

Why do fees paid to M&A advisory firms differ per deal?

A multiple case study into perceived value in an M&A advisory firm context

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Name: L. Dekker

University of Twente

Master of Science in Business Administration

First Supervisor: J. Heuven

Second supervisor: P. Bliet

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Abstract

Without a clear explanation, advisory fees that are earned by M&A advisory firms differ in height, even when deals appear to be similar. Research has shown that price can be influenced by the customer perceived value of a product or service; however this has not been researched for an M&A advisory firm context. This study aims to explore customer perceived value in an M&A advisory firm context. By building on existing theories on perceived value it asks: "How do managers of M&A SME advisory firms in the Netherlands, create perceived value for their customers during the pre-contract phase?". The study investigates the importance and actionability of perceived value in an M&A advisory firm context.

Based on existing theories on perceived value in other (services) contexts 9 semi structured interviews were held on perceived value. Next, after having analyzed the interviews, quantitative data on 31 deals were collected. The M&A advisory firm managers that were in charge of those deals all received questionnaires on the importance and actionability of the different aspects of perceived value. Based on the ratio advisory fee/deal size, two groups were created (high ratio/low ratio). The questionnaire results of the two groups were compared. The results indicate that functional value (quality) is the most important construct for perceived value, but a too strong focus on functional value (quality) decreases customer perceived value. Furthermore it seems that On this basis it is recommended that managers should spread their focus more evenly over the different aspects of perceived value. After functional value, emotional value is the most important and actionable construct. Further research is needed to gain a deeper understanding of perceived value , especially functional value, in an M&A advisory firm context.

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1. Introduction

1.1 Background of the problem

Every year a vast number of entrepreneurs, managers, or shareholders decide to sell their firm, acquire a new firm or to merge with an existing firm. In 2017 alone, on a global scale, 52.745 transactions were noted with a combined deal value of 3.7 trillion dollars (IMAA, 2019). Both large and small companies are active in the M&A market. In the Netherlands over the year 2018, approximately 677 purchase tracks, and 874 sales tracks were noted on the SME market (Brookz Overname barometer, 2019). The M&A market is a huge market, with many players profiting from it. There are the buyer and seller, the guiding firms, financial specialists, and lawyers, which all fulfill a task in the complex processes on the M&A market.

SME's go through several phases when merging, acquiring, or selling, namely the pre- and post-merger phase. Each of these phases brings on different problems and challenges. It is a complex process due to which deals and transactions might turn out to be unsuccessful (Bauer and Matzler, 2014 | Bruner, R. 2005 | Christensen et al., 2011). To overcome the challenges during the pre- and post-merger phase SME's often decide to hire a consultancy firm specialized in guiding merger and acquisition trajectories. These so-called M&A advisory firms should best know how to overcome the different hurdles.

During the pre- and post-merger phase, many steps must be taken. The company must find the right buyer, and the optimal price must be determined, a good fit must be found, a buying strategy must be defined, the companies must get to know each other, and terms and conditions must be agreed upon (Gomes, Angwin, Weber and Tarba, 2013). Failing one of these steps might cause a deal to fall through. After the deal has been closed, there are still a lot of reasons why a deal might be defined as a failure. Examples are lost market share, financial instability, impaired strategic position, organizational weakness and damaged reputation (Christensen et al., 2011| Bruner, R. 2005). Proper integration is a significant challenge and is crucial and adequately going through the pre-merger phase can be a determinant for success (Bauer and Matzler, 2014). In each of the stages, the services of an advisory firm can help to complete a deal successfully.

1.2 Problem Description

The advisory firms are mostly paid via a success fee structure. This means that the guiding company will mostly get a percentage of the total amount paid. The fees which are paid to guiding firms differ a lot. Figure 1 shows that for the same deal size, different customers pay different fees. It shows that for a deal with a deal size of 5 million, 37% pays a fee lower than 4%, and 63% pays a fee higher than 4%. Furthermore, one can see that as the deal size increases, the success fee as a percentage of deal size decreases. One can state that there are different percentages charged to different companies. The difference can be seen across all deal sizes.

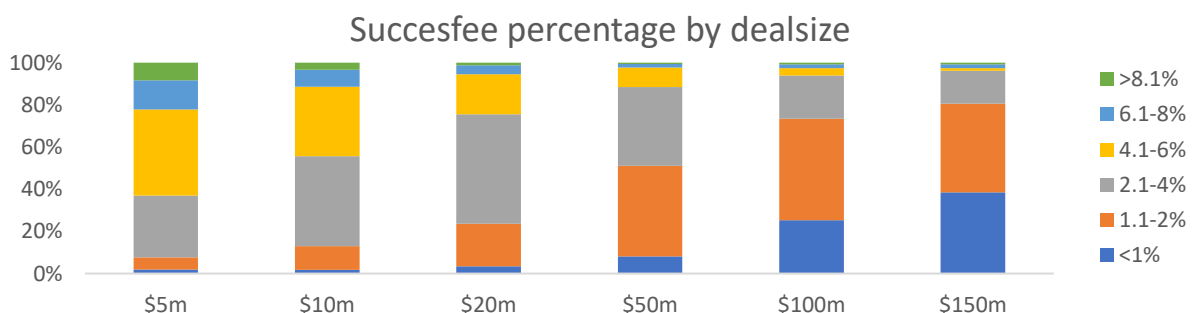


Figure 1 Success fee percentage by deal size Source; M&A Fee guide, 2018

Some scholars have tried to explain why these differences exist. Walter, Yawson, and Yeung (2005) examined the pricing and performance of advisors in M&A transactions. Walter et al. (2005) examined the link between the fee and the quality of the advisors. They defined high-quality advisors as advisors with larger market shares. They found that those advisors charged higher fees. The speed at which deals are completed was higher when high-quality advisors were hired. However, hiring a high-quality advisor did not result in a higher likelihood of completing a deal; neither did it result in higher abnormal equity returns. Even though these advisors charged higher advisory fees, and had larger market shares, their quality in actual measured results was not higher. Customers were willing to pay a higher advisory fee for these advisors because their quality appeared to be higher.

In other research, Du and Huang (2015) noted that research into M&A advisory fees is still in an early stage. In an attempt to explain predictors of M&A advisory fees they quantitatively assessed 1529 deals and found that reputation, as measured by the league table ranking, positively affects the M&A advisory fee. Furthermore, quality, measured as the ability of advisors to select value-enhancing deals, did not clearly determine the advisory fee. Sometimes even deals that decreased value resulted in good fees for advisors (Du and Huang, 2015). There seem to be no clear explanations to why some advisors get paid higher fees than others.

1.3 Practical Implications

A clear explanation of why one advisory firm gets paid more than another is still missing. An explanation might be found in the way M&A advisory firms come to an advisory fee. Prices and price propositions are created in collaboration with customers (Ingenbeek, 2014). The form of pricing used by M&A guidance firms, is known as value-based pricing (VBP), or sometimes called value informed pricing. VBP is defined as the perception of benefits, that a product or service offers compared to the price paid for a product or service (Ingenbeek 2014). It sees the price as a trade-off in relation to the benefits gained by the customers. If the customer perceives a product as valuable, he is willing to pay a higher price for it (Ingenbeek 2014). Therefore, knowing what actions can be taken to increase the perception of value can result in a higher price. This research aims to gain a better understanding of what advisors do to achieve as high a value as possible, and thus understand how M&A guidance firms maximize the advisory fee paid to them.

Furthermore, awareness of the factors that drive perceived value in an M&A advisory firm context could help practitioners to improve the level of service they deliver. It could be that practitioners focus on wrong parts of perceived value which are either unactionable or unimportant. If practitioners do focus on the truly important aspects customers could benefit.

Knowing what creates value, perceived value can lead to a better pricing process for both the seller and the supplier. It can increase earnings for the seller and increase value for the buyer. As shown in figure 1, advisory fees differ per deal. From a perspective of perceived value, knowing what successful and unsuccessful firms do to create perceived value, can help firms to come to better advisory fees, and price propositions. It can help practitioners to better focus attention on factors that drive advisory fees.

1.4 Theoretical Implications

Perceived value is a topic that has received attention in the literature. McDougall and Levesque (2000) researched perceived value in relation to customer satisfaction in a services context. He linked perceived value to “does a customer get worth for his money” and concluded that perceived value is linked to customer satisfaction. However, satisfaction and perceived value are not the same. Satisfaction can only exist after a product is purchased. Perceived value can also exist before purchasing a product, which makes perceived value interesting to look at. Lapiere (2000) wrote about perceived value in an industrial context. He identified 13 key value drivers of perceived value. However, these drivers are context-specific. Sweeney and Soutar (2001) constructed a list of constructs and items to understand perceived value better, however, stated that the list only helps to explain perceived value in a retail context, and applicability in other contexts cannot be stated.

Moreover, products and services are fundamentally different from each other, due to the different nature of services (Lovestock, 1983). Petrick (2002) identified several items and constructs to understand perceived value in services context. However, he concludes his research by stating that the list of constructs and items is valid, but context-specific, namely services on a cruise ship. As both research papers have shown, drivers for perceived value are context-specific. Perceived value in the context of value created by SME M&A advisory firms has not received attention. This research paper will aim to fill in the gap, in theory, existing in the knowledge and understanding of perceived value in an M&A advisory firm context.

