Q&A with Christine Parise Cordes and Neal F. Splaine, Co-Chairs of the Corporate, Business & Tax Practice at Rubin Rudman on M&A for Family-Owned Companies

APRIL 29, 2026

Christine Parise Cordes and Neal F. Splaine, Co-Chairs of the Corporate, Business & Tax Practice at Rubin Rudman

In this series, **Rubin Rudman** attorneys will discuss the wide-ranging and unique issues faced by family-owned businesses. These companies, which are a major part of the New England economy, need to grapple with a wide variety of challenges related to family dynamics that other types of businesses do not have to deal with. In this installment, the authors explore M&A for family-owned companies.

Christine Parise Cordes and **Neal F. Splaine** are Co-Chairs of the Corporate, Business & Tax Practice at Rubin Rudman in Boston. With over 20 years of experience, Cordes has a diverse practice encompassing corporate, M&A, and finance matters for closely held and family-owned business across a broad range of industries. Splaine has over 30 years of experience serving as outside general counsel to closely held businesses in the region, including many with national and international operations, and an excellent track record handling sophisticated M&A transactions and for implementing effective multi-generational business succession plans. They can be reached at **ccordes@rubinrudman.com** and **nsplaine@rubinrudman.com**.

How is selling a family-owned business different?

Selling a family-owned business is rarely a purely financial exercise. Unlike a sale of business for a corporate owner or private equity firm – where decisions are typically driven by portfolio strategy, return on capital, or operational fit – a sale of family-owned business usually carries decades of personal investment, identity, and relationships. Often, other than getting married or having children, the sale is the biggest moment in the family's lifetime as the business may represent its founder's life's work and the life's work of one or more generations before them, a family's primary source of wealth, a commitment to a workforce that often also includes extended family members, and a legacy within their community.

The process of selling a family-owned business tends to involve a broader group of stakeholders, including multiple family members with differing priorities, levels of involvement, and financial expectations. Governance may also be less formal, which can significantly complicate decision-making. There is also often a heightened sensitivity around continuity of the company culture post-closing as well as whether or not the business will continue to use the family name. Structurally, these deals often require time and considerations upfront to align stakeholders and clarify objectives before engaging with the market.

What motivates owners to pursue a sale in the first place?

Motivations are often a mix of personal, financial, and strategic considerations. For many, the lack of a "next generation" succession plan is the primary driver. Family-owned business owners looking to sell may be responding to a nearing retirement of the primary operator, a desire to diversify the family's investments, market forces such as increased competition or industry consolidation, or even family disputes. In situations where owners wish to scale the business or obtain liquidity while retaining some ownership and remaining involved in operations, family-owned business owners may also seek to obtain capital by bringing in non-family investors or rolling equity over into a larger private equity portfolio. In any scenario, timing and family alignment is critical. Owners who approach a transaction proactively, rather than reactively, tend to have more control over outcomes.

We represented a third-generation family-owned business in the construction industry for many years where the owners initially approached us to represent them in connection with a sale of the business and the real estate where it was operated. The owners hit the proverbial home run on the sale of the real estate at the perfect time in the market; however, the timing wasn't right for the business. The sale was stalled and the owners had to be nimble. After a few years, the owners decided it was time for them to retire and, without a "next generation" ready to take the wheel, they decided to transition the business to their key management team. Through the process, we talked a lot about legacy and doing "what my father would have done." Though the key management team wasn't actually family, they were treated as such as we often see in the case of family-owned businesses. In working through the planning with that client, the success of the sale was not measured in dollars and cents, but in legacy and, at the end of the day, feeling good about keeping a business going for a team who earned the ability to carry it on.

What are the biggest misconceptions business owners have about M&A?

One of the most common misconceptions is that valuation is the primary determinant of a successful transaction. While price is important, deal structure, tax treatment, post-closing exposure for the owners and continuing obligations, and cultural fit will have a significant impact on the ultimate success of the sale.

Another misconception is around readiness. Many owners underestimate the level of preparation required—financial, operational, and legal—to bring a business to market. Issues such as incomplete financial reporting, undocumented agreements, or unresolved governance matters or unspoken expectations can surface during diligence and affect both value and negotiations.

