENTS?

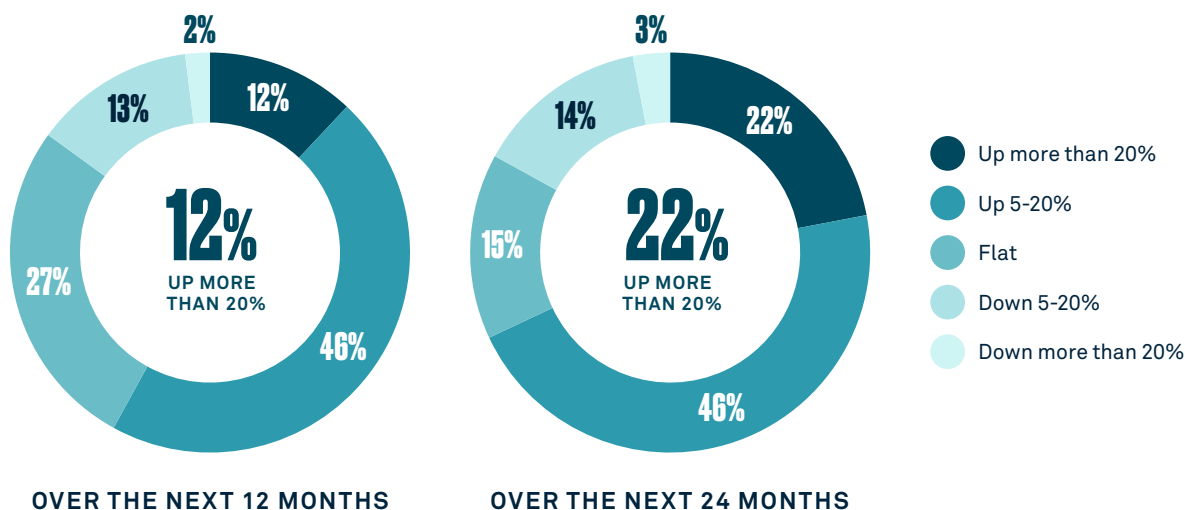


Respondents were able to select multiple options, hence combined percentages total over 100%.

*Employee Stock Ownership Plan Transactions

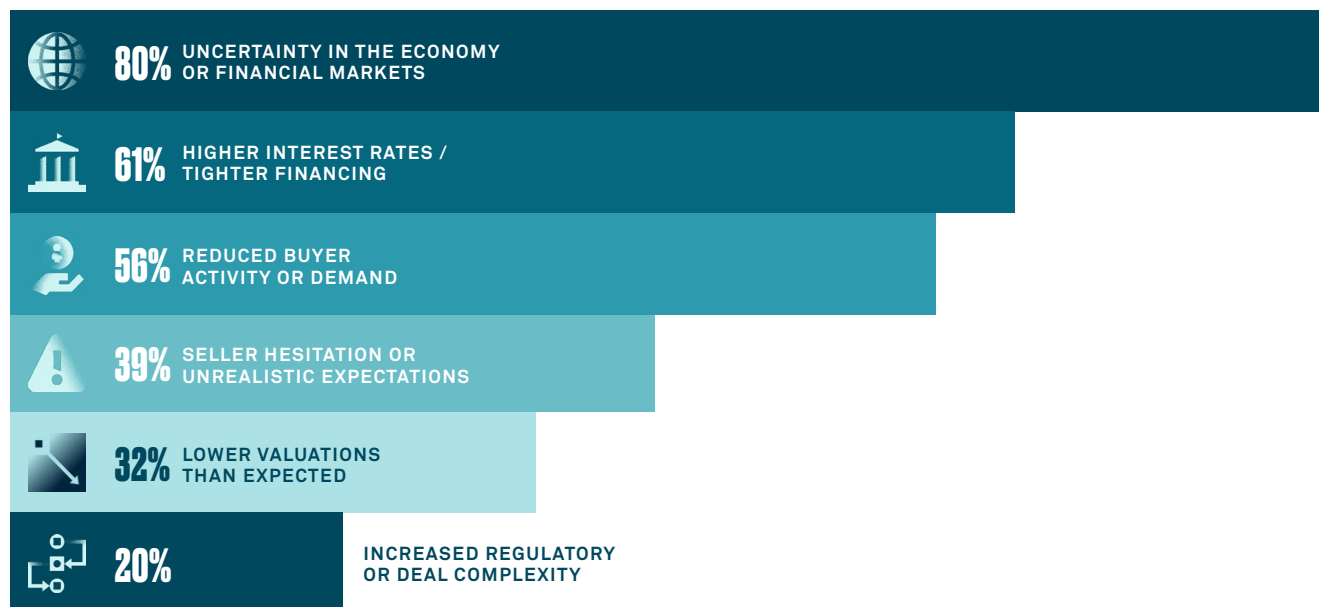
Looking ahead, sentiment remains firmly positive. This is most evident in expectations for deal volume over the next 24 months, with more than two-thirds of advisors anticipating an increase over that period. This is consistent with the findings from our 2025 report, where we similarly interviewed 127 private business owners about what is most important in their process. The most critical takeaway: too often owners start the planning process too late and either miss or rush key planning opportunities. Preparation time is the number one suggested indicator of success.

WHAT IS YOUR EXPECTATION FOR PRIVATE BUSINESS DEAL VOLUME OVER THE FOLLOWING TIME HORIZONS?



Cautious Advisors Point to Possible Headwinds

Even so, optimism is not universal. One-third of advisors report weaker current conditions, and among those with a more cautious outlook, economic and financial uncertainty stands out as the primary factor weighing on activity.



Looking ahead to the next 12 months, advisors cite the prospect of higher interest rates and credit tightening as the leading risks to the M&A market. For private business sales, higher rates can be especially consequential, increasing buyers' cost of capital and, in turn, placing downward pressure on valuations.

While a U.S. recession is currently regarded by most advisors as unlikely, more than half still believe recession risk or earnings downgrades are important threats to monitor. Those risks would become more acute if interest rates were to rise sharply, potentially creating a more challenging environment for dealmaking.

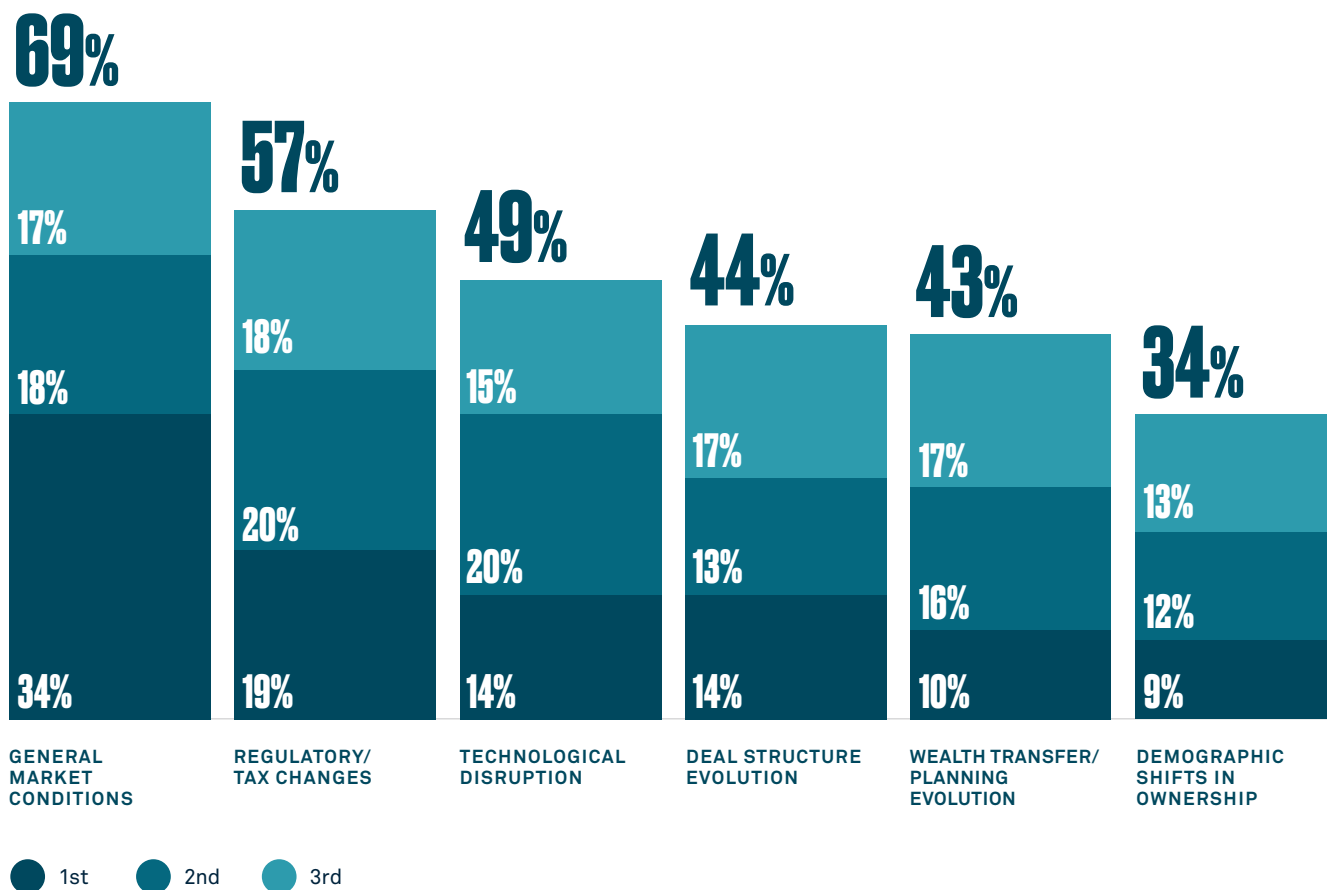
WHAT KEY RISKS COULD DAMPEN M&A ACTIVITY OVER THE NEXT 12 MONTHS?