1.5 Goal and research questions

This research aims to explore perceived value in an M&A guidance firm context. It will try to explain why advisory fees for M&A advisory services differ per deal through the scope of perceived value. More specifically this paper aims to explore and describe perceived value in an M&A advisory firm context and how actionable these points are for practitioners. Due to the limited period in which this research is taking place, and the availability of data this research will focus on the advisory firms' side of perceived value.

This results in the following research question:

RQ "How do managers of M&A SME advisory firms in the Netherlands, create perceived value for their customers during the pre-contract phase?"

This results in the following sub-questions:

Sub-questions:

Sq1: "How is perceived value created in a general sense?"

Sq2: "What does perceived value consist of in an M&A advisory firm context?"

Sq3: "How can managers of M&A advisory firms affect perceived value in their interactions with customers?"

This research will contribute by furthering the insight into why fees differ per deal and will further research on perceived value in an M&A context. Practical implications will be, for both the hirer and the guider, to have better insight into drivers of value in an M&A process, which allows them to optimize pricing. To come to better pricing, one should invest in knowledge and skills in identifying and creating value (Ingenbleek, 2014). Theoretical contributions of this research will be that the research gap existing in knowledge and understanding of perceived value specific to the context of SME M&A advisory firms. Moreover, research has shown that understanding what creates value, leads to better products and better prices (Ingenbleek et al., 2003). Furthermore, best practices will arise, which will help the guidance firm to know better which steps and actions help to increase earnings.

1.6 Outline of the paper

This paper is structured as followed. First, a theory section will follow. In the theory section, the origins of perceived value will be described. Furthermore, the gap in the literature will be underlined and further clarified. Two lines of thinking on value will be discussed. Additionally, several forms of pricing will be addressed. Next, the link between price and perceived value will be described, and the connection between perceived value and several constructs and items will be described. A conceptual model will be described. Next, a methods section follows, in which the research design will be given, the case selection method will be described, data collection will be discussed, and data analysis will be described.

2. Theory

Setting the right price can be a big challenge for every firm (Ingenbleek et al. 2003). To better structure the process of forming a price, companies adopt pricing strategies (Ingenbleek et al. 2003). Researchers mostly define three types of pricing strategies. These are cost-based pricing, competition-based pricing, and customer value-based pricing (Ingenbeek et al. 2003, Hinterhuber, 2008). Every form of pricing has its own (dis)advantages. Moreover, each type of pricing stems from a way of thinking. Whereas cost-based and competition-based pricing stem from a Goods-Dominant Logic, value-based pricing stems from a Service-Dominant Logic. Both lines of thinking will be discussed, and pricing strategies that root from these lines of thinking will be described.

2.1 The origins of pricing - Goods-Dominant Logic

In a GDL, a goods-centered view, the main purpose of economic activity is to produce and distribute things that can be sold (Savitt, 1990). To be sold products should contain value which is obtained during production and distribution. To maximize efficiency the products should be produced away from markets, and the products can be stored until there is a demand (Vargo and Lusch, 2004). In a GDL, goods even have value when they are stored in a warehouse, since the value is in the product, and not in the use of it. A GDL does not concern services, and when services are mentioned, they serve complimentary to the product (Vargo and Lusch, 2004). Companies push the product on to the market and sell products they see as valuable using propositions created by the company. In this line of thinking the customer does not need to be consulted when producing a product. Companies assign value to the product. Therefore, value is captured in the product and does not need to be in the hands of a customer to be valuable.

2.1.1 Cost-Based Pricing

The first pricing strategy to follow from a GDL is cost-based pricing. Cost-based pricing uses data gathered from cost accounting to come to a price. The by the accountant calculated cost price is raised with a certain percentage to reach a sales price. The major benefit of pricing in this manner is that data is readily available. The major drawback is that the price of the competition is not considered (Hinterhuber, 2008). Another possible drawback might be that fixed-cost might depend on the absolute volume which is sold (Ingenbeek et al. 2003). All in all, cost-based pricing delivers a safe price which ensures a substantial profit margin, however, standalone it can out/under-price a product in comparison to competitors. Cost-based pricing uses the cost of production to reach a product's monetary value, without consulting the customer or the competition.

2.1.2 Competition-Based Pricing

The second pricing strategy that follows from a GDL is competition-based pricing. The major difference from cost-based pricing is that not only the cost of production is taken into account but also the price of the competition is considered. In such a model the competitor's predicted or observed price is the primary source of information for forming a price. Ingenbeek et al. (2003) add that the relative competitive position of the competitor compared to a company's position is vital to consider. If the product, for example, is of lesser quality compared to a competitor's product, the price should be slightly lower too. The main benefit of a competition-based price strategy is once again that data is widely available and the risk of underpricing a product is lower (Ingenbeek et al. 2003, Hinterhuber, 2008). The major drawback, however, is that it does not anticipate the customer's value in use.

Value in use is the value that is appointed to product or service by the buyer when consuming the product. Value in use is described as the actual usefulness as experienced by the customer (Vargo and Lusch, 2004). Sandström et al. (2008) define Value in use as "Value in use is the evaluation of the service experience, i.e. the individual judgment of the sum total of all the functional and emotional experience outcomes. Value cannot be predefined by the service provider, but is defined by the user

of a service during the user consumption.”. Value in use does not describe the value given to a product or service by the seller, but describes the value a customer experiences when using the product.

2.2 The origins of pricing - New line of thinking Service-Dominant Logic

In a GDL products or goods are the carriers of value, whereas in an SDL Value in Use plays a significant role, since the product no longer has a value when the product is just laying on a shelf, but becomes valuable when it is needed and used. The value no longer purely lies in the product but is created together with the customer. In the SDL way of thinking, or service-centered view, the focus lies on intangible assets. Those intangible assets are continuously used by firms to make better value propositions than their competitors do (Vargo and Lusch, 2004). To do so firms develop core competencies, knowledge, and skills, and firms identify potential customers who could make use of these competencies. Value is created when using the product, instead of having the product (value in use). Together with the customer firms work on value propositions that meet the specific needs of the customer. Feedback is received by analyzing the financial performance of the deals made and is used to improve value propositions and firm performance (Vargo and Lusch, 2004). In an SDL learning and working together with customers is critical.

	Goods Dominant Logic	Service-Dominant Logic
Primary unit of exchange	In an GDL people exchange to acquire goods	In an SDL people trade to obtain the benefits of these goods or services
Role of goods	In a GDL, goods are relocated, changed or repossessed. Marketers take matter and change its form, place, time, and possession.	in an SDL goods are seen as transmitters of operant resources, as for example knowledge.
Role of the customer	In a GDL the customer is the receiver of goods and is treated as such. Marketeers undertake action to distribute the goods to the customers.	In an SDL the customer is a co-producer of services or goods and marketers focus on interacting and collaborating with the customer to co-create.
Determination and meaning of value	In a GDL the value of a product is determined by the producer and is defined in terms of “exchange-value.”	in an SDL the value is determined by the customer through value in use. Value is created by the beneficial use of the product or service.
Firm–customer interaction	the interaction with a customer in a GDL is focused on selling the products or resources	interaction in an SDL is focussed on coproduction and relationship building
Source of economic growth	The source of economic growth in a GDL is in owning, controlling and producing tangible assets	whereas in an SDL wealth is obtained through the application, and exchange of specialized knowledge and skills

Table 1 GDL – SDL Based upon Vargo and Lusch (2004)

Operant recourses are recourses that produce an effect and are often invisible and intangible (Vargo and Lusch 2004). Operant resources are usually embedded in the core competences of an organization can help employees to enhance the value of the natural resources (Vargo and Lusch, 2004). These very different views on products and services result in a very different perspective on value.

2.2.1 Value-Based Pricing

Having a different view on value also means that prices are viewed differently. In a GDL the price is defined as “the number of monetary units a customer has to pay for a product or service” (Simon’s 1989, p. 1). Prices are set by a firm trough assessment of customer elasticity, and prices of the competition and are then set to create a maximum level of profit (Ingenbleek, 2014). This view on

pricing does not consider the value that a product creates for a customer, which is where the concept of value-based pricing or value informed pricing, steps in.

Key to value-based pricing is the value a customer gives to a product, instead of the value a supplier gives to a product (Demirkan, Hefley and Auseklis, 2009). If a customer assigns a higher value to a product, a higher price can be charged. Hinterhuber (2008) describes customer value-based pricing as a pricing strategy that uses the value a product offers for the customer as the driver for price setting. Value-based pricing (VBP) differs from cost-based pricing and competition-based pricing. It makes use of the value a product has in relation to a specific customer and makes use of the customer's value in use (Hinterhuber, 2008). It informs the company about a customer's value perception of a product, the perceived value (Ingenbleek et al. 2003). The major drawback of value-based pricing is, that it is hard to determine customer value (Hinterhuber, 2008). Value-based pricing differs from other forms of pricing by using the customer as a point of reference when forming a price.

