The Power of Multiple Offers™ When Selling Your Business

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Selling your business is unlike any other transaction you will ever make. For most owners, it's the single largest financial event of their lifetime—a one-shot opportunity to secure a reward for decades of hard work. There are no do-overs. And yet, many sellers approach this moment with a single buyer in mind, thinking that one "good offer" is enough.

The reality is that one offer is no offer at all. Without competition, you're negotiating in the dark, with all the leverage in the buyer's hands. That's why we at Cornerstone talk about the Power of Multiple Offers™ or POMO™.

POMO™ is more than a clever acronym—it's a disciplined process designed to create competitive tension among qualified buyers, maximize your company's value, and give you the freedom to choose not just the best price, but the best overall deal for your future.

What Is POMO™?

At its core, POMO™ is about creating urgency and scarcity. The goal is to put qualified buyers in a position where they know they're competing, so if they don't put their best terms forward, they risk losing the deal.

Think of it in real estate terms: If you have a quality, profitable business with strong growth potential, you're like a *house in a hot neighborhood*. A savvy agent wouldn't let that home sit quietly on the market hoping an offer comes in. They'd market it aggressively, hold an open house, and set a firm deadline so all offers arrive at the same time. That creates competitive tension and gives the seller control.

In M&A, POMO™ works the same way. When buyers know there's competition, they are more likely to offer a higher price, improve the deal structure (more cash at close, fewer contingencies), move quickly to close, and make concessions they wouldn't otherwise consider. Without multiple offers, even the most promising opportunity can turn into a drawn-out negotiation that chips away at both value and terms.

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The Benefits of POMO™

POMO™ works because it changes the market forces in the transaction. It forces buyers into competition. They know delays or aggressive demands could cause them to lose out to someone else. That pressure shifts the leverage to the seller, allowing you to compare options side-by-side and choose the combination of value, structure, and culture that best serves your goals.

When multiple qualified buyers are in play, the tone of the deal changes. Instead of one party quietly setting the pace and terms, you have several pushing to put their best offer forward. Every conversation becomes more productive because each buyer knows there's a risk of losing to someone else. That competitive tension is the engine of POMO™.

THE BENEFITS:

- **Higher Sale Price:** Multiple offers create a bidding environment. Buyers stretch further when they know someone else is at the table.
- **Better Structure:** The "headline price" is only part of the equation. Deal structure—including the balance between cash at close, earnouts, seller financing, and equity rollover—can have just as much impact on your actual payout. Competitive tension often shifts terms toward more cash at close and fewer performance-based contingencies.
- **Negotiating Leverage:** When you have one buyer, they control the pace and tone of the deal. With multiple buyers, you control the process. You can push back, ask for improvements, and walk away if the terms aren't right.
- **Fit Beyond the Numbers:** Price matters, but so does the buyer's vision for your company, your employees, and your legacy. With multiple offers, you have the freedom to select a buyer who aligns with your goals—financial and otherwise.
- **Greater Certainty to Close:** Multiple offers increase your likelihood of reaching the finish line. POMO™ helps you avoid the all-or-nothing risk of one buyer, giving you the best chance of getting to the closing table successfully.

In short, POMO™ gives you options—and in a sale, options are power.

Engineering POMO™: The Seven Critical Pillars

Creating multiple offers doesn't happen by accident. It's the product of preparation, positioning, and process. Here are the seven critical components to make it happen.

1. Create an Attractive Business
Buyers pay more for companies that are well-prepared and present minimal risk. That means addressing potential "deal killers" before going to market—issues like an overreliance on the owner for daily operations, heavy dependence on a single customer for the bulk of revenue, outdated or incomplete financial reporting, or a lack of documented processes. Addressing these issues in advance increases buyer confidence and broadens your pool of interested parties.

2. Build a Deal Team of Specialists
Selling a business is not a DIY project. You need a coordinated team—M&A advisor/investment banker, M&A attorney, tax advisor, and financial advisor—working together to protect your interests and maximize the net value you take home at closing.

3. Don't Set an Asking Price
In real estate, listing prices are expected. In M&A, they can be a ceiling. Without a listed price, buyers must decide what the business is

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worth to them, often leading to higher offers than you would have set yourself.

4. Control the Timeline
POMO™ depends on controlling the process—and that means not letting a buyer dictate the pace. Your M&A advisor controls the flow of information, when offers are due, and the overall timeline from going to market to closing the deal.

The opposite scenario is letting the buyer take the lead. They might promise a quick 30-day close, but then start asking for more and more information. Suddenly you're 150 or 200 days in, the distraction is affecting performance, and revenues slip 20%. At a six-times multiple, that drop can translate into a multi-million-dollar haircut.

Part of controlling the timeline is creating urgency and scarcity. Set clear deadlines for when offers are due, when management presentations will happen, and when Letters of Intent must be submitted. The goal is to have all offers come in at the same time to spark competition and keep momentum on your side.

According to the Market Pulse survey, the average time to close for companies in the $5 million to $50 million range is about 11 months. At Cornerstone, because we run a structured process designed to create POMO™, our average is just 6 to 8 months.

In M&A, there's a saying: *Time kills all deals*. The longer a sale drags out, the more opportunities there are for the deal to fall apart. And those delays rarely benefit the seller.

5. Tell the Right Story to the Right Buyers
Financial statements tell part of the story, but buyers also want to understand the "why" behind your success. What's your market opportunity? How do you win and retain customers? What makes your growth sustainable? At the end of the day it's showing not only why your business wins but also the growth opportunities for the buyer to take it to the next level.

6. Run a Structured Sale Process
A well-managed sale process creates urgency and scarcity. At Cornerstone, we do this through our Assurance 360™ process**—a comprehensive, strategic approach that identifies the right buyers, manages timelines, and ensures competitive tension.