Finally, there is often an expectation that the process will move quickly once a buyer is identified. In reality, M&A transactions require careful coordination across advisors and stakeholders, often resulting in delays if an owner does not feel the need to engage with all relevant advisors early in the process. Though owners often cite cost as a factor, delay in engaging with advisors can often cost more in the long run as result of having to circle back and address critical issues that would have been more efficiently handled prior to taking a business to market.

How do you help clients prepare before going to market?

First, we make sure that clients have a clear understanding of their objectives, which typically begins with aligning key stakeholders – often across generations – on goals, timing, and acceptable outcomes.

From there, we work closely with clients and their other advisors to assess readiness. This includes reviewing corporate governance and structure, key contracts, employment arrangements, tax issues, and intellectual property, as well as identifying and addressing any potential diligence issues in advance. Tax planning is a critical component, particularly for family-owned businesses where structuring decisions can have long-term implications for wealth transfer.

Additionally, we help clients think through the qualitative aspects of a transaction – what type of buyer is the right fit, what level of ongoing involvement (if any) the founder wants, and how employees and customers will be impacted. This helps them approach the transaction deliberately and efficiently.

What deal terms tend to matter most to family-owned business owners?

While purchase price is always important, owners often place significant weight on other non-price terms that affect the certainty of the payment of the purchase price, the potential for additional up-side, post-closing exposure for the owners and continuing obligations as well as legacy. This includes the form of consideration (cash versus equity), the structure of the payment terms such as whether an earn-out or installment payments will be utilized, non-compete covenants, and the scope of representations, warranties, and indemnification obligations or, alternatively, whether insurance will be used to further mitigate post-closing exposure. For many, continued involvement in the business – whether as a minority owner or through employment, consulting, or board participation – is also a key consideration.

Other non-economic terms like how the business will be operated post-closing, whether employees will be retained, and how the company's culture and brand will be preserved are also issues that founders often care deeply about. In some cases, these considerations shape negotiations as much as the price.

A few years ago. we were representing a European based family-owned buyer in connection with the acquisition of a U.S. based family-owned seller where the primary operator of the selling business had passed away. His heirs who were selling the business were far more concerned with their post-closing exposure than price and our client was able to successfully win the bid in a highly competitive process by focusing on what was of the most importance to the sellers. In that deal, we navigated our client through using an acquisition structure that included a representations and warranties insurance product that eliminated the sellers' post-closing exposure entirely. This required rigorous due diligence as our client was highly risk averse – notwithstanding the structure of the deal – but we were able to successfully complete the process to everyone's satisfaction and add to our client's U.S. portfolio.

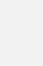
How do emotions and legacy influence negotiations?

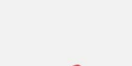
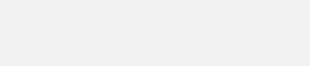
For nearly all of our family-owned business clients, the sale of a business is not just a financial event – it is a transition that carries significant personal meaning.

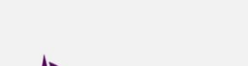
This can influence negotiations in several ways. Owners may be more selective about buyers, prioritizing cultural alignment or continuity over marginal differences in price. At the same time, emotional attachment can make it more difficult to navigate concessions or to view the business through a purely objective lens. For example, we had a client years ago who absolutely would not allow the buyer to continue to use the family name in connection with operating the business post-sale even though this was a $100M+ deal where the name was well known in the market and very much a part of the value of the business. In that deal, we settled on a 12-month carefully drafted license to use the name so that the buyer could transition to its own brand without adversely impacting the family's name and legacy. We found a solution, but the negotiations were tense and required thoughtful discussions, concessions from both sides and solutions that everyone could live with as well as having to combat the buyer's continued insistence that our position "wasn't market."

We see our role in situations like this as not only advocating for our clients' desired positions but also to help our clients strike the right balance – ensuring that emotional and legacy considerations are incorporated into the process in a way that supports, rather than undermines, a successful outcome. That often involves setting expectations early, creating space for thoughtful decision-making, and keeping negotiations focused on our client's broader goals.

COMPANIES THAT TRUST citybiz





© Copyright 2012 - 2026 | citybiz | Terms of Service | All Rights Reserved