2.2.2 Perceived value and price

The price in value-based pricing is divided into several components, namely the price floor, the price, and the price ceiling. These components are presented in table 2. The price floor is the minimum price a supplier will charge. The price floor is determined by the costs a supplier must make when producing a product (Ingenbleek, 2014). The only time a supplier should want to sell for a lower price than the price floor is when he anticipates that costs will become lower over time (Ingenbleek 2014). The price ceiling is the maximum price that can be charged for a product and is determined by the value in the context of the customer. The price is what is actually paid for the product by the customer. The discrepancy between the price floor and the actual price that is paid is the transactional gain for the supplier, or profit margin (Ingenbleek 2014). The discrepancy between the price and the price ceiling is the transactional gain for the customer, or surplus (Ingenbleek 2014). However, the price ceiling can be manipulated by the seller through their propositions. Therefore, greater knowledge of what factors create the price ceiling can help to increase profitability.

	Determined by:
Price ceiling	Value in the context of the customer
Transactional gain for the customer	
Price paid	
Transactional gain for the supplier	
Price floor	Cost of goods

Table 2 – Price ceiling (Ingenbleek, 2014)

The price ceiling is formed by the value in a context (Ingenbleek, 2014). Firms that can express perceived benefits in the price can create coherent price propositions. Therefore, understanding customer value perceptions can lead to higher turnover and higher profit margins (Ingenbleek 2007). Customer value perceptions, or customer perceived value, is defined as “consumer’s overall assessment of the utility of a product or service based on perceptions of what is received and what is given” (Zeithaml, 1988, p.14). Over time the definition of perceived value has changed. Patterson and Spreng (1997) define perceived value as “a ratio or trade-off of total benefits received to total sacrifices” (Patterson and Spreng, 1997, p.416). The different definitions have in common that perceived value is seen, as a combination of what is sacrificed and what is gained. Understanding perceived value can increase price and turnover.

Value-based pricing logically follows from an SDL perspective (Ingenbleek 2014). In value-based pricing, the price of the product is related to the by the customer perceived benefits of the product or service. The price is seen as a trade-off of the benefits gained (Ingenbleek 2007), and the costs made. To come to such a price, managers should truly understand what the perceived benefits,

or value in use, of a product are. The value in use is the value as experienced by the customer (Vargo and Lusch, 2004). Pricing in such a manner makes prices paid rewards for value created. Even though the view on pricing is different, the principles of a goods-dominant logic are not rejected, but instead, they are incorporated (Vargo and Lusch, 2006). Since value-based pricing takes logically follows from an SDL and considers the principles of a GDL it seems to be an optimal form of pricing.

2.2.3 Value-Based Pricing in an M&A advisory firm context

In the SME M&A market, value-based pricing is often applied. Often customers pay a fixed base fee beforehand and a variable success fee once the deal is closed (Firmex, 2018). Several different methods of this way of pricing are known. These can be summarized into three categories, namely: a scaled percentage method, a simple percentage method, and the Lehman formula. A scaled percentage is a method in which the percentage climbs as the raised capital rises. To illustrate, a 10-million-dollar target would earn 2 percent, the next 10 million 3 percent and so forth. The Lehman formula is a descending scale and acts as the opposite of the scaled percentage method. To illustrate, the first 10 million could earn 3 percent, the next 10 million could earn 2 percent. A simple percentage uses the same percentage over the entire deal (Firmex, 2018). Today, the scaled percentage method is the most popular method (Firmex, 2018). Often the percentage is the subject of negotiation during the pre-contract phase. However, sometimes the percentage is renegotiated in the final stage before closing.

During the pre-contract phase, the advisory firm will put in an effort to emphasize the benefits a customer will experience from their service. Perceived benefits are often weighted against perceived sacrifices. This is expressed by the pricing structure when for example the advisory firm states that a customer in a sales track will pay a higher fee, when a higher price is achieved (Firmex, 2018). Moreover, it shows when perceived higher quality advisors can charge higher prices (Walter et al. 2005). Price is linked to perceived value of the customer, when a value-based price is formed.

Depending on if either a scaled-percentage method or a price range is chosen, there are several stages in which an advisory fee can be agreed upon. In the scaled percentage method, the price is wholly discussed upfront. The customer and the advisory firm agree upon a percentage of the deal value that will be paid. If the advisory firm derives a higher deal value, the percentage that will be paid will be higher. When working on a price range however, a range is agreed upon upfront, and which percentage within that range is paid is decided upon when a deal is closed.

This research paper will focus on the period up until a price is agreed upon, meaning the pre-contract phase. In this phase the customer only has a perception of the service and has not experienced the service. Once the deal is done a customer can genuinely assess what the service has delivered for him which is no longer an aspect of the perception of value.

2.3 How perceived value is created

Perceived value has received much interest from researchers. Researchers and practitioners seem to believe more and more that perceived value plays a significant role in the strategic management of organizations (Sánchez and Iniesta, 2007), since the creation of value must be the reason why a company exists (Slater, 1997). As a result, and as discussed earlier, many different definitions of perceived value have arisen over time. In order to reach an agreement on what perceived value consists of, it is essential to agree upon a definition of perceived value.

Over time the definitions have shifted from uni-dimensional towards multi-dimensional (Sánchez and Iniesta, 2007). In a unidimensional definition, perceived value is defined as a ratio of what is gained and what is given, whereas a multi-dimensional approach recognizes that perceived value depends on multiple concepts together creating perceived value (Sánchez and Iniesta, 2007). The complexity of the concept of perceived value, therefore, has increased.

2.3.1 Perceived value in a general sense

The progress that is made on the development of the concept of perceived value, from a basic concept towards a complex concept is shown by the different lists of constructs and items that have been

created over time to understand perceived value better. In 1988 Zeithalm explored perceived value by using three constructs, namely perceived quality, perceived price, and perceived value. Using these three constructs, he found four definitions for value, namely (1) low price, (2) whatever the customer wants in a product, (3) quality received for price paid and (4) what is received for what is given (Zeithalm, 1988). Based upon these findings, he came up with the definition which was stated earlier, namely “perceived value is the customer’s overall assessment of the utility of a product based on perceptions of what is received and what is given (Zeithalm 1988 p.14)”. Later in 1997 Cronin et al. explored perceived value using four constructs, namely overall service quality, service quality, overall service value, and sacrifice. Furthermore, Cronin et al. 1997 used different items to discuss the different constructs which created further insight into what perceived value consists of and how it can be influenced. For example, they found that service value drives decision making for consumers (Cronin et al. 1997). Furthermore, they state that a manager should ask himself if he should emphasize on the quality or on cost advantages since that decision depends on what a customer perceives as valuable (Cronin et al. 1997). Later Huber et al. (2007) researched perceived value using four components, namely risk, logical, practical and emotional. Results showed that these components created further insight in perceived value, and that perceived value not only has a positive effect on the maximum price, but also on customer satisfaction (Huber et al. 2007). Over time the conceptualization of perceived value and the constructs used to understand perceived value have changed. Different research papers use different constructs with various items, depending on the research context.

Which constructs and items are used to understand perceived value is context-specific. The context used by Zeithalm (1988) was the consumption of beverages. The context used by Huber et al. (2007) was customers of car dealers. The context used by Cronin et al. (1997) was health care, fast food, and entertainment. Cronin et al. (1997) describe that research focussed on distinct industries, and the constructs used cannot be extended as is upon other contexts. In other research, Petrick (2002), and Lappiere (2000) define other constructs and other items to gain further insight into perceived value, however, also warn that these constructs and items are context-specific. An overview of different constructs with items that were constructed over time can be found in Appendix A. The previously described contexts are very different from the M&A advisory firm context.

2.3.2 Perceived Value in the context of a service

Contexts that are more similar to the M&A advisory firm are the context Consulting service (Patterson and Spreng, 1997), the services contexts on cruise ships (Petrick 2002) and Security service (Wang et al. 2004). The constructs and items belonging to these research contexts are displayed in table 3. Over time the number of constructs seems to have decreased. Furthermore, they seem to have taken a more generalizable standard. Wang et al. (2004) define functional value as quality, and Petrick (2002) has taken up quality as a construct. Petrick (2002) uses emotional response, whereas Wang et al. (2004) use emotional value. Petrick (2002) uses reputation, whereas Wang et al. (2004) use social value. Petrick (2002) uses monetary price and behavioral price, whereas Wang et al. (2004) use perceived sacrifices. Both recent papers seem to use the same type of constructs, and the difference might especially lay in the items used.

An overview of the different items belonging to each construct can be found in table 4. Where Patterson and Spreng (1997) use mostly 1 to 2 items per construct, Wang et al., (2004) and Petrick (2002) use 4 to 6 items per construct. Even though Patterson and Speng performed a confirmatory factor analysis and looked at the average variance extracted to check validity, items used seem to be integrated into other constructs in further research. Outcome related item 1 and 2 seem to be related to quality in constructs of Petrick (2002) and Wang et al. (2004). Other items on the list seem to differ quite a bit. Even though the list of constructs is quite similar, the list of items of which the constructs consist seems to be quite different.

Even though these constructs and items describe perceived value in the context of a service, they do not describe perceived value in each service context (Petrick 2002). To describe and

understand perceived value in an M&A advisory firm context the current lists should be further developed to apply specifically to the M&A advisory firm context.