Respondents were able to select multiple options, hence combined percentages total over 100%.

Advisors track market conditions closely because they play a significant role in shaping deal outcomes. While every business and sector is influenced by its own underlying dynamics, all are ultimately tied to the broader market environment, which sets the tone for valuations, financing conditions and buyer appetite.

OVER THE NEXT FIVE YEARS, WHICH THREE TRENDS WILL MOST SHAPE THE SALE READINESS STEPS YOU RECOMMEND?



03

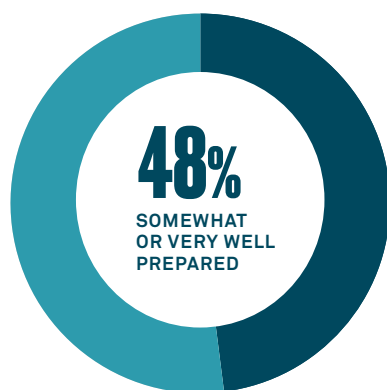
PATHWAYS TO BETTER OUTCOMES

For many owners, preparing for a sale is about far more than getting their affairs in order—it is the process of ensuring that years of hard work are reflected in the outcome. Yet advisors report that only about half of sellers (48%) are truly prepared at the outset of buyer review.

The most common shortcoming is outdated corporate, legal and financial documentation, while a similarly large share has yet to take essential steps in tax and wealth transfer planning ahead of a sale.

Succession and retention planning also stand out as important gaps in preparedness. This is especially notable given that, in last year’s survey, seven in ten business owners said they had identified a successor. There is an important distinction between having an intention in place and translating it into the formal, structured planning required to see it through. Helping owners close that gap is one of the most important roles a deal team can play.

WHEN BUYERS START REVIEWING A PROSPECTIVE BUSINESS HOW PREPARED ARE SELLERS, TYPICALLY?



48% of sellers are viewed by advisors as prepared when buyer diligence begins across finances, legal paperwork and operations.

“Every acquirer is an investor. The more risk you remove, the greater the value; the more you show upside, the more valuable the business becomes.”

NICK DEVANEY

Managing Director, Novelty Hill Capital LLC

WHICH PRE-SALE STEPS DO CLIENTS SPEND TOO LITTLE TIME ON OR UNDERPREPARE FOR?



Respondents were able to select up to three options, hence combined percentages total over 100%.

Keeping legal and financial documentation up to date can be time-consuming, but outdated documents create critical information gaps—a leading cause of delayed transactions and last-minute changes to deal terms.

While these shortcomings can make a sale more complex, they do not typically cause a deal to fail altogether. More often, challenges on the buyer's side create obstacles to transactions.

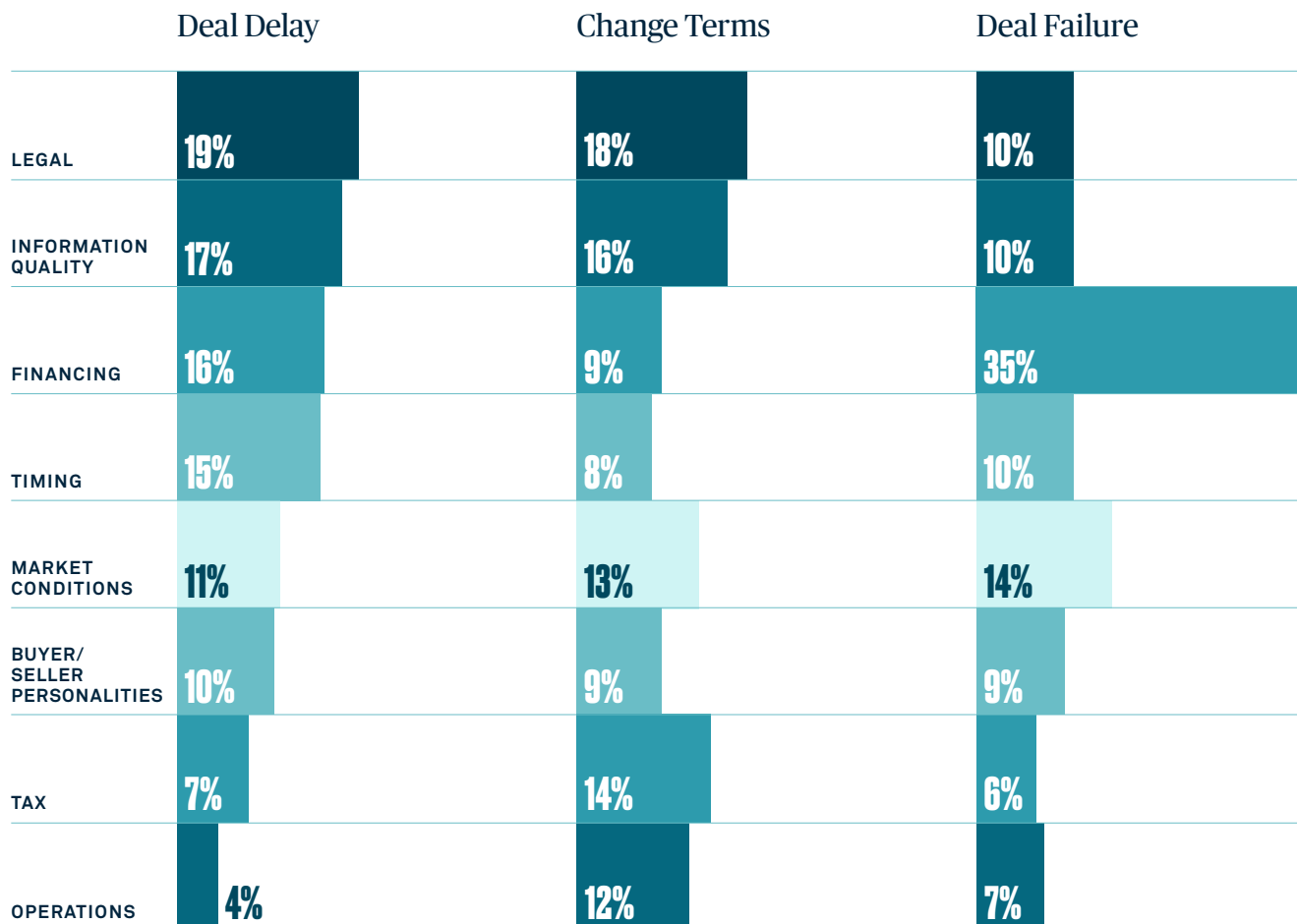
“It’s like selling your house: you want to clean it up. Secure critical employees and ensure that intellectual property is patented or properly assigned. The less friction a buyer encounters, the smoother the closing will be.”

