

## Navigating Change in Control with Confidence

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Ownership transitions are among the most defining moments in a company's lifecycle. They can create opportunities for renewed strategy and investment, but they also bring financial, cultural, and operational challenges. This success story highlights how one manufacturing business successfully navigated a change in control following a management buyout.



### The Challenge

The business was undergoing a leadership transition as senior management acquired ownership from existing shareholders. While the move promised fresh direction and energy, it also carried risks:

- ✓ Loan covenants included strict change in control provisions that could trigger repayment obligations.
- ✓ Employees expressed uncertainty about the company's future.
- ✓ Customers and investors were concerned about continuity in leadership and operations.

Without careful planning, the transition could have disrupted operations and strained financial stability.

### The Approach

The management team prioritized stability and clarity during the transition:

- ✓ Financial Review – Conducted a detailed analysis of debt agreements to identify and address change in control clauses early.
- ✓ Transparent Communication – Shared consistent updates with employees, investors, and key customers to build trust.
- ✓ Governance Planning – Established clear decision-making structures to prevent confusion during the ownership shift.
- ✓ External Guidance – Engaged advisors to manage compliance, contract negotiations, and regulatory requirements.

### The Results

The business successfully completed the buyout without triggering covenant breaches or losing key employees. Investor confidence remained intact, and the company's customer relationships stayed strong. Within the first-year post-transition, the business stabilized operations and launched new strategic initiatives under its refreshed leadership.

### Key Takeaway

A change in control does not have to disrupt operations if it is managed proactively. Early contract reviews, transparent communication, and structured governance are essential to ensuring that ownership transitions become opportunities rather than liabilities.