Author(s) and year	Construct(s) and item(s)	Research context
Patterson and Spreng, 1997	Outcomes: 2 items Method: 3 items Service: 4 items Relationship: 2 items Global: 1 item Problem identification: 2 items Value: 1 item	Consulting service
Petrick, 2002	Quality: 4 items Emotional response: 5 items Monetary price: 6 items Behavioral price: 5 items Reputation: 5 items	Services on cruise ships
Wang et al., 2004	Functional value: 4 items Social value: 3 items Emotional value: 5 items Perceived sacrifices: 6 items	Security service

Table 3 Overview of concepts perceived value, Based on Boksberger and Melsen, 2011

Patterson and Spreng, 1997						
Construct	Item 1	Item 2	Item 3	Item 4	Item 5	Item 6
Outcomes	<i>Produced results which we are able to implement</i>	<i>Produced results which will enable us to increase our organization's effectiveness</i>				
Method	<i>Used the most up-to-date methodologies on the assignment</i>	<i>Used innovative ideas and solutions</i>	<i>Used some creativity in solving our problems</i>			
Service	<i>Responded promptly when we contacted them</i>	<i>Were reliable in meeting deadlines</i>	<i>Were dependable</i>	<i>Were thoroughly professional in all they did</i>		
Relationship	<i>Established a good rapport with relevant staff in our organization</i>	<i>Developed a close working relationship with our staff</i>				
Global	<i>Made good use of their international contacts to come up with solutions</i>					
Problem identification	<i>Made sure they understood our aims and goals.</i>	<i>Made sure they thoroughly understood the problem before commencing</i>				
Value	<i>Considering the fee paid and what the consultant – delivered, overall I believe we received fair value for money</i>					
Petrick, 2002						
Construct	Item 1	Item 2	Item 3	Item 4	Item 5	Item 6
Quality	<i>Is outstanding quality</i>	<i>Is very reliable</i>	<i>Is very dependable</i>	<i>Is very consistent</i>		
Emotional response	<i>makes me feel good</i>	<i>gives me pleasure</i>	<i>gives me a sense of joy</i>	<i>makes me feel delighted</i>	<i>gives me happiness</i>	
Reputation	<i>has a good reputation</i>	<i>is well respected</i>	<i>is well thought of</i>	<i>has status</i>	<i>is reputable</i>	
Behavioural price	<i>is easy to buy</i>	<i>required little energy to purchase</i>	<i>is easy to shop for</i>	<i>required little effort to buy</i>	<i>is easily bought</i>	
Monetary price	<i>is a good buy</i>	<i>is worth the money</i>	<i>is fairly priced</i>	<i>is reasonably priced</i>	<i>is economical</i>	<i>appears to be a good bargain</i>
Wang et al., 2004						
Construct	Item 1	Item 2	Item 3	Item 4	Item 5	Item 6
Social value	The brand/service of this firm would improve the way I am perceived	The brand/service of this firm would help me make a good impression on other people	The brand/service of this firm would give its owners the social approval			
Functional value (quality)	The firm always delivers superior service	The offerings of this firm are of high quality	Consistent quality is well made	The offerings of this firm make me feel confident		
Emotional value	The brand/service of this firm is the one that I would enjoy	The brand/service of this firm make me want to purchase and use it	The brand/service of this firm is the one that I would feel relaxed about using it	The brand/service of this firm would make me feel good	The brand/service of this firm would give me pleasure	
Perceived sacrifices	The brand/service of this firm is reasonably priced	The brand/service of this firm offers value for money based on previous experiences	The brand/service of this firm would be economical	The brand/service of this firm is a good product for the price deducted by discounts	The brand/service of this firm is value for money compared with that of major competitors	The choice of transacting with the firm is a right decision when price and other expenses are considered

Table 4, Constructs and items of perceived value

2.4. Perceived value in an M&A advisory firm context

The goal of the first phase is to understand better how perceived value in an M&A advisory firm context is created. To come to such an understanding, a list of constructs and items will be constructed. To do so the methodology of Lappiere (2000) and Petrick (2002) will generally be followed. For the development of a list of constructs and items, Lappiere (2000) used an explorative study. He interviewed 16 persons, of whom 8 sellers to create a draft list of constructs and items. Next, a range of employees at different levels of the organization was interviewed. Interviewees were asked to talk about the topic in a general sense, to talk about differences between customers' and suppliers' perceptions of customer value, about the different sources of customer value, about current strengths and weaknesses, and customers' needs and expectations (Lappiere, 2000). Furthermore, they were asked if customers expect more than products or services. Next, they were questioned about each value-based driver, to reaffirm the meaning of these drivers and associated dimensions (Lappiere, 2000).

Petrick (2002) followed a similar approach. First, he operationalized the definition of perceived value as "the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given" (Zeithalm 1988, p14.). Using this definition, several dimensions of perceived value were identified. Next, through an extensive review of both scientific and popular literature, a pool of constructs and items was created to understand the different dimensions better. In a later stage, the pool was tested by distributing the list of items to cruise ship passengers who could all rank the items from definitely false to definitely true, resulting in a slimmer list of items. The final list was assessed by a panel of experts who rated, rewrote, or eliminated items to improve clarity and readability.

Phase one of this research will focus on developing a list of constructs and items, which will be a basis for further understanding of what creates perceived value in an M&A advisory firm context, and how actionable these points are. A starting point for a better understanding will be the constructs and items belonging to a different research context. The three research papers discussed before will be used to form a basis of constructs and items that together describe perceived value. The contexts of these papers are similar to the context of consultancy.

Next, Appendix A was used to come to an extensive list of constructs and items suitable for the context of an M&A advisory firm, which will be discussed during phase one of the research. Papers were sorted based upon several criteria. First, the research has to be done in a services and consultancy context. Furthermore, the research method should be qualitative. Moreover, the research should be recent. The research that best fits the research context of an M&A advisory firm will be used as a starting point. Within a construct, there will be no cherry-picking, meaning that if a construct is used, all items and only those items previously used for that construct will be used. The extensive list of constructs and items will be subject to review during phase one, to become context-specific. Consequently, the list might be increased or shortened during this phase.

2.4.1 Base list of items and constructs for M&A advisory context

When analyzing the list one can notice that most service-related lists use quality, emotional value, social value, and sacrifice as constructs for understanding perceived value. Of the three papers, the list of constructs and items created by Wang et al. (2004) seems to be the most exhaustive. It covers quality, social value, emotional value, and perceived sacrifices. These constructs all somewhat come forward in the lists created by Pattersen and Speng (1997) and Petrick (2002). However, the list of items is more clearly written out, and furthermore, the items seem to be more applicable to consulting services. For example, Wang et al. (2004) refer to a service or a brand in every item, whereas other research refers more towards the context in which they were used. During the first phase, it is important to know if the weight managers give a construct is different between customers, or if it is similar for each customer.

1. Functional value (Wang et al., 2004)
2. Social value (Wang et al., 2004)
3. Emotional value (Wang et al., 2004)
4. Perceived sacrifices (Wang et al., 2004)

Once the first phase is concluded, it is known if the list is complete. To come to a deeper understanding of perceived value, it is useful to know what parts of perceived value can be influenced, on which items can managers act. Furthermore, it is interesting to know how much effort needs to be invested to influence the different constructs. These points will be the subject of the second phase of this research.

2.5 conceptual framework

This paper has first described the relationship between the advisory fee and perceived value. Next, the relationship between several constructs and perceived value has been discussed. This results in the following conceptual framework.

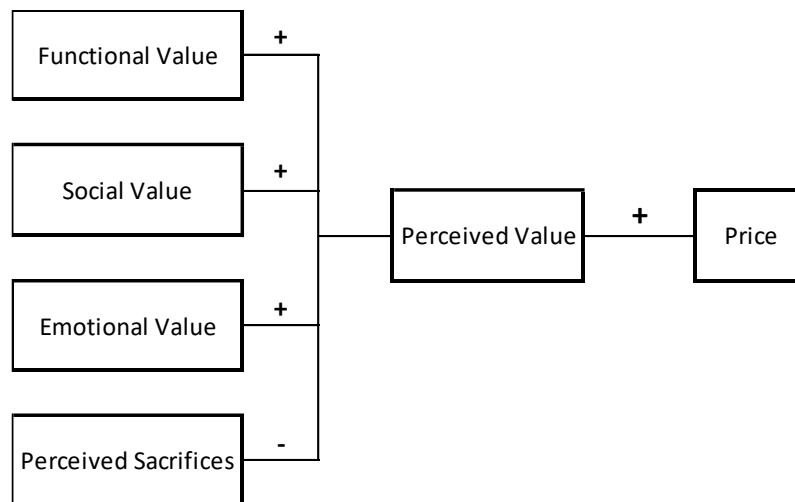


Figure 2 Conceptual framework

3. Methodology

This research aims to shed light on why fees paid to SME M&A advisory firms differ per deal, even though deals seem to be similar in size. Through the scope of perceived value, this research will look at the efforts put in by managers to raise advisory fees during the pre-contract phase. What creates perceived value in an M&A advisory firm context is mostly unknown yet. Therefore, the chosen research method is an explorative case study. The benefits of such a case study are that the qualitative approach is taken by Lappiere (2000) and Petrick (2002) can large be followed, and simultaneously more in-depth insight into the gathered data can be gained. Several additional reasons justify a case study approach. Research into perceived value is exploratory of nature due to the context specificness of perceived value, and the lack of research into perceived value in an M&A advisory firm context. Furthermore, the behavior of the subjects cannot be altered. The subject at hand has or is taking place in a complex process performed by a manager. Each deal is different, and the advisory fee which is agreed upon is influenced by the context in which it is created. The situation cannot be replicated, neither can there be a test environment in which a test situation can be created. All in all, a case study approach is the best option.