MIKE MILLS

Partner, Holland & Knight LLP



IN A TYPICAL PRIVATE BUSINESS SALE, WHICH ASPECT IS MOST LIKELY TO DELAY THE DEAL, CHANGE THE TERMS, OR CAUSE IT TO FALL THROUGH?



Combined percentages may not total 100% due to rounding.



“Run your business like you’re going to own it forever. Don’t do anything out of the ordinary, like cut costs or discount prices just to spike short-term numbers, because sophisticated buyers will see through this. Don’t stop investing in your team. Don’t delay key hires. Don’t pull back on marketing or capital expenditures just to make short-term numbers look better. Buyers don’t want a business that’s been dressed up for sale; they want one with momentum.”

NICK CIPITI

Managing Director, CriticalPoint



ADVISOR FEATURE | CERTIFIED PUBLIC ACCOUNTANT

Michael Coletti

Partner, Forvis Mazars

TAXES ARE REAL CASH

Taxes can easily become an afterthought when selling a business. But Michael Coletti recalls a \$70 million transaction where early engagement with planning saved the seller \$3 million in taxes alone.

“Taxes are real cash. If you have the most tax-efficient exit, if you have good structuring and good advice, that can be impactful.”

Coletti advises business owners to meet with their CPA early. The tax savings available to an owner who starts working with their accountant two to three years before a transaction can be significantly greater than in the final months before closing.

“You are really up against timelines when you've got a sale on the table. You can't discount valuations and drive real opportunity if you start too late.”

How to pick the right CPA? Coletti suggests a professional who has gone through many transactions before and can explain each step of the process. And don't forget to keep operating the business during the sale. Sustaining performance is not optional; it is the evidence that justifies the valuation.

“Make sure that you are driving growth throughout the transaction.”

Michael Coletti is a CPA, Partner at Forvis Mazars, where he advises business owners on exit strategies, succession planning and restructuring.

04

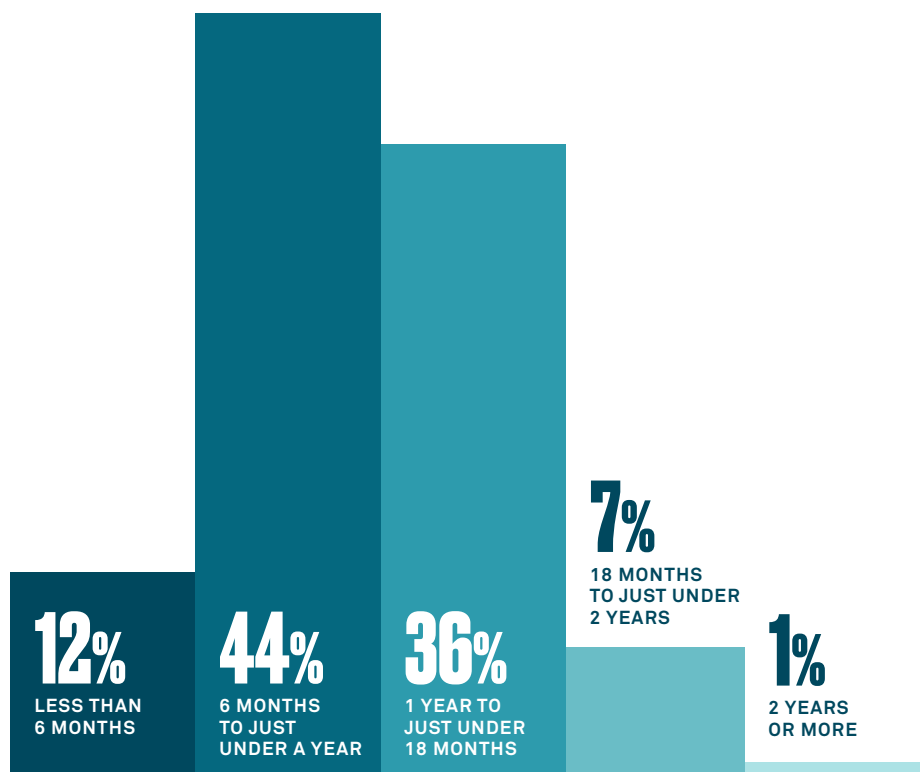
CRITICAL PLANNING OFTEN HAPPENS TOO LATE

One of the clearest findings of this study—and a key theme carried over from last year’s report—is that many owners begin preparing for a sale too late.

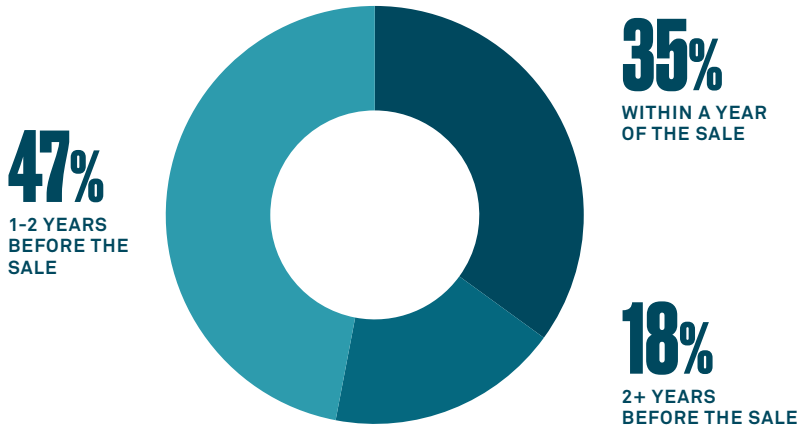
Although the decision itself may come into focus gradually, the work required to achieve the right outcome cannot be left until the final stretch. Advisors consistently note that critical financial planning often starts later than it should, despite the decisive role it can play in preserving value and reducing unnecessary compromise.

In practice, it typically takes six to 18 months from first client contact to the closing of a sale. Yet for owners seeking the strongest possible exit, advisors widely recommend a preparation runway of at least two years.

IN PRIVATE BUSINESS SALES YOU’VE ADVISED WITHIN THE PAST YEAR, HOW LONG DID IT TYPICALLY TAKE TO SELL THE BUSINESS, FROM FIRST CONTACT WITH THE CLIENT TO CLOSING?



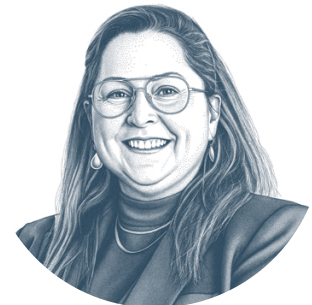
WHEN SHOULD A KEY ADVISOR TEAM BEGIN MEETING?



“The earlier in the timeline you start talking with your estate planning attorney, the more planning we can do, because we’ll have a longer runway. I am talking about a 2-3-year time horizon, ideally.”

EMILY PLOCKI

Partner in the Private Wealth Planning Group, Venable LLP



“If you wait until the last minute to get a good CPA to help, you’re probably three years too late.”

SUZANNE BACH

Partner, Saltmarsh Advisors



“The longer the time frame between planning and the sale, the better result we can achieve.”

ELAINE BUCHER

Shareholder, Gunster



Nearly nine in ten CPAs report that clients undertake detailed pre-sale tax modeling only after engaging a banker.* Yet a clear message from these professionals is that starting earlier can materially improve the bottom line.

Early financial preparation gives sellers greater control over the process, allowing potential issues to be identified and addressed before they begin to weigh on valuation or constrain negotiations. Completing detailed tax modeling before banker engagement can also surface opportunities for greater tax efficiency at a stage when sellers still have the time and flexibility to shape deal architecture to their advantage.

Most business owners spend years preparing for the sale itself, but far fewer prepare with equal rigor for what follows. Tax strategy, estate planning and intergenerational wealth transfer do not begin at closing—they help shape the transaction as it is structured. A dedicated wealth planning partner can help ensure each decision supports not only the deal at hand, but the long-term strategy for the wealth it is intended to create.”



