

The Offer Arrived: your first 48 hours

A buyer called, or a letter landed. What to do first, what never to say, and the five questions to send back. Keep this in the drawer by the phone.

The one hard rule: do not sign anything with a deadline in it yet.

A letter of intent is not a purchase. With two exceptions, it is not even binding. The parts that do bind are confidentiality and exclusivity, and both bind you. The buyer's number can move. Your silence cannot. Signing a letter is normal. The goal is to sign it with your eyes open.

IF IT WAS A CALL · THE INDEX CARD

The first call is not a deal event. It is a data event.

- 1 Do not perform**
Not interest, not anger. Treat the caller like any vendor you did not invite: polite, unhurried, giving nothing.
- 2 Collect, do not provide**
Get their name, the firm, whether they already own a company in your trade (ask exactly that), and why you, why now. Say almost nothing back.
- 3 End with a door, not a wall**
"I don't discuss the business on inbound calls, but I keep a file. Send me what you'd like me to read. If there's ever something to talk about, you'll hear from me."
- 4 Actually keep the file**
Name, firm, date, what they said, what they asked. Every call and every letter goes in it.

THE 48 HOURS

Run this clock.

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| 1 | Within the hour
Write down everything while it is fresh: who, what firm, exactly what they said and asked. Guess what kind of buyer it is. If they mentioned a company they already own in your trade, that is an add-on buyer, the most common caller by far. Put it all in a folder. If you have no buyer file, a folder and a legal pad start one today. | HOOR 1 |
| 2 | Day one
Tell no one at the shop. Word travels, and word costs. Do not call your buddy who sold last year: his deal is not your deal, and his number will get in your head. Do not email the caller back "just to chat." Silence is working for you now. | DAY 1 |
| 3 | Day two
Read whatever they sent with cold eyes. Flattery is not information. Circle the facts. Then count one thing: of your top 10 customers, how many are on signed agreements, and how many drifted to month to month? Do not fix anything yet. Just know the count. | DAY 2 |
| 4 | Decide nothing
There is no decision to make yet. If they follow up, you have one sentence: "Send it over and I'll review it with my team." Then stop talking. | DAY 2 |

WHAT NEVER TO SAY

Six things that cost owners money.

Never say a number. Not a price, not a range, not "I'd probably want somewhere around..." A professional treats that as your ceiling forever.

Never say "we're not for sale" in anger. It tells them nobody here has a process for this.

Never ask "what did you have in mind?" That tells them you are already dreaming.

Never send financials "to see what we might be worth."

Never mention a timeline, a retirement date, your health, or a partner problem.

Never let them hear excitement. You are allowed to be pleased. You are not allowed to be visible about it.

IF A LETTER IS ON YOUR DESK

The headline is not the deal. Send back five questions.

A deal rarely has one price. It has the headline, the working capital adjustment, and often an earnout. Around them sit two clocks: exclusivity, and the escrow. Before you talk about the number with anyone, send these back in writing. No number from you, no enthusiasm, no timeline.

- 1 How much of the price is cash at close?**
The only part with a wire attached. Everything else is a promise.
- 2 Is any of it an earnout, and what decides whether it pays?**
And who controls the things that decide it after the sale. Earnouts pay about 21 cents per negotiated dollar (SRS Acquiom). Write down the face value, then 21 percent of it. The second number is the honest one.
- 3 How much is held back, for how long, and what stands behind my promises?**
Insurance, or your own money sitting in someone else's account. Nobody volunteers this to a seller who does not ask.
- 4 What is the working capital target, who calculates it, and by what definitions?**
If the answer is "to be agreed after signing," that is a price negotiation scheduled for after your leverage is gone. In disputes, the better-documented number usually wins.
- 5 How long is exclusivity, and what ends it?**
That is how long you are off the market while their accountants take your number apart.

Vague answers are information. If the letter cannot answer these five, that is the finding. And before you sign anything, a deal lawyer reads it.

Roughly three in four lower-middle-market deals take at least one cut after the letter is signed, and when the owner was not ready, the average cut runs about 18 percent (Cordis Institute, WP-001). These 48 hours are how you do not take the call unprepared.

The full method is in *Buyer-Ready* by Ron Smith, Chapters 1 and 4. This plan is general information, not legal, tax, or financial advice.