

— FROM MARK KROHN · A PATTERN WE SEE CONSTANTLY

The tragedy of *the unsolicited offer.*

It arrives out of nowhere. It feels like validation. And without the right guidance, it almost always costs you more than you realize.



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— A NOTE FROM MARK

I've watched this happen for thirty years.

For more than three decades, I've advised business owners on buying, selling and growing their companies. And over and over, I've watched the same thing happen: someone spends a lifetime building a business, then sells it for less than it's worth because the first serious offer arrived before they had a plan.

That's why I started Prevail. Not to talk owners out of selling, but to make sure that when they do, they know what their business is really worth and they have more than one buyer at the table.

An unsolicited offer is the most common way this goes wrong, and the quietest. Nobody gets hurt. The owner signs, feels good about it, and never learns what the market would have paid.

— WHY IT HAPPENS

The offer feels like a compliment. That's exactly the point.

Strategic buyers and private-equity roll-ups don't reach out by accident. They've done their research, they know what they're willing to pay, and they know an owner who feels validated is far less likely to get a second opinion or run a competitive process that creates real leverage.

THE PATTERN

A competitor or private-equity-backed buyer approaches an owner directly. Flattered and unprepared, the owner engages without representation. By the time terms erode through earnouts, adjustments, and re-trades, it's too late to reset.

What the other side of the table already knows.

01	The anchor	An early number is floated before the owner has any basis for comparison. That number becomes the ceiling, not the floor, for every negotiation that follows.
02	The LOI trap	The headline price in the letter of intent looks attractive. Buried in the terms are exclusivity clauses, earnouts, and working capital adjustments that quietly reduce the real number.
03	The re-trade	Once the owner is months in and emotionally committed, due diligence becomes leverage. Every imperfection is an argument for a lower price, and walking away feels impossible.

— RED FLAGS TO WATCH FOR

Before you respond to any unsolicited offer.

Exclusivity pushed early

It takes away your leverage before real negotiations begin.

A large earnout

If 15% or more depends on future performance, the headline price isn't real.

"No advisors needed"

A buyer who discourages representation is protecting their own position.

Artificial urgency

"Offer expires Friday" is a tactic, not a real deadline.

The buyer is a competitor

Sharing your financials with a competitor carries real risk if the deal doesn't close.

No valuation explained

Credible buyers can walk you through their math. If they won't, the number was designed to anchor you.

— WHAT REPRESENTATION CHANGES

Received an unsolicited offer? *Don't respond alone.*

◆ We know what the market pays

Not one buyer's offer, but what a competitive process produces. Those are almost always different numbers.

◆ We read the terms

Earnouts, reps and warranties, working capital targets. We know where value hides and where it disappears.

◆ We create competition

One offer in hand can be the start of a real process. Leverage comes from options.

◆ We take out the emotion

Owners are emotionally invested, and buyers know it. We negotiate from data, not hope.