

THREE PILLARS OF M&A - CHAPTER 3: OWNERS

The third pillar of M&A is the owner. Owners carry the responsibility of balancing legacy preservation while realizing the value creation of the practice. They make the decision to sell, recapitalize, or merge, setting the trajectory for the firm's future. Their motivations vary, whether succession, growth, or liquidity; but the best outcomes occur when their goals align with the needs of both clients and employees.

Every deal begins with a question of value, yet value is more than a number: price matters and so does fit. Lean too far toward price; cultural alignment and retention suffer. Lean too far toward fit; owners may leave enterprise value on the table. The most effective transactions find balance, recognizing that valuation, structure, and incentives are tools that shape long term outcomes.

How a transaction is structured often has as much impact as the headline number. Earn outs, equity rollovers, retention pools, and performance-based triggers determine whether owners remain engaged and whether employees stay motivated. Both of these factors determine whether clients experience continuity. Compensation drives behavior, and this stage presents a rare opportunity to design a model where everyone benefits. In M&A, structure can be customized to reflect priorities, not just the buyer's initial template.

Negotiation reveals more than financial expectations. It reveals what matters most. A deal focused only on immediate payout may overlook levers that drive long term enterprise value. A structure that favors alignment but neglects economics may feel principled, but it leaves money on the table during a once-a-lifetime transaction. Successful owners understand that value is created in how economics, culture, and incentives are balanced to sustain momentum long after closing.

Preparation and clarity are central to owner success. When owners communicate purpose and structure clearly, they give employees and clients confidence that the transition is intentional. That clarity maintains trust and keeps momentum through the more complex phases of a deal.

Owners set the tone for how a firm evolves after closing. Their mindset determines whether integration feels like an ending or the beginning of a stronger chapter. By balancing price with fit, economics with culture, and liquidity with alignment, owners create an environment where all three pillars support each other. That alignment is what defines lasting M&A success.