The framework limits the research by strictly looking at the self-reported perceived value created by managers. The research will focus on the phases that impact the price level of the advisory fee that will be paid, meaning the moment the first contact is made between an M&A advisory firm manager and a customer, up until agreement upon the advisory fee is reached. As described in the theory section this depends on the method of pricing used which can either be a scaled percentage method or a price range method. These concepts were further described in the theory section. The research will focus on cases done in the past year, under similar circumstances, by different M&A advisory firm managers in one single company. Working in such a manner excludes other influences on the M&A advisory fee, as for example, market conditions, competition etcetera, assuming the conditions over the past year are similar. The way an M&A advisory fee is structured can differ per deal. As stated in the introduction

3.1 Case selection

Different managers were interviewed about the work they did on various deals. The managers were selected based upon experience working as an M&A advisory firm manager. Table 5 shows the different characteristics of different managers. To ensure that experience a manager has does not explain the different advisory fees, the selection includes 3 managers with between 1-3 years of experience, 3 managers with 3 to 6 years of experience and 3 managers with more than 6 years of experience. Cases will be selected at random, meaning that the last four cases of each manager were chosen. Since not every manager had done 4 deals in the past year, a total of 31 cases was selected. Managers were questioned about perceived value in general, received a questionnaire regarding the specific deals they worked on.

	Male /Female	Age (years)	Function	Experience (years)
Manager 1	Male	40-45	Partner	>6
Manager 2	Male	30-40	Partner	3-6
Manager 3	Male	30-40	Manager	1-3
Manager 4	Male	30-40	Manager	3-6
Manager 5	Male	30-40	Manager	1-3
Manager 6	Male	40-45	Partner	>6
Manager 7	Male	>45	Partner	>6
Manager 8	Male	40-45	Manager	1-3
Manager 9	Male	40-45	Manager	3-6

Table 5 Overview of managers

3.2 Data collection

The research and data collection were divided into two phases. In phase one, data was gathered to understand what perceived value consists of in an M&A advisory firm context. In the second phase, data was gathered to gain a deeper understanding of the actionability and importance of the different constructs and items that create perceived value. This research has done so by qualitatively collecting data on efforts used to create perceived value and collecting data on various cases.

3.2.1. Phase 1 – Exploring the concept of perceived value in an M&A advisory firm context

Data collection took place in April of 2019. Interviews were done face to face, on the daily working location of the interviewee. The interviews were semi-structured, and audio recorded. After the interview, they were transcribed into written text. The interview guidelines as proposed by Wilson (2014) were followed. An overview of these guidelines can be found in Appendix C. In phase 1, nine persons were interviewed regarding perceived value in phase one. The list of constructs and items was discussed, and a final list was created. The goal was to add or eliminate constructs, and to get a better understanding of perceived value in an M&A advisory firm context. The interviews followed the same structure as the interviews done by Lappiere (2000), whose interview questions can be found in appendix B. The final list of constructs and items was distributed to six analysts who have judged readability and clarity of the list of constructs and items, and which gave comments. Doing so is similar to what Lappiere (2000) and Petrick (2002) have done. The final list of constructs and items, for phase two, was composed.

Source	Document	Desired information
HR department	Records	Age of subject Experience of subject
Bookkeeping	Records	Last four projects of a managers Names of projects and companies Type of company Type of project Full or partial project
Legal	Offer Signed contract	Date of first offer Date of acceptance offer Date of agreement on fee Advisory fee structure Initial agreed upon advisory fee
Bookkeeping	Records	Actually paid advisory fee Date of closing Days taken to close project Deal size

Table 6 overview of sources

3.2.2. Phase 2 – Perceived value - a deeper understanding of the actionability and importance

In phase two, the final list of constructs and items was distributed to the nine managers who were interviewed. The goal of phase two was to get a better understanding of the working of perceived value, and the importance and actionability of the different constructs and items. Like the research done by Wang et al. (2004), the managers ranked all items within the various constructs of perceived value on a 7-point Likert scale. One being unimportant and 4 being neutral, 7 being very important.

Hereafter, the managers were asked to distribute 100 points over the different constructs, each point representing relative importance for creating perceived value. Next, managers were asked to score the list ones more, this time on actionability. The managers scored all items of each construct of perceived value on a Likert scale of 1 to 7, one being unactionable and 4 being neutral, 7 being very actionable. Furthermore, the managers distributed 100 points over the different constructs, each point representing relative actionability for creating perceived value. The more points a construct receives, the more important of actionable the construct is. The project managers have filled in these lists for each of the projects, resulting in 31 filled in surveys regarding 31 deals. The amount of deals done each year is limited. These 31 deals represent more than 60 percent of the total revenue created by the M&A advisory firm and therefore paints a fair picture on the way in which firms work.

3.2.1 Dependent Variables

To study the impact perceived value might have the dependant variable used in this research project is the M&A advisory fee. The M&A advisory fee is defined as the fee which is paid to the M&A advisory firm. This fee includes the fixed fee, the variable reward, possible bonuses and all other rewards that a customer pays to an M&A advisory firm. To control for deal size, not the total advisory fee as an absolute number is used, but the ratio of advisory fee/deal size.

3.2.2 Independent Variable

The independent variable in this project is perceived value. Perceived value is a concept that, in this research context, consists of the constructs social value, functional value (quality), emotional value and perceived sacrifices.

Social value refers to the social utility derived from the product or service (Wang et al., 2004). Items describing the construct social value cover (1) if the brand or service improved the way a customer is perceived, (2) helped to make impressions on other people, (3) and or helped gain social approval. Social value generally describes how a person is affected in his choices by the opinions of others (Wang et al., 2004).

According to Wang et al. (2004) "functional value" describes the usefulness derived from the expected performance and perceived quality of the service or product. Items that represent the construct functional value cover (1) if the brand delivers superior service, (2) if the offerings are of high quality, (3) if the product or service is of consistent quality and well-made and (4) if the offerings make the customer feel confident (Wang et al. 2004).

Items describing the construct "emotional value" cover the benefits gained from the emotional states that a service or product generates. Items that describe this construct involve (1) enjoyment, (2) willingness to purchase and use, (3) relaxed feeling when using, (4) feeling good and (5) pleasure (Wang et al., 2004).

Perceived sacrifice describes the loss that is caused by the product or service due to an increase in perceived short-term and long-term costs (Wang et al., 2004). Items describing the construct perceived sacrifices cover (1) if the brand or service is reasonably priced, (2) offers value for money based upon previous experiences, (3) would be economical, (4) is a good product for the prices minus discounts, (5) is value for money when compared with competition and (6) is the choice for this firm is the right one when considering price and other expenses (Wang et al., 2004).

3.2.3 Control variables

To control for effects of other variables control data is collected. Project data that was collected is: function level of the project owner (experience), age of the project owner (seniority), sector in which the company is active, type of project (sale/purchase), extent of project (full, one-on-one), date of first contact, date of offer, date of offer acceptance, date of deal completion, days taken for completion, deal size, date of agreement on fee, initial fee, final fee, fixed fee and success fee. Collecting data on these points gave insight into the deals that have taken place and allowed to gain detailed information about a deal. The variables sector in which the company is active, type of project (sale/purchase), the

extent of the project (full, one-on-one), deal size, and date of agreement on fee will function as control variables since these variables might influence the advisory fee which is earned. For example, a one-on-one deal might result in a lower fee as opposed to a full-scale project.

3.3 Data analysis

3.3.1. Phase 1 - Interviews

Interviews were analyzed by firstly transcribing the interviews into written text. This enabled others to see what was said in which context easily. Next, by using a table, an analysis was made to see if comments made by managers fitted the existing constructs and items. This was done by placing all constructs and items on a y-axis and putting the managers' names on an x-axis. If comments made during the interview fitted a construct or item, the comment was placed behind the correct construct. Often managers placed their comments in context and described in what stage in their contact with customers they made their comments. In such cases the stage was put behind their comment.

For the first phase interviews, a deductive approach was taken. It will be explored if the list of items and constructs based upon theory also fits another context.

3.3.2. Phase 2 – Questionnaires

In the second phase data was gathered regarding 31 different deals (cases). General information regarding the deal was collected. Dealmakers filled in questionnaires to gain more in-depth insight into customer perceived value in an M&A advisory firm context. Using data on deal size compared to the advisory fee a ratio was created. A high ratio would indicate a relatively high advisory fee whereas a low ratio would indicate a relatively low success fee. Based upon the ratio the group was split in half based upon the median score. Every deal that had a higher ratio than the median score was placed in group 1, all other deals in group 0.

Next, the reliability of the different items was assessed using Cronbach's alpha. Furthermore, normality of the data was checked through skewness and kurtosis. The questionnaire gathered information regarding 4 different constructs. The construct social value had 3 questions, functional value 4 questions, emotional value 5 questions and perceived sacrifices 6 questions. Both importance and actionability were questioned. The interitem correlation matrix was checked to see if questions regarding the same construct had higher correlations. Next, data per construct was transformed into an arithmetic mean to create eight continuous variables. These are mean importance social, mean importance functional, mean importance emotional, mean importance perceived sacrifices, mean actionability social, mean actionability functional, mean actionability emotional and mean actionability perceived sacrifices. Using Cronbach's alpha, the reliability of the arithmetic means was tested.