ALVINA LO

Head of Advice, Planning and Fiduciary Services, BNY Wealth

Business sale planning steps

1. PREPARATION

Establish a strong ‘Deal Team’; assess and prepare all business financials.

2. POSITIONING

Define the value story, likely valuation and target buyers.

3. BUYER ENGAGEMENT

Approach buyers, generate interest and negotiate initial offers.

4. DUE DILIGENCE & DOCUMENTATION

Review the business in detail and finalize transaction terms.

5. COMPLETION & TRANSITION

Close the deal, transfer ownership and manage any post-sale transition.

* CPAs (n = 72, directional)

Planning for life after the sale

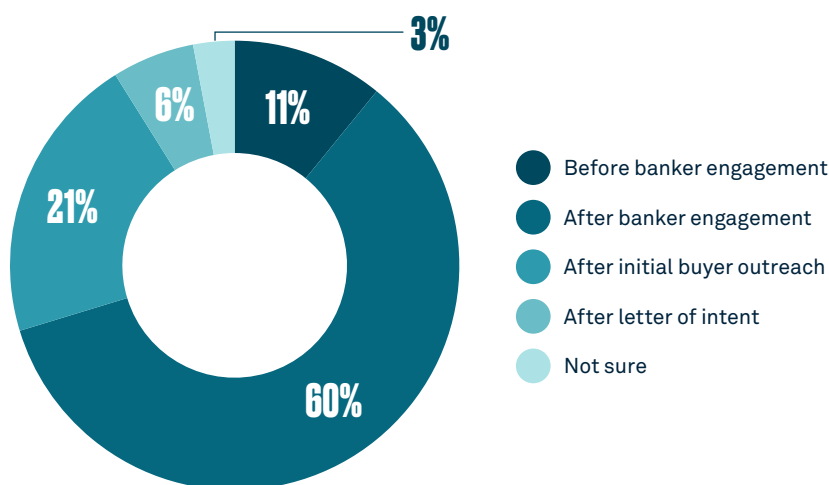
For a business owner, selling a company is rarely just a financial event. It is often the start of a new chapter that brings important questions about identity, purpose, family and legacy. Yet these personal considerations can receive less attention than the mechanics of the deal itself. Preparing for life after the sale is an essential part of preparing for the transaction.

Preparation should also include a Quality of Earnings (QoE) analysis. Commissioning a QoE review before buyer outreach can provide a cleaner, more defensible earnings profile from the outset. While expectations vary across industries, a comprehensive QoE report often gives sellers greater confidence and a firmer footing when negotiating with buyers.

QoE, explained

A Quality of Earnings analysis helps show how much of a business's profit is truly recurring and sustainable, as opposed to being influenced by one-off items, timing differences or accounting adjustments. It gives buyers greater confidence in the underlying financial performance of the business and helps sellers present their earnings in a clear and credible way. Put simply, a QoE helps answer the question: "How much of this company's profit is real, repeatable and likely to continue?"

WHEN DO YOU TYPICALLY COMPLETE DETAILED TAX MODELING?



*Percentage may not equal 100% due to rounding. Base = CPAs (n=72, directional).

A business sale is often one of the most significant liquidity events in an owner's life. In advance of a transaction, it is important to review and update estate planning documents, including trusts, wills and powers of attorney, to ensure they remain aligned with current objectives, family circumstances and longer-term goals. Taking these steps before a sale can make post-transaction wealth planning more effective and provide greater flexibility in how proceeds are protected and transferred.

THE IMPORTANCE OF TAX AND WEALTH TRANSFER PLANNING

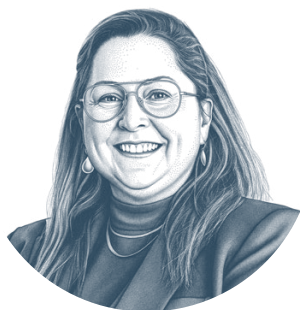
Tax and wealth transfer planning can have a material impact on what a seller ultimately 'keeps' from a transaction. Roughly three-quarters of advisors believe that putting these strategies in place, often years before a sale, can meaningfully increase net proceeds, underscoring how value is shaped not only by the price achieved, but by how thoughtfully the deal is structured in advance. Pre-sale income tax planning can improve after-tax sale proceeds, while pre-sale wealth transfer planning can improve family-level outcomes by shifting future appreciation, using valuation discounts where appropriate, and reducing potential future estate tax exposure.



"Getting the wealth advisor involved at the earliest stage to prepare the seller to transition from an owner to an investor of capital is really important. So, when they get their money, they have been educated on how to manage their liquid net worth for the rest of their lives."

SAM WARWAR

Shareholder, Coolidge Wall Co., L.P.A.



"When a deal is in motion, we can still maximize certain things, but we can really optimize if we're part of the conversations from the get-go."

EMILY PLOCKI

Partner in the Private Wealth Planning Group, Venable LLP

When it comes to advanced planning, advisors and business owners speak with one voice. In last year's report, the single most common regret expressed by sellers was that they should have "engaged in estate and tax planning further in advance."

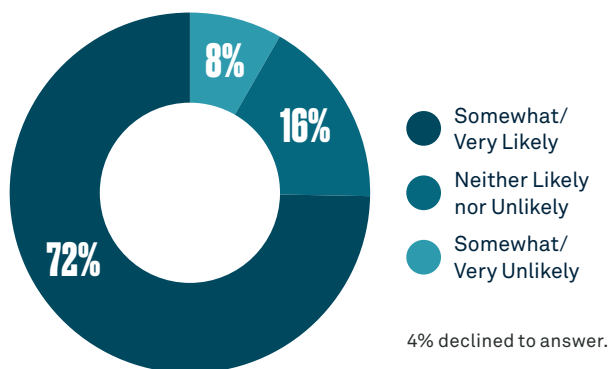


“Timing matters because it creates real planning opportunities, particularly around estate planning. When you plan early, you can obtain a formal valuation of the business and, in many cases, apply valuation discounts that create meaningful estate tax efficiencies. Those opportunities largely disappear once a sale is imminent or an offer is on the table.”

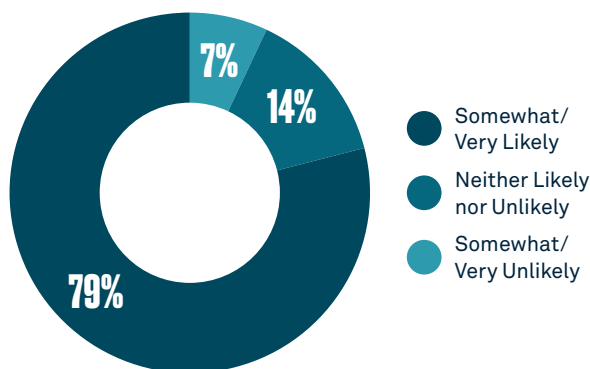
MICHAEL COLETTI

CPA, Partner, Forvis Mazars

HOW LIKELY IS IT THAT PRE-SALE INCOME TAX PLANNING STRATEGIES MATERIALLY IMPROVE NET PROCEEDS FOR SELLERS?



HOW LIKELY IS IT THAT PRE-SALE WEALTH TRANSFER STRATEGIES (E.G., TRUSTS, GIFTS, ASSET PROTECTION) MATERIALLY IMPROVE NET PROCEEDS FOR SELLERS?



QSBS, explained

Qualified Small Business Stock (QSBS) can offer business owners a significant tax advantage at exit. When the rules are met, QSBS may allow eligible shareholders to exclude some or all of the eligible gain from U.S. federal income tax, subject to statutory limits.

The rules are highly specific and eligibility depends on whether the stock qualifies under the factors outlined in Section 1202 of the Internal Revenue Code, including but not limited to how the business is structured, how long the shares have been held, when and how they were acquired, and how the business has operated over time. For that reason, QSBS is most effective when considered well in advance of a transaction. For shareholders who may qualify, the difference can be substantial. That said, QSBS is not automatic, and careful legal and tax advice is essential before a transaction is contemplated.



ADVISOR FEATURE | TRUST AND ESTATE ATTORNEY

Elaine Bucher

Shareholder, Gunster

PLAN EARLY AND OFTEN

What is a business owner's most consequential decision? Elaine Bucher says it's not picking a buyer. It's deciding when to call her.