7. Receive All Offers at Once
The final element is orchestrating a simultaneous offer deadline. Seeing all the offers side-by-side makes it easier to compare terms, evaluate trade-offs, and play offers against each other for maximum benefit. This gives you peace of mind that you're not leaving any money on the table.

The Risk of Unsolicited Offers

One of the fastest ways to lose POMO™ is to step into negotiations with only one buyer. And one of the most common ways that happens? By responding to an unsolicited offer.

An unsolicited offer can feel flattering—someone sees value in what you've built and wants to buy it. But without bringing other qualified buyers to the table, you've put yourself in a one-off situation where the buyer controls the pace, terms, and narrative. That's the opposite of POMO™, and it's why so many sellers walk away with millions—or tens of millions—less than their business is worth.

There's a reason sophisticated buyers spend significant time and money reaching out to you directly—especially if you're a founder-led company. They know that if they can get to you before you talk to a firm like Cornerstone, they will get a significantly better deal for themselves, every time. That's their job: To

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buy businesses for as little as possible and push as much risk as they can onto the seller. Meanwhile, you get one chance to sell your business—and you've likely never done this before.

Cornerstone's 2025 National Study on Selling Your Business* revealed two troubling trends: Fewer than 40% of business owners have ever had a fair market valuation for their company, let alone one based on current market conditions. And 55% said they would accept an unsolicited offer without obtaining one, simply because they **assumed** the price "seemed reasonable."

Both patterns leave sellers vulnerable. Without independent, market-based data, owners are relying on the buyer's opinion of value—the very party most motivated to pay as little as possible and load the terms in their favor.

I recently moderated a panel of private equity dealmakers and asked how many deals they look at compared to how many they buy. On average, they review 2,300 companies, submit about 60 Indications of Interest (IOIs), make 18 formal Letters of Intent (LOIs), and close on just five. That's 0.2% of all the companies they review. And you think you're going to beat them at a game they've mastered, in your one and only attempt?

The very traits that make you a successful business owner—grit, persistence, a can-do attitude, trial and error—are the same traits that can make you a terrible seller. You can't trial and error a sale. You get one opportunity, and the other side is a professional buyer who has done this hundreds of times before.

Consider this: You're the most talented tennis player in the U.S., but you've never played golf. Your friend takes you to their country club, and you start talking to the club pro. Due to all your success, you decide you want to challenge the pro to a round of golf. The pro has played the sport for more than 20 years and knows that course inside and out. Who's going to win? The golf pro—every single time.

This is what happens when business owners negotiate directly with sophisticated buyers. Professional buyers make acquisitions their full-time job. They understand market valuations and how to structure deals that tilt in their favor. They know exactly what to say to secure the upper hand. In contrast, most business owners will only sell a business once in their lifetime.

For instance in the last five deals where we ran a structured sale process against an unsolicited offer, we achieved a staggering 60% average premium over the unsolicited bid, due to the POMO™ effect. In every case, the seller walked away with a different, better offer.

The POMO™ Advantage in Action

Real client: One owner came to us after being approached by a private equity firm. They'd already negotiated up to $10 million, which the buyer called their "highest and best" offer. The catch? The deal was heavily weighted toward earnouts and future performance targets—placing significant risk on the seller.

When the seller told the buyer they were going to work with Cornerstone to run a structured sale process, the same buyer who claimed they couldn't go higher immediately called and asked, "What's it going to take for you not to sign with them?" A clear signal their ceiling wasn't real.

Through our Assurance 360™ process, we created a competitive environment that brought 10 qualified offers to the table. With that leverage, the seller secured a $14 million agreement, more cash at close, and far less dependence on future performance.

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Real client: Another client came to us juggling two unsolicited offers—both from largest, most dominant buyers in their industry. The seller asked, *"Why do we need Cornerstone? We're already talking to the biggest players with the most synergies."*

The problem was that both buyers were working directly with the owner, and those conversations happened separately, not in competition. One of largest, most synergistic buyers had offered just $25 million.

We started by conducting our Fair Market Analysis, which valued the company at $43 million. The seller was skeptical. After all, they'd been in the industry for 40 years and felt they knew the market better than anyone.

We explained that the key wasn't just who was at the table, but *how* they were brought there. By running our Assurance 360™ process, we created true POMO™—bringing multiple qualified buyers into the process at the same time, moving quickly to generate competitive tension.

Within 10 days of going to market, the client accepted an LOI for $51.3 million—more than double the lowest unsolicited bid, with better terms, a favorable transition timeline, and protections for the employee team.

The kicker? Just nine months earlier, that same buyer told the seller, *"We have a written mandate that we can't pay more than a 5x multiple"*—which would have been about $30 million. The market hadn't changed. The buyer's mandate hadn't changed. The only thing that changed was the process—and that made all the difference.

Turning POMO™ into Payoff

These results are not accidents. They're the outcome of a disciplined, competitive process that shifts the advantage back to the seller.

Selling your business is a once-in-a-lifetime opportunity. You only get one chance to capture the full value of what you've built. The M&A firm and the process you choose will determine whether you realize its true worth or walk away wondering what you might have left behind.

POMO™ puts you in the position every seller hopes for: Competing buyers, higher values, better terms, and the ability to finish strong on your terms—financial and otherwise. It's the difference between taking what's offered and confidently selecting the right fit for your future.

When you control the process, you control the outcome. And when you have multiple qualified buyers vying for your company, you hold the leverage that turns decades of work into the reward you deserve. That's the power—and the purpose—of POMO™.

POMO™ is a registered trademark of Cornerstone Business Services.

* Cornerstone's 2025 National Study on Selling Your Business: To see the full report, visit https://www.cornerstone-business.com/research-report/

**The Assurance 360™ process.

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