

## CASE STUDY 5

### ***Discipline Over Momentum*** ***Knowing When Not to Sell***



#### **A Deal Within Reach**

A serial entrepreneur engaged CFO leadership to prepare for and manage a potential sale. Buyer interest was strong, and multiple credible offers were received, creating real momentum toward a transaction.

As the process advanced, however, external conditions began to shift. Market dynamics were less favorable, and continuity in the process weakened as key members of the investment banking team turned over mid-transaction, introducing execution risk at a critical stage.

#### **Stepping Back to See Clearly**

We worked with the owner to evaluate not just the offers themselves, but the broader context surrounding them, market timing, process integrity, and whether the outcomes on the table fully reflected the company's long-term value.

This required separating signal from momentum and reframing the decision around a fundamental question: Is this the right time to sell, or simply the easiest time to transact?

#### **Choosing Discipline Over Momentum**

The decision was made to pause the process. Rather than forcing a suboptimal outcome, we remained engaged as CFO and redirected focus toward strengthening the business, enhancing financial systems, improving reporting visibility, and executing on growth initiatives designed to increase future enterprise value.

#### **From Process to Positioning**

By stepping away at the right moment, the company preserved optionality. Instead of being defined by current market conditions, it repositioned itself to re-enter the market from a place of greater strength, clarity, and control.

## **PLAN. ANALYZE. OPTIMIZE. EXIT.**

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### KEY CONSIDERATIONS

-  **Multiple offers, but varying quality and certainty**  
Multiple offers created momentum, but the quality and certainty of outcomes varied.
-  **Softening market conditions impacting valuation**  
Market dynamics were less favorable, creating pressure on valuation.
-  **Loss of continuity in the transaction process**  
Key members of the investment banking team turned over mid-process, leading to a loss of continuity.
-  **Increasing execution risk late in the transaction**  
Disruptions and market headwinds increased execution risk at a critical stage of the process.

#### **The Value of Knowing When to Wait**

Transaction discipline is not limited to negotiating terms; it includes the judgment to walk away when conditions are misaligned. In many cases, the most value is created not by completing a deal, but by knowing when not to.

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