"Planning should be a part of the transaction. You're talking 40% of estate taxes at every generation. It's significant."

Owners who engage a trust and estate attorney near the time of their company's founding gain access to structural tools that are hard to replicate once a deal is in motion. Forming a company with voting and non-voting shares, for example, can preserve control while systematically transferring wealth outside the taxable estate.

"Early planning can mean discounts beyond the lifetime exemption. That basically means a magic way of turning a \$15 million exemption into more."

Bucher suggests a minimum of two years to execute a comprehensive strategy. And the opportunities available in year one dwarf those available in year three. She also highlights a dimension her peers rarely discuss: family dynamics. Spousal relationships, children's expectations and legacy intentions are all variables that shape transactions. That's why she emphasizes that the right attorney is the one who takes time to understand your needs.

"You need someone who will listen to you and then leverage their expertise to create a solution tailored to your unique situation."

Elaine Bucher is a shareholder at Gunster, where she focuses on estate planning, trust administration and fiduciary litigation.

05

STRUCTURE DRIVES VALUE IN A SUCCESSFUL SALE

For business owners, the best outcome is not always achieved through the simplest structure.

While stock and asset sales remain the dominant transaction structures, a successful sale often depends on more than choosing between those two formats. Advisors frequently tailor the deal to reflect the priorities of the seller, the characteristics of the business, and the dynamics of the buyer universe. In practice, this can include structuring consideration and other key terms—such as deferred payments, earn-outs, and rolled equity—in ways that enhance buyer appeal and support a stronger overall outcome.



“Thinking about the ownership structure, estate planning, wealth generation, and what will go to the next generation—it’s really a longer-term plan.”

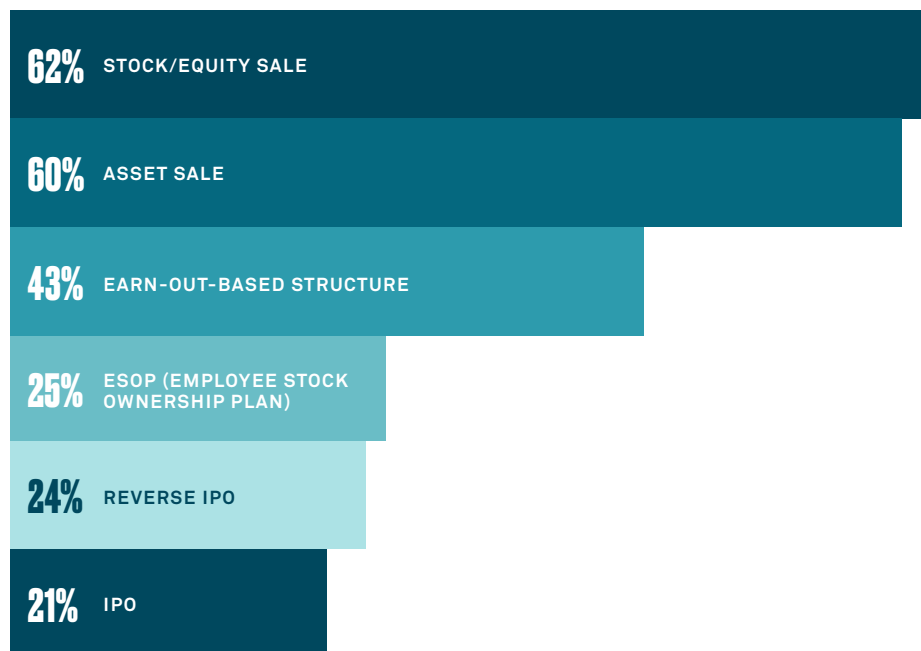
MICHAEL COLETTI

CPA, Partner, Forvis Mazars

Rolled equity, explained

Rolled equity allows the owner to “roll over” part of their ownership into the next phase of the company’s journey. This means they receive some cash up front, but also retain an ownership interest in the acquiring or recapitalized business, allowing them to participate in any future growth or liquidity event if the business performs well.

IN YOUR EXPERIENCE, WHAT PRIMARY DEAL STRUCTURE(S) MOST OFTEN OPTIMIZES OUTCOMES FOR SELLERS?



Respondents were able to select up to three options, hence combined percentages total over 100%.

Earn-outs, explained

An earn-out means that instead of receiving the full sale price upfront, the seller agrees to receive a portion of it later if the business meets agreed performance targets, such as revenue, profit or growth milestones. While earn-outs can increase overall value for the seller, they can also introduce complexity and risk, since the final amount received depends on post-closing performance and how that performance is measured. Because post-closing performance is often measured under the buyer's ownership, careful drafting and understanding of the performance metrics and governance provisions are essential.

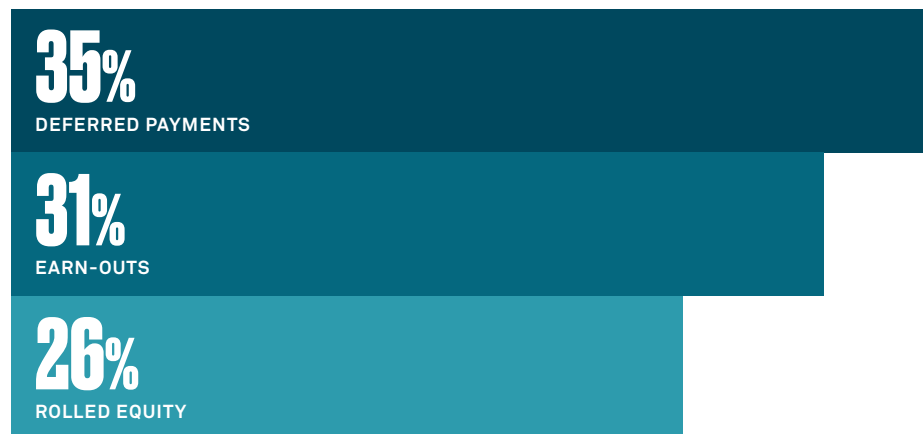
CPAs recommended asset sales slightly more frequently than stock sales in the past 12 months. In making a recommendation, CPAs weigh the competing tax and business priorities of buyers and sellers, entity type, asset type and other factors. In certain cases, a hybrid structure may be most optimal.

FOR WHAT PERCENTAGE OF DEALS ON WHICH YOU ADVISED IN THE PAST YEAR DID YOU SUGGEST ASSET SALES AND STOCK SALES TO MAXIMIZE AFTER-TAX PROCEEDS?



Base: CPAs (n = 72, directional)

HOW OFTEN DEAL ELEMENTS ARE RECOMMENDED



Arrangements such as earn-outs or deferred payments increase conditionality for the seller, but in the right use cases they can be leveraged to shift risk from the acquirer and thus achieve a higher headline valuation.

The complexity of deal structures can feel overwhelming. For sellers, however, they are best understood as tools that help shape the outcome they want to achieve—whether that means maximizing upfront liquidity, preserving future wealth creation, or supporting intergenerational transfer. Rather than focusing solely on headline price, decisions around ownership structure and the distribution of proceeds are often better viewed through a broader, long-term wealth planning lens.

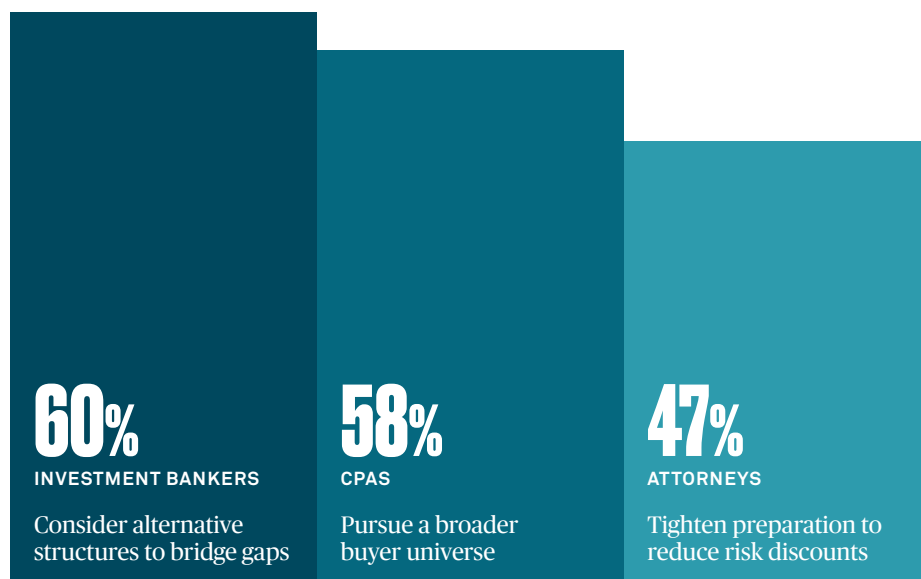
“The individual who is 65 will probably have different goals than someone who is 35. We need to lean into what the business calls for, what the situation calls for, and what the owner wants to accomplish.”

