

01 / DECISION & CONTEXT

Management buyouts

We advise management teams and business owners on the structure, financing and execution of a management buyout, with clearly defined roles for each mandate.

An established leadership team is exploring ownership.

We assess whether the business can support the proposed ownership transfer and its financing. Our analysis brings together the purchase price, management investment and future cash needs, with clear responsibilities for the parties and their advisers.

Overview

A management buyout can provide continuity when an owner wishes to reduce involvement or exit. The leadership team already understands the operation, but moving from employee to shareholder creates different responsibilities and financial exposure. A viable proposal must reconcile the seller's expectations with the team's resources, external funding capacity, and the investment needs of the company after completion.

What we examine

We assess sustainable cash flow, the ability of management to operate independently of the departing owner and the equity the team can realistically contribute. Funding may involve senior debt, an equity partner, or deferred seller consideration, each with different implications. Existing personal guarantees, property ownership, shareholder loans, and relationships held by the founder can affect both the financing plan and the practical transfer of control.

A useful starting point: agree the decision to be made before choosing a process or approaching counterparties.

02 / WORK PROGRAMME

Turn the decision into a plan.

We develop a feasibility model to assess valuation, funding sources, repayment obligations and shareholder returns under different business scenarios. A management business plan explains the strategy and how leadership responsibilities will change. A funding brief, proposed ownership structure, and transition timetable help frame discussions with capital providers and the seller. Separate advice and clear information protocols support the handling of conflicts between management's existing duties and its role as a prospective buyer.

WHAT WE PREPARE

- 01** A feasibility model showing the purchase price, management contribution and external funding requirement.
- 02** A business plan that makes the team's future responsibilities and investment priorities explicit.
- 03** An ownership and governance comparison covering dilution, decision rights and management incentives.
- 04** A transition plan for customer relationships, authorities and responsibilities held by the departing owner.

Your preparation checklist

Gather what is available. Mark any gaps and give each next action an owner.

- ☐ Outline the price, management contribution and external funding requirement.
- ☐ Prepare the business plan, investment priorities and future management responsibilities.
- ☐ Identify ownership expectations, governance questions and proposed incentives.
- ☐ Map the customer relationships and authorities that need to transfer from the owner.

03 / QUESTIONS & NEXT STEPS

Questions worth resolving.

Can a buyout work when management has limited personal capital?

Management's contribution is one part of the funding assessment. External equity, acquisition debt or seller financing may form part of a structure, depending on the company's cash generation and the parties' requirements. Each changes ownership, repayment obligations or risk. The feasibility model should test what the company can support while retaining working capital and investment capacity, rather than treating the purchase price as the only cash requirement.

How are the team's existing duties handled during negotiations?

Managers may be employees and directors while also becoming prospective buyers. Separate advice, agreed information protocols and clear authority for decisions help address that tension. The seller and management team should understand who represents each party and how sensitive information will be used. Employment, director and shareholder obligations need jurisdiction-specific legal review, particularly where discussions involve incentives, valuation or access to forecasts.

Keep the trade-offs visible

The structure should leave enough cash to run and develop the business, rather than assume every available euro can service acquisition debt. Management needs to understand dilution, investor consent rights, leaver provisions, and future liquidity arrangements. The seller must assess the certainty of upfront proceeds and exposure to deferred payments. A credible succession plan is as important as an agreement on valuation.

YOUR PRIORITIES / NEXT ACTION

Bring the decision into focus.

Outline your objective, timing and the questions you want to resolve. Use this guide to structure an initial conversation with Bergweiss.

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General preparation guidance. The scope and specialist inputs depend on the particular mandate.