To compare the differences between groups independent sample t-test were performed to compare age, days taken and deal size. Next, the arithmetic means of the two groups were tested using an independent samples t-test.

4. Results

4.1 Result phase 1 – Drivers of value in an M&A advisory firm context

In this section, the most relevant results that came forward during the semi-structured interviews are presented. In the semi-structured interviews with nine different managers, the drivers of customer perceived value as described in the conceptual model have been discussed. The goal was to find out if these drivers also fit the context of an M&A advisory firm, and to explore if there are additional drivers of perceived value.

The questions asked in the semi-structured interviews (see appendix B) are similar to questions asked in other research into perceived value in a different context. In the first phase of the interviews, questions of a general nature regarding customer value were asked. In the second phase, the list of constructs and items was proposed to the managers and discussed. The managers could point out additional or missing constructs. Managers often used examples during the interview to paint a clear picture of what they meant to say. Follow-up questions were asked if needed to confirm what was meant or to deepen the insight on the subject.

The results will be presented using the structure of the conceptual model. This means that firstly social value is discussed, followed by, functional value, emotional value, and lastly perceived sacrifices. To get a better understanding of which type of managers were more vocal on certain topics an overview will be given at the beginning of each subchapter. This overview shows how often a manager has discussed the construct. After this overview subparagraphs will follow presenting all different items of the construct to which the comments of the managers are connected.

4.1.1. Social Value

Not all managers described social value during the first phase of the interview. Especially very experienced managers did discuss how social value does play a role for an M&A advisory firm. Managers who just started discussed social value a little. Somewhat experienced managers in this research did not discuss social value.

Social value	Age	Experience	Not	A little	Average	Extensively
Manager 1	40-45	>6		x		
Manager 2	30-40	3-6	x			
Manager 3	30-40	1-3			x	
Manager 4	30-40	3-6	x			
Manager 5	30-40	1-3		x		
Manager 6	40-45	>6				x
Manager 7	>45	>6				x
Manager 8	40-45	1-3			x	
Manager 9	40-45	3-6	x			

Table 7 response regarding social value

4.1.1.1. Item (1/3): The brand/service of this firm would improve the way I am perceived

Item 1 regards if the perceived value for a customer would be higher if the brand or service which an M&A advisory firm delivers would improve the way the buyer is perceived. Managers mostly described this item using examples of status, location, and appearance. Status and location are described by some managers. When discussing different sources of value, manager 7 states for example that some of their customers are proud of doing business with the advisory firm he works for, and act as if they have hired “the big guns”. Manager 3, 6, and 7 describe how the location of an office can matter for a customer. Manager 3 illustrates how an office on a renowned location, as for example “De Zuid-As” in Amsterdam, can give a customer the idea that he is dealing with a sizeable renowned company. Furthermore, manager 3 states, it can provide a particular pride to a customer when telling his friends that he is doing business with a company located in such a location. Some customers do seem to use the status and location of an M&A advisory firm to improve the way they are perceived.

Manager 6 and 7 discuss appearances of themselves and their offices extensively. When talking about different sources of customer perceived value manager 6 and 7 describe how they drive

an expensive car, to show the customer that they won't be cheap, but that they are successful and will get the job done. Moreover, manager 7 discusses how the looks of an office matter as well. When discussing different sources of customer perceived value, manager 7 gave a very clear example of how this would improve the way a customer is perceived.

"Entrepreneurs want to do business with me because I am successful. They want someone to sell their company that is successful at it. I can show that through having a fancy office, but also by having a fancy car. [...]. In the past, we had a strict car policy, to make sure that employees made a proper impression as well. [...]. You hear customers saying to others, "You worked with that company? That probably was not cheap, but you must have had great results" Manager 7

The examples above describe how customers use the status, location, and appearance of an M&A advisory firm to make good impressions on others. However, as stated before, only more experienced managers seem to recognize and value this item as a creator of perceived value in an M&A advisory firm context.

4.1.1.2. Item (2/3): The brand/service of this firm would help me make a good impression on other people

Item 2 regards if the perceived value for a customer would be higher if the brand or service an M&A advisory firm delivers would help the buyer to make a good impression on other people.

Manager 7 and 8 describe how the brand itself can make an impression on people. He explains how competitors closely look at the company he works at for information rather than the other way around. He describes how being present at certain events gave the brand certain elain. Manager 8 explained how he actively talks with customers about the company's position and status in the market itself. He describes how other parties see the advisory firm he works for. He explains how the well-known name has an impact on the transaction. When discussing different sources of customer perceived value, manager 7 stated the following.

"Since we started sponsoring advertisement boards at a soccer stadium in the Netherlands, and we did so fairly early on, people quickly noticed it and thought of us as a great company. [...]. If you drop our name now, people quickly say, I do know that company, I've seen it on television. Great company." Manager 7

When discussing customer expectations, manager 8 stated the following.

"If a customer believes that he can run his own M&A process, that doing business with us means getting 10% on the offer buyers make. Bidders know not to joke around with us, they know we are professionals." Manager 8

If the service or product of a firm would help a customer make a good impression on other people does seem to increase the value of the service as perceived by the customer.

4.1.1.3. Item (3/3): The brand/service of this firm would give its owners the social approval

Item 3 regards if the perceived value for a customer would be higher if the brand or service an M&A advisory firm delivers would give the buyer social approval. Managers describe several ways in which customers seem to value the social approval an M&A advisory firm can bring them.

Manager 3 describes how his customers, the entrepreneurs, derive social approval from the firm which they have run. The firm often is their lives work. He explains how the entrepreneur has spent a lot of time at the company and has built relationships with customers, stakeholders, and employees at the company. If they decide to sell the company, those contacts would decline or disappear. Therefore, for an entrepreneur it sometimes is valuable if he can remain involved with the company after the deal. The service an M&A advisory firm offers can guarantee this for an entrepreneur. An entrepreneur can stay engaged in several ways. Firstly, he can actively remain involved through participation, or he can remain involved more passively as by, for example, making sure that the company keeps his name, or by financing the transaction. Recognizing and acting upon this value appears to be valued by customers. These statements are underlined by comments of managers 1, 6, 7 and 8 as well.

When discussing things that a customer expects besides the products and services, an M&A Advisory firm offers manager 3 explained how customers might need to be prepared for life after they have sold their business. He stated the following.

“Once an entrepreneur says farewell to his company, he says goodbye to not only his company but too much more. Mostly the company was his life and social safety net. Besides the company he often does not have a lot of social contacts. His status in the local community is linked to the company. If the company is sold, he loses part of his status. Even though everybody still knows who he is, they do not need him any longer. The social safety net becomes smaller.” Manager 3

A very different sense of social approval can originate when entrepreneurs decide to sell their company. Manager 6 describes how sell-side entrepreneurs can feel flattered when a third party places a bid on their company, especially when there are multiple bidders. It can be seen as recognition for their hard work.

When asked about the value created by an M&A advisory firm in general, manager 6 describes how money not only represents a monetary value but also recognition for all the hard work an entrepreneur has put in. That is in line with the item about social approval in the construct of social value. When discussing different sources of customer value manager 6 stated the following.

“Money is not only important because you want to own it. It is a recognition of the long hours and the hard work you have put in, which now receives a monetary value. [...]. Look! I told you. Others value something which I have built over 20 years. That satisfies entrepreneurs. [...]. Especially if several buyers are interested in the company, that charms entrepreneurs.” Manager 6

In the quote above manager 6 describes how a customer is flattered by the price a buyer is willing to pay for his company. He explains how that makes a customer feel good and how it gives him approval. All the above is in line with the item about making good impressions in the construct of social value. The results suggest that the construct social value is relevant for perceived value in an M&A advisory firm context.

4.1.2. Functional Value

Most managers extensively discuss functional value with their customers. However, it was noticeable that more experienced managers talked less about quality as opposed to less experienced managers. For less experienced managers, quality was often the first thing they started to talk about. Very experienced managers only sometimes discussed quality.

Functional value	Age	Experience	Not	A little	Average	Extensively
Manager 1	40-45	>6			x	
Manager 2	30-40	3-6			x	
Manager 3	30-40	1-3				x
Manager 4	30-40	3-6				x
Manager 5	30-40	1-3				x
Manager 6	40-45	>6		x		
Manager 7	>45	>6			x	
Manager 8	40-45	1-3				x
+ Manager 9	40-45	3-6				x

Table 8 response regarding functional value

Most managers see functional quality as the basis for their service. Several managers explain how the steps to sell or buy a company that each M&A advisory firm undertakes are the same. Therefore, the basic service and products are the same. The challenge is not in delivering a completely different product but focussing on the quality difference. Customers do seem to care about the quality which is provided.

A customer hires our company because he is convinced that we will get him the best deal. That is our main task. [...]. However, the process every M&A advisory firm undertakes is the same. Except for being consistent and professional at it, it won't distinguish you from competitors. [...]. However, you do have to explain that there is a quality difference.” Manager 4

4.1.2.1. Item (1/4): The firm always delivers superior service

Item 1 regards if the perceived value for a customer would be higher if the firm always delivers superior service. Managers do different things to convince a customer why their product is better. For example, managers actively offer referrals to customers. Managers provide the customer with a possibility to call former customers to hear first-hand how exhaustive an M&A process is, and how the manager has shown he was worth the advisory fee that was paid. The goal of the referral is to gain a customer's trust and to convince a potential customer of the necessity of an M&A advisor and his quality. When discussing the strengths and weaknesses of the firm manager 7 stated the following.