NICK CIPITI

Managing Director, CriticalPoint



WHICH OF THE FOLLOWING BEST DESCRIBES YOUR ADVISORY PLANS OVER THE NEXT FIVE YEARS TO HELP CLIENTS MAXIMIZE VALUATION MULTIPLES? (Top strategy by advisor*)



* Attorneys: n = 180, IBs: n = 102, CPAs: n = 72 (directional)



ADVISOR FEATURE | INVESTMENT BANKER

Nick DeVaney

Managing Director, Novelty Hill Capital LLC

DEFINE THE DESTINATION

The best investment bankers, according to Nick DeVaney, are tacticians. Their job is to smooth the road from the letter of intent onward, eliminating pitfalls in advance.

“Many owners will only ever sell a business once. An investment banker helps them know what they don’t know.”

DeVaney reminds clients that a deal should reflect the reason you want to sell. Some owners want a clean exit in 90 days. Others want a capital partner to scale their business over the next five years. There are many structures between those poles and navigating them requires clarity.

“A \$50M or \$100M headline number isn’t the reason to sell. It’s quality of life, family, health and legacy that matter more.”

To get deals over the finish line, DeVaney encourages clients to keep details in perspective. He cautions against over (or under) fixating on minutiae. Instead, view agreements holistically. How should prospective sellers choose an investment banker? DeVaney says owners need a team willing to have hard conversations, not just push a deal across the table.

“Focus on who will pick up the phone at 11:30 p.m. You need someone who listens. You need someone who talks you through the tough moments.”

Nick DeVaney has advised middle-market privately held companies on sell-side transactions and exit strategy for almost two decades. He currently serves as a managing director at Novelty Hill Capital LLC.

06

WHAT A GOOD DEAL REALLY LOOKS LIKE

Even well-considered expectations can shift once a sale process begins. Advisors identify inflated valuation expectations as one of the most common points of tension, as sellers' ambitions for an outcome are tested against market realities.

DURING ACTIVE SALES, WHICH MISTAKES DO YOU MOST OFTEN STEP IN TO FIX?

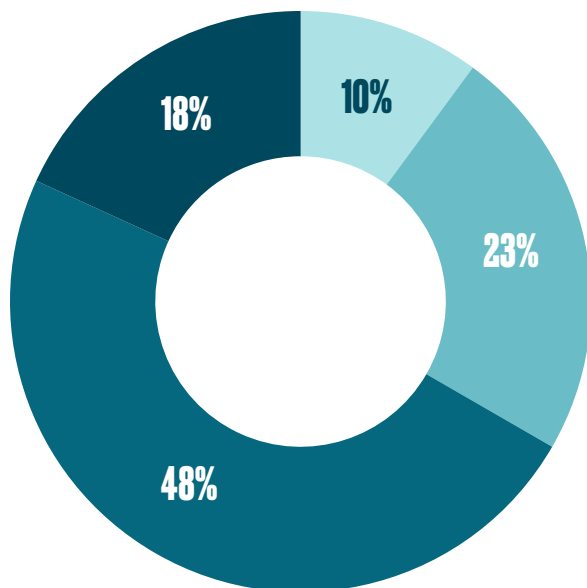
45%	VALUATION EXPECTATIONS SET TOO HIGH
44%	NOT ENOUGH ATTENTION TO RISK MANAGEMENT AND REPRESENTATION AND WARRANTY INSURANCE (RWI)
41%	NOT ENOUGH TAX PLANNING ON DEAL STRUCTURE/ALLOCATION
39%	WEAK PREPARATION FOR THE WORKING CAPITAL TARGET
37%	WEAK COORDINATION ACROSS THE DEAL TEAM
28%	POOR TIMING OF EMPLOYEE/STAKEHOLDER COMMUNICATIONS
24%	NO POST-SALE CASH/LIQUIDITY OR INVESTMENT PLAN

Respondents were able to select up to three options, hence combined percentages total over 100%.

This finding reinforces a pattern seen in the 2025 *Mastering the Sale* report, in which business owners identified “getting a fair price” as their foremost concern when selling. However, tax implications—a top priority for advisory teams—ranked only eighth as a business owner concern, showing that owners often care most about different, more personal concerns than the ones advisors see as key to protecting value.

This does not mean advisors seek to dampen sellers' valuation ambitions unnecessarily. On the contrary, most remain constructive about the valuation outlook over the next five years, with two-thirds anticipating moderate to strong uplift.

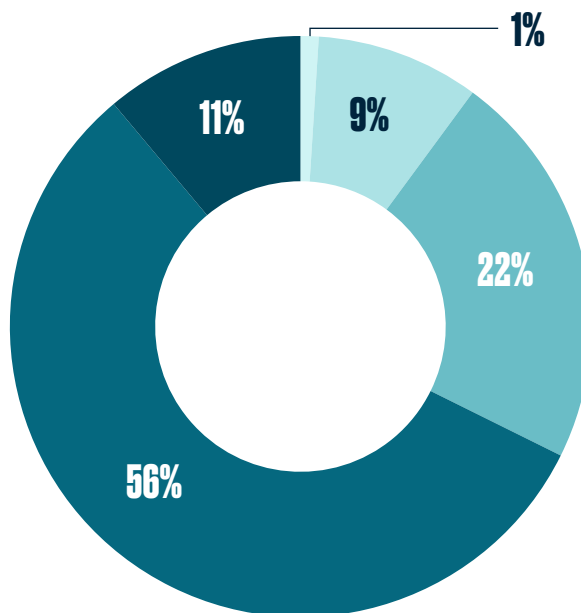
OVER THE NEXT FIVE YEARS, HOW DO YOU EXPECT VALUATION MULTIPLES TO TREND IN YOUR MAIN INDUSTRY?



- Strongly increase
- Moderately increase
- Stay about the same
- Moderately decrease

Combined percentages may not total 100% due to rounding.

HOW ALIGNED WOULD YOU SAY SELLER VALUATION EXPECTATIONS ARE WITH CURRENT MARKET/BUYER PRICES?



- Much higher than current buyer prices
- Somewhat higher than current prices
- Neutral
- Somewhat lower than current prices
- Much lower than current prices

Many entrepreneurs are natural optimists, so it is perhaps unsurprising that 67% of advisors report clients have valuation expectations at least somewhat above current market levels.



“Know yourself and know your company. Every company has some leverage. But knowing what you have and what you don’t have is very important.”

