PROTEGRITY Advisors™

Differences Between Financial and Strategic Buyers

By Bruce Newman

If you are considering the sale of your business, it's important to understand the motivations behind different types of buyers.

Strategic Buyers operate companies that provide similar products or services and can be competitors, suppliers or customers of your business. Their goal is to identify companies that can integrate easily with their existing infrastructure and brand to create incremental long-term value. Strategic buyers can often eliminate duplicate expenses, thus making it easier for them to pay a higher price for your business.

Financial Buyers include private equity firms, hedge funds, and family investment offices. These buyers are in the business of making financial investments and realizing a return over a targeted period of time. They may also combine businesses with existing portfolio investments. Financial buyers focus on attractive growth opportunities and will plan to exit through a sale of the business or IPO.

Because these buyers have fundamentally different goals, the way in which your business is presented to them can have a material impact on the perceived value of your business.

To learn more about the M&A process, contact Bruce Newman at

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