"A customer might state that the other party told them that they will follow the exact same process with the same result. That's when I say, yes you are correct. The process is the same. I find it very hard to distinguish me from my competition based on the process. The only thing I can state is, I've done this over 20 years. On our website you can find hundreds of referrals, you can call each and any one of them. They aren't there because they are disappointed in our service, and we grow because our former customers introduce us to their friends."

Manager 7

Even though it can be tough to prove to a customer upfront that the firm will deliver superior service, the customer is sometimes convinced using referrals. The customer does seem perceive service of the M&A advisory firm as more valuable if he is confident that it will deliver superior service.

4.1.2.2. Item (2/4): The offerings of this firm are of high quality

Item 2 regards if the perceived value for a customer would be higher if the offerings of the firm are of high quality.

More experienced managers think differently about quality as opposed to less experienced managers. Experienced managers explain how quality should always be of a certain basic level, but that a customer can't be convinced to do business with a firm based upon quality. Since most customers only do a transaction once in a life, most customers have no prior experience or knowledge of an M&A process and find it hard to decide which advisor can deliver high quality. Furthermore, customers cannot honestly assess the quality of the service of M&A advisory firm since deals only rarely get published. The M&A market is a closed market. Moreover, the service of an M&A advisory firm is not a tangible product. A customer cannot try it out, compare it or see it. Therefore, it is nearly impossible for a customer to choose an M&A advisory firm based on quality. Manager 7 gave a striking example.

"Sometimes, as an example, I discuss a recent deal we did. We were pitching for entrepreneurs to sell his company. The entrepreneur didn't grant us the job since he thought we were too expensive. [...]. By pure coincidence, we represented the company that bought his company. [...]. We bought the company very cheap. The entrepreneur saved 50k by not hiring us, but he lost 1.5 million on the transaction. [...]. The advisor representing the entrepreneur, however, also stated that he's the king of M&A and that he arranged a great deal for him. Due to the customers' lack of experience, he believes it. It's tough to convince a customer of your quality on forehand." Manager 7

More experienced managers state that a customer should be convinced to do business with you based upon other arguments than quality. Therefore, functional quality seems to play a role, but it is hard to determine how large it is, and if customers genuinely pay for the quality they receive.

4.1.2.3. Item (3/4): Consistent quality is well made

Item 3 regards if the perceived value for a customer would be higher if the product or service of the firm is of consistent quality and is well made. Since the service of an M&A advisory firm is not a tangible product the characteristic "well made" does not seem applicable. However, the term "consistent quality" is described by managers in some instances.

For a customer, the consistency of quality an M&A advisory firm delivers is hard to judge. The reason is the same as why customers cannot assess the quality level of the service. When discussing the different sources of value manager 6 describes the problems a customer might have judging quality and the consistency of quality. He also explains how the M&A market is a closed market. Transactions

are most of the time not made public, and therefore, it is hard to know what is going on exactly. The track record of a company is hard to judge, and therefore the consistency of quality is hard to judge. Even though consistent quality might be something that would raise the perceived quality of an M&A advisory firm, a potential customer cannot truly assess it. This item, therefore, does not seem relevant for perceived value in an M&A advisory firm context.

4.1.2.4. Item (4/4): *The offerings of this firm make me feel confident*

Item four regards if the perceived value for a customer would be higher if the offerings of this firm would make a customer feel confident. Nearly all managers in one way or another underline the importance of this item.

When discussing the strengths and weaknesses of the firm manager 3 describes how one of the significant strengths of the firm is the sole focus on deals, and the high success rate the firm has. The customer can be confident that the deal will be closed. Manager 4 describes how the pricing model is structured in such a way that payments will follow once a deal is made, and that he tells his customers that he will do anything in his power to close a deal. When discussing sources of value manager 9 describes that customers choose to do business with the firm because they stated that they were confident that a deal would take place.

Other managers also refer to their strengths as a person. They do so, once again, by offering referrals, but also by discussing previous deals and their knowledge on M&A. Furthermore, managers ensure customers that they are available for contact at any time during the process for any sort of questions or when feeling worried. Manager 5 stated the following.

“I often refer to our companies’ size, the number of deals we do, and our expertise. On the other hand, I try to show that I am a specialist with strong capabilities in M&A advisory.” Manager 5

These arguments (trying to impress using referrals, trying to convince of an M&A advisory firm’s strength, personal skills, and reachability) are in line with this item, that confidence would increase the perceived value of an M&A advisory firm.

4.1.3. Emotional value

All managers extensively discuss emotional value. During the interview, numerous examples of situations were given that described how a customer gave weight to emotional value in general, and emotional value more specific.

Emotional value	Age	Experience	Not	A little	Average	Extensively
Manager 1	40-45	>6				x
Manager 2	30-40	3-6				x
Manager 3	30-40	1-3			x	
Manager 4	30-40	3-6			x	
Manager 5	30-40	1-3				x
Manager 6	40-45	>6			x	
Manager 7	>45	>6				x
Manager 8	40-45	1-3			x	
Manager 9	40-45	3-6				x

Table 9 response regarding emotional value

4.1.3.1. Item (1/5): *The brand/service of this firm is the one that I would enjoy*

Item 1 regards if the perceived value for a customer would be higher if the brand or service of the firm is one that a customer would enjoy. Several managers stated how enjoyment is essential for a process. A customer must enjoy spending time with you.

Examples are given by managers nearly always described the enjoyment a customer needs to have during the process after a job is granted. Since the process is very intense, the manager and the customer get to know each other very well. In the first phase, once a customer gets to know the manager, it is important to establish this connection. When discussing the different strengths and weaknesses of the company, managers 6 and 3 made the following statements.

Enjoyment, that's something we hear a lot from our customers. Just like the customer (which he described in an earlier stage) that gave us a statue as a gift as a token of appreciation, he gave us that token because he had a lot of fun during the process. Manager 6

Enjoyment is essential. That is what separates us from the herd. Being young, being passionate, and making a lot of fun. [...]. Customers who did work with other parties often tell us that, compared to others, they experienced a lot of fun during the process, making it much more enjoyable. Manager 3

One manager, manager 1, described however how enjoyment is important before a process starts. When discussing the different sources of customer value he describes how a customer chooses to do business with the M&A advisory firm not because they were better, but because they enjoyed the company and were confident that the job would get done. However, since only one manager described this item it is questionable how influential this item is. In phase two of the research, this should become clearer.

4.1.3.2. Item (2/5): The brand/service of this firm make me want to purchase and use it

Item 2 regards if the perceived value for a customer would be higher if the brand or service of the firm would make the customer want to purchase and use it.

Different managers underline that it is vital to have a great time with a customer before, during, and after the transaction. Several managers explain how the process has a substantial impact on the life of an entrepreneur. Managers describe that entrepreneurs experience a lot of different emotions before, during, and after the process of selling the company. Some managers describe that having fun with a customer is essential to help him get through the process.

"A lot of fun is essential. Of course, we have a very important job, but let's do it while having a lot of fun as well. If the fun is gone, we should stop doing our job. [...]. Especially with our customers. That is what I like. [...]. That suits me at least, but that probably won't suit every manager." Manager 7

"Pleasure... "I'm looking forward to doing this project with you, guys." That is very important. It has to be fun." Manager 1

4.1.3.3. Item (3/5): The brand/service of this firm is the one that I would feel relaxed about using it

Item 3 regards if the perceived value for a customer would be higher if the brand or service of the firm is one that a customer would feel relaxed about using it. When managers discuss this item, they described situations after the job is granted or after the job is completed.

Managers describe how feeling relaxed and having a good feeling is important. Since the customer trusts an M&A advisory firm with great responsibilities, the relationship must be good. During transaction managers and customers can find many different hurdles on their path. Having a good relationship can increase the odds of successfully finishing the deal. Different managers underline that they have built genuine relationships with most customers during and after a transaction.

"after the transaction, almost all my customers have become close friends or good connections." Manager 4

"Every quarter text them to ask them how they are doing. Even this morning I was at a former customer in Apeldoorn. That is very important. He is your ambassador for future projects." Manager 8

Since these situations all describe situations once deals are closed, this item might not be relevant for creating perceived value. Phase 2 of this research will need to clear up this item.

4.1.3.4. Item (4/5): The brand/service of this firm would make me feel good

Item 4 regards if the perceived value for a customer would be higher if the brand or service of the firm would make a customer feel good.

In a general sense, most managers describe how making the customer feel good is important, but always connect a good feeling to being a good match with a customer. When talking about customers' needs and expectations manager 2 explains how the relationship a manager has with a customer has to feel good.

Sometimes a good feeling is essential. Price is one thing, but that's just one part of the transaction. Manager 1

"It (the relationship) has to feel good" Manager 2

A starting point in each process is having a connection with your customer, hitting it off. He chooses you, basically because he has faith in you. [...]. Because we offer a service which he does not understand he has to rely on you. He cannot easily compare the products. He has to trust you. It has to feel good. Manager 5.