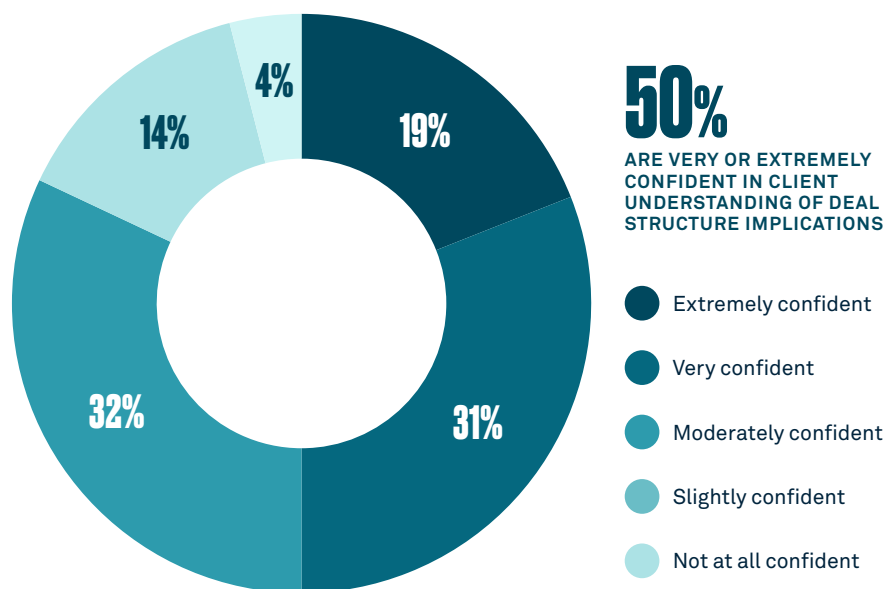
MIKE MILLS

Partner, Holland & Knight LLP

Why details matter

Many transaction outcomes are shaped fundamentally by the deal structure itself. The balance between cash and stock, the use of earn-outs, and the inclusion of deferred consideration can each carry materially different implications for valuation, tax efficiency and post-completion risk. As a result, even seemingly small misunderstandings can meaningfully alter the final outcome. Yet only half of advisors feel very or extremely confident that clients fully understand the breadth of these implications.

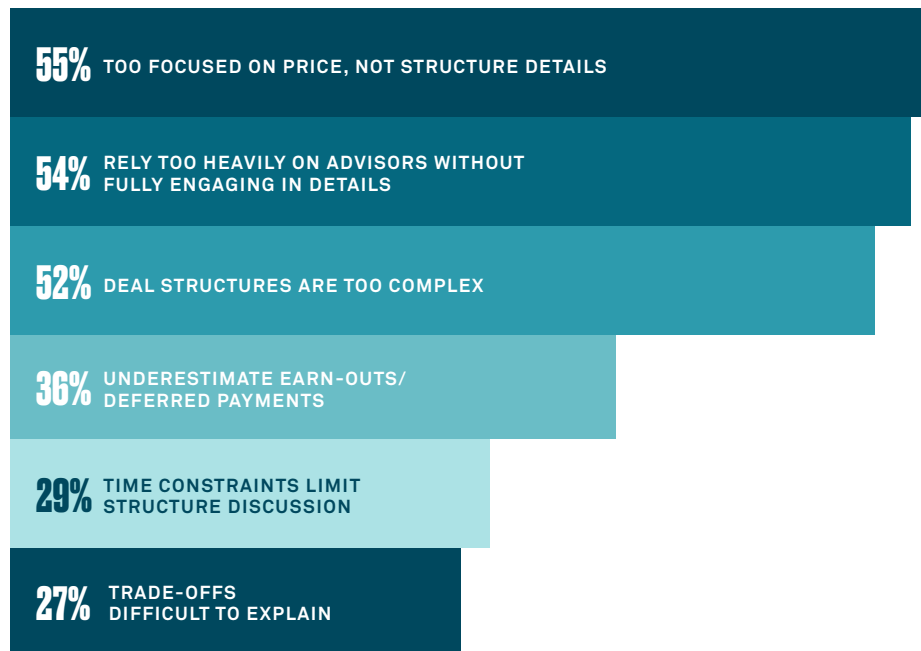
HOW CONFIDENT ARE YOU THAT CLIENTS FULLY UNDERSTAND DEAL STRUCTURE IMPLICATIONS (CASH VS. STOCK, EARN-OUTS, DEFERRED PAYMENTS)?



Confusion around deal structures is entirely understandable. These arrangements are inherently complex, bringing together legal, financial and tax considerations that require professional expertise to navigate well.

In our 2025 report, business owners identified legal and regulatory matters as the most challenging aspect of the sale process. Much of this complexity is best managed by an experienced deal team. Yet some advisors observe that owners can become too reliant on external expertise and step back from decisions that carry important strategic trade-offs and long-term financial consequences. Provisions such as earn-outs are a clear example: the owner's active involvement remains essential.

WHAT BARRIERS PREVENT CLIENTS FROM FULLY UNDERSTANDING DEAL STRUCTURE IMPLICATIONS (CASH VS. STOCK, EARN-OUTS, DEFERRED PAYMENTS)?



Respondents were able to select up to three options, hence combined percentages total over 100%.

“It’s a complex process. I’ve seen one negotiation item impact and involve multiple interdependent items. Deals can stall when people take issues personally and fixate on little things. It’s a mistake to over-negotiate one or two items instead of viewing the agreement holistically.”

NICK DEVANEY

Managing Director, Novelty Hill Capital LLC





ADVISOR FEATURE | M&A ATTORNEY

Sam Warwar

Shareholder, Coolidge Wall Co., L.P.A.

KEEP YOUR LEVERAGE

Sam Warwar wants you to keep your leverage. That means not rushing to sign the letter of intent before finalizing key terms. The moment a seller signs, the buyer receives exclusivity, and the business owner surrenders control.

“Get as much as possible agreed to at the letter of intent stage. Don’t leave significant terms and conditions to later because it will just add cost, frustration and time.”

Warwar contends that most post-closing disputes are preventable. Sellers who accept vague assurances about line items during negotiation often find those same provisions generating conflict afterwards.

“The biggest risk is a post-closing dispute. If there is a fight over something after closing, it usually means it didn’t get adequately addressed beforehand.”

How can owners select the right M&A attorney? Warwar suggests counsel that will prepare you for each stage of the process. The right team can make the difference between a destabilizing experience and a manageable sale.

“If it is ‘okay, this is what I was told I was going to experience,’ it can feel a lot more familiar. You’re not going to be overwhelmed.”

Sam Warwar is a shareholder at Coolidge Wall Co., L.P.A. His practice focuses on private wealth and tax planning, succession planning, M&A transactions and executive compensation.

07

ADVISOR COORDINATION IS A FORCE MULTIPLIER

The quality of a deal team is not simply a supporting factor in a successful sale: it is often a defining element. Eighty percent of advisors say that building a highly cohesive team is critical to a successful transaction.

That perspective aligns closely with last year's *Mastering the Sale* report, in which business owners said their primary advice to other owners was to "secure the right advisors and professional support team."



"Coordination among advisors is a core determinant of outcomes. When advisors are each executing well within their own lane but not communicating across them, you create gaps. And those gaps tend to appear at the worst possible moment: in due diligence, in deal structure, or in the tax planning that should have started two years earlier. From a wealth perspective, planning should run through the entire process—not as an add-on at the close, but as an active, integrated input from the beginning. That is what turns a well-executed transaction into a well-structured outcome."

ALVINA LO

Head of Advice, Planning and Fiduciary Services, BNY Wealth

Advisors create value not only through technical expertise, but through the combination of strategic judgment, transaction experience and sector insight they bring to the process. The strongest teams are rarely assembled at the last minute. Like any high-performing unit, they need time to establish trust, communicate clearly and work in concert toward the best possible outcome.

IN YOUR OPINION, WHAT ROLE SHOULD KEY ADVISORS (E.G., ACCOUNTANTS, ATTORNEYS, BANKERS, WEALTH ADVISORS) PLAY IN ASSEMBLING AND GUIDING A DEAL TEAM?



Respondents were able to select up to three options, hence combined percentages total over 100%.

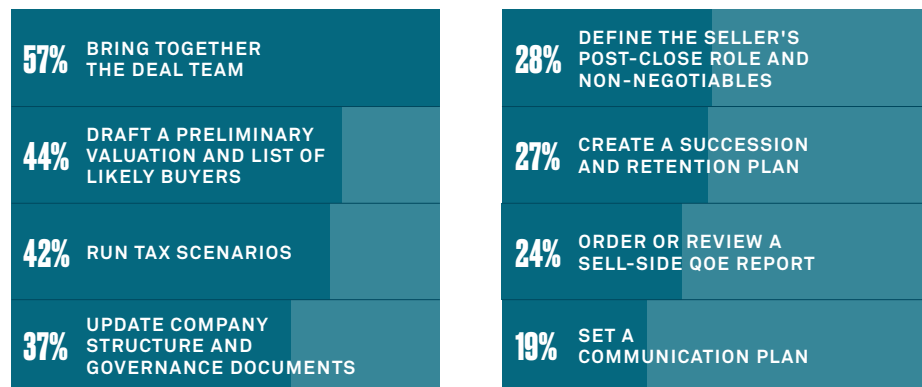
“It’s important for the client to work with a team that understands them, wants what’s best for them and, at the end of the day, is willing to listen to all options and work collaboratively.”

ELAINE BUCHER

Shareholder, Gunster



WHEN A CLIENT DECIDES TO SELL, WHICH ACTIONS DO YOU TYPICALLY INITIATE WITHIN 60 DAYS?



Respondents were able to select up to three options, hence combined percentages total over 100%.

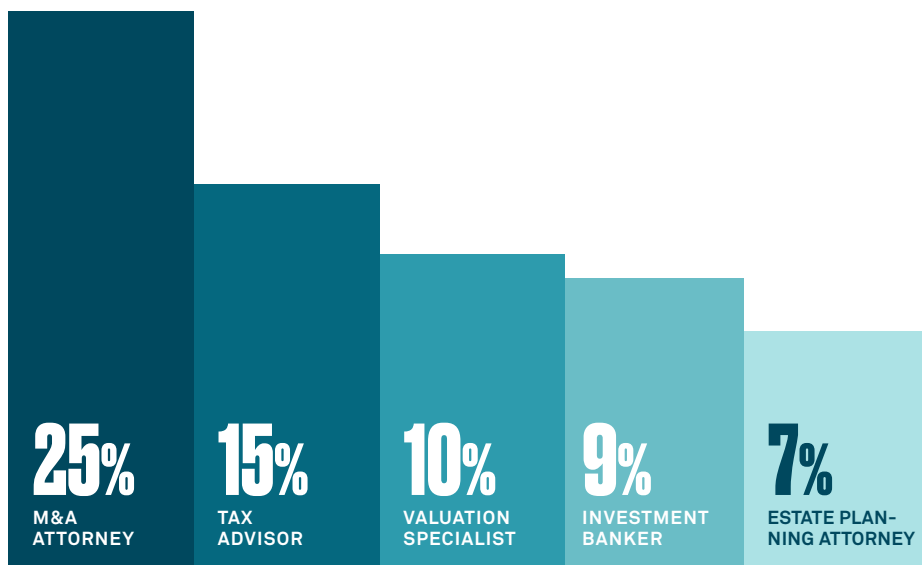
“You need to have the right team on your side, experienced M&A people that know how to talk the language.”

SUZANNE BACH

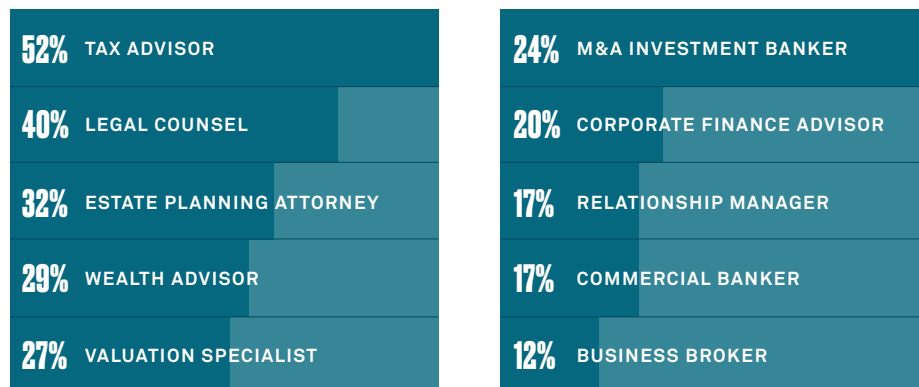
Partner, Saltmarsh Advisors



WHEN INITIATING A TYPICAL SALE OF A PRIVATELY HELD BUSINESS, WHICH ADVISOR OR DEAL TEAM MEMBER DO YOU BELIEVE A BUSINESS OWNER SHOULD ENGAGE WITH FIRST?



WHAT DEAL TEAM MEMBERS DO YOU BELIEVE YOUR CLIENTS SHOULD COLLABORATE WITH MORE PRE-SALE?



Respondents were able to select up to three options, hence combined percentages total over 100%.

AI in M&A: Accelerating the process

Artificial intelligence (AI) is already becoming a familiar part of the transaction toolkit, with 85% of professional advisors saying they would consider using it in some aspect of planning or executing a deal. Its potential is clearest in areas such as contract review and other process-heavy tasks, where speed and efficiency can be meaningfully improved. Even so, advisors remain cautious about the technology's accuracy and limitations. For all its usefulness, AI cannot replace the judgment, experience and human decision-making that remain at the heart of a successful transaction.

"I utilize AI technologies to summarize long contracts and find important terms, which enables me to swiftly detect concerns related to termination rights or change-of-control provisions." — CPA

"I am unsure if we will use AI other than to run a side-by-side analysis of maybe a yearly profit/loss report. All other information will need a more hands-on review to make sure there are no data gaps or missing documentation." — Corporate Attorney

"AI provides a mixture of results ranging from 100% accuracy to about 50% accuracy when providing facts or analysis of those facts. If only I knew I could depend on it and not have to double-check its results, I would definitely use it for these deals." — M&A Attorney

"Wouldn't use AI if any of the parties objected and would have to disclose the use of AI in advance." — Litigation Attorney

CONCLUSION

The groundwork for a successful sale is typically laid long before a business comes to market: through early preparation, clear priorities and the support of a well-coordinated advisory team. For owners, that means looking beyond headline valuation alone and making deliberate decisions about timing, structure, tax and long-term objectives. Those who do so are well-positioned not only to maximize value, but to convert years of effort into an outcome that reflects both the worth of the business and what it was built to achieve.

It was a privilege to engage with the 354 professional advisors and attorneys who contributed to this study. We are deeply grateful for their willingness to share lessons informed by years of experience helping entrepreneurs prepare for and execute the sale of a business. Their insights are intended as a practical resource for private business owners—whether they are planning well in advance, already in the midst of a process or only beginning to consider what a future sale may involve.

On behalf of the entire BNY Wealth team, thank you for the trust you place in us as you evaluate these decisions. We look forward to partnering with you and your advisors to help convert thoughtful preparation into stronger sale outcomes.

“Building a successful business takes years of conviction and hard work. Selling one is a milestone worth celebrating—and an inflection point that demands clear thinking about what comes next.

A thoughtful partner who understands both the transaction and the longer arc of your financial life can turn a liquidity event into a foundation for generational wealth.”



BRIAN RILEY

Global Head of BNY Wealth

BNY WEALTH

For over 240 years, we've been helping entrepreneurs and private business owners grow their wealth and secure it for future generations through every kind of market cycle. Our breadth of experience, together with a relentless client focus, has helped us build relationships that span generations.

To learn more, let's start a conversation.

bny.com/business-owners



APPENDIX

Research Methodology

The Harris Poll, on behalf of and in collaboration with BNY Wealth, conducted an online survey among 354 qualified respondents between April 16, 2026 and April 30, 2026, with respondents consisting of U.S. attorneys, investment bankers and CPAs age 18+ who advise on privately-held business deals.

Respondents for this survey were selected from among those who have agreed to participate in Harris surveys. For this study, the sample data is accurate to within ± 5.18 percentage points at a 95% confidence level. As with any research, findings for smaller subgroups are subject to greater variability and should be interpreted accordingly.

	NUMBER OF RESPONDENTS	PERCENT OF RESPONDENTS
TOTAL	354	100%
Country		
U.S.	354	100%
Gender		
Man	249	70%
Woman	105	30%
Age		
Under 35	65	18%
35-44	142	40%
45-54	100	28%
55-64	31	9%
65+	16	5%
Professional Type		
Lawyers	180	51%
<i>Trust & Estate Attorney</i>	26	7%
<i>M&A Attorney</i>	22	6%
<i>Family Law Attorney</i>	9	3%
<i>Corporate Attorney</i>	45	13%
<i>Tax Attorney</i>	8	2%
<i>Litigation Attorney</i>	44	12%
<i>Real Estate Attorney</i>	9	3%
<i>Other</i>	17	5%
Investment Bankers	102	29%
Certified Public Accountants	72	20%

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