Managers seem to talk about this item in combination with the previous item. However, when talking about this item they do place it at the start of a process. Whereas item 3 regarding a relaxed feeling seems to concern the situation once a deal is done, item 4 seems to describe the situation before a process is started.

4.1.3.5. Item (5/5): *The brand/service of this firm would give me pleasure*

Item 5 regards if the perceived value for a customer would be higher if the brand or service of a firm would give a customer pleasure. Managers did not extensively discuss this item. One manager gave an example in which he described a case that occurred. According to that manager pleasure and enjoyment are important. In that particular case the enjoyment, pleasure, and good feeling that the customer experienced with the manager made the customer choose to business with that manager.

"I once got an opportunity to do a pitch for a fairly big company. We went in with two very experienced managers since this deal could be big and fairly complex. [...]. We had stood in competition with other major competitors. Big names in the M&A market. [...]. The pitch went terrible. The guys told us our pitch was the worst of all pitches they had seen. Furthermore, we weren't the cheapest option they had. But they gave us the job because they liked us best and had enjoyed our company the best. They had the feeling we would really make a deal for them." Manager 1

There, however, are not many statements that further support this item. Phase 2 of this research should help to come to a conclusion regarding the importance of this item.

4.1.4. Perceived sacrifices

All managers have talked about the advisory fee in the interviews. However, it is noticeable that very experienced managers only sometimes actually discuss advisory fee in the interviews. If they discuss sacrifices, it often is time. Managers with little experience very often discussed perceived sacrifices, mostly in the form of advisory fee.

Perceived sacrifices	Age	Experience	Not	A little	Average	Extensively
Manager 1	40-45	>6		x		
Manager 2	30-40	3-6			x	
Manager 3	30-40	1-3				x
Manager 4	30-40	3-6			x	
Manager 5	30-40	1-3				x
Manager 6	40-45	>6		x		
Manager 7	>45	>6		x		
Manager 8	40-45	1-3				x
Manager 9	40-45	3-6			x	

Table 10 response regarding perceived sacrifices

4.1.4.1. Item (1/6): *The brand/service of this firm is reasonably priced*

Item one regards if the perceived value for a customer would be higher if the brand or service of the firm is reasonably priced. First, the definition of "a reasonable price" is very subjective and might differ per person.

Managers describe how customers place the advisory fee in perspective by either relating it to what is gained through the service or by looking at what is paid for the service in relation to effort an M&A advisory firm has put in.

The first view is incorporated into numerous examples that are given by managers. Manager one describes a situation in which the advisory fee a customer has to pay is directly influenced by the

monetary result of a deal through a graduated scale. If the deal value is higher, the advisory fee is higher. When discussing reasonable pricing manager 1 stated the following.

“We commit ourselves on before a process starts to our customer. We do not work with no cure no pay, we want a little commitment from our customer, but it really is an investment for us. I really think that the customer knows it is. [...]. We commit ourselves to the entrepreneur, so if the entrepreneurs earn a lot on the transaction, well, then we can earn allot as well.” Manager 1

Managers state that customers are sensitive to this result-oriented way of thinking since, in this construction, the manager has a strong incentive to maximize the monetary result of a deal. By relating the advisory fee to the financial outcome of a deal managers try to make the advisory fee seem more reasonable.

The other view relates to letting the customer decide afterward what is paid, by comparing the fee to the effort that is put in. Numerous times managers describe situations in which customers can decide on a later stage what the price for the service would be. By giving the customer the power to determine what a manager will earn, through a price range construction, managers try to provide the customer with a feeling of paying a reasonable price. Manager 4 describes two situations in which a customer decides on a reasonable price using the price range construction.

“However, the customer said, I’ve only seen you (the manager) in this (M&A) process. Earning 200.000 euros is fine right? More than enough. At that moment, I (the manager) can try to change his mind, but that won’t happen. He thinks 200.000 was enough.” Manager 4

“After having gone through the entire transaction, a very intensive process, I had built a great relationship with my customer. [...]. Without me asking for it, he told me on the day of closing, you may double your bill (advisory fee), I’m delighted with the service.” Manager 4

Having the feeling of paying a reasonable price does seem to matter for customers. In the second view on reasonable pricing, the customer has two moments to consider the reasonability of the price. At the first moment, he establishes the bare minimum he thinks is reasonable to pay. At the second moment the customer decides if it is reasonable, considering the entire process, to pay a higher price.

At moment one the customer has a lack of knowledge on an M&A process, he is unfamiliar with the effort that goes into a deal. He is unaware of the time a process takes. Some managers think that customers might see the advisory fee as more reasonable once the entire process is complete. Some managers actively describe how much effort they put in.

“If a customer thinks it was only a 100-hour job, but if he understands that it takes 200 hours, he understands that that has a different price tag.” Manager 5

The moment at which a customer has to pay the advisory fee does matter as well. When a customer looks at the advisory fee, which will be paid, without having received the service or results, the advisory fee is a cost. However, most deals are structured in such a way that a small fee is paid upfront, and a large fee is paid once a deal is successfully closed. Often customers can pay the advisory fee out of the money they receive from selling their company or, in a purchase transaction, using a loan which a bank provides to finance the deal.

Since the customer must pay at the end of the process, the pain of the payment is a bit less. They pay afterward when they know what effort we have put in. Of course, at the start, they know what they will pay for our services, but only afterward, they will see what we have done. That he received value for money. Therefore, it’s a big advantage that customers pay afterward. Manager 3

To make the advisory fee seem more reasonable some managers lower the fee upfront and raise the fee that must be paid once the deal is closed. Delaying the payment to the moment at which the customer has received the service ensures that the payment only lowers the income instead of creating high costs. Manager 2 describes this clearly with an example.

“I (the manager) don’t see our payment (advisory fee) as costs. I see it as an investment. We commit to the deal by working with a low fee upfront and a success fee once the deal is made. We take a risk together with the customer. If it becomes successful, we (the firm) profit from it together with the customer.” Manager 2.

One more factor that might influence a customer's way of thinking about the advisory fee is the size of the company he has. For a large company, a high advisory fee might sound more reasonable than for a smaller sized company. The costs for a small company in relation to the earnings are higher. Therefore, deal size is a control variable in this research. The following statement made by manager 3 describes such a situation.

"Small size companies would prefer a cheaper consultant or a cheaper process since the costs in relation to the earnings are higher. [...]. However, if they do want to pay such a fee, they are excellent customers." Manager 3

Manager 3 underlines the importance of deal size as a control variable.

4.1.4.2. Item (2/6): The brand/service of this firm offers value for money based on previous experiences

Item 2 regards if the perceived value for a customer would be higher if the brand or service of the firm offers value for money for a client based upon previous experiences. Several managers state that customers often only do a deal once in their life. Therefore most of the time, there is no prior experience.

There are opposing views on the impact of this lack of experience on the advisory fee. Most managers seem to agree that the lack of experience on M&A transactions makes it harder to convince a customer that it is value for money. Managers describe how it is hard to convince a customer of all that work that goes into a transaction but that once a customer has seen the work that goes into a transaction, they have no problem with paying the advisory fee.

"It's funny, everybody complains about our costs at the beginning of a process. Only afterward, more than 9 out of 10 customers, happily pay me 400.000 because they know that we delivered excellent performance. That is what I like about our job. But that's only afterward when they have seen what roller-coaster we went through the past nine months." Manager 6

There is also an opposing view. Some managers state that their most significant advantage during advisory fee negotiations is that the customer is very unfamiliar with the process. He does not know what effort goes in, and does not know what his company is worth. There is an opportunity to exploit the lack of knowledge. Managers working with this in mind try to discuss the advisory fee before the process starts, and try to decide on a percentage early on.

"I really do not want to enter negotiations about the advisory fee after a transaction is done. I rather discuss the fee before the process starts, especially since at that point, the customer is still unknowing. He really has no idea, and I do know what I'm talking about, I'm very experienced. [...]. I never use ranges. If you do so, you will always get a discussion afterward about what we actually did. A customer might think that we didn't do that much at all. If I just price using a progressive scale, I never have a discussion afterward. It's convenience." Manager 7

It is unclear from the interviews if having prior experience in- or decreases the, by the customer, perceived value of the service of an M&A advisory firm. Phase two should help to understand this possible effect.

4.1.4.3. Item (3/6): The brand/service of this firm would be economical

Item 3 regards if the perceived value for a customer would be higher if the brand or service of the firm would be economical. Economical is defined as "giving good value or return in relation to the money, time, or effort expended (Lexico, 2019)".

According to the definition, several managers describe a very specific attribute that influences customer perceived value. A customer must invest time and money in an M&A process. The customer, for example, has to spend time to gather information, to answer questions of the M&A advisory firm, and to answer questions of the potential buyers. If an entrepreneur spends a lot of time on a project, he has less time for his business. Some managers stated that most SME's heavily depend on the entrepreneur (the customer). Having the customer spent a lot of time on the process might cause bad results for his business. More experienced managers seem to be very aware of this problem. When asked about the primary added value of an M&A advisory firm, they responded by stating that they

have to make sure that the entrepreneur can focus on his business. They actively reduce the amount of time a customer has to sacrifice for a deal.

“My job is to make sure that the customer has to spend as little as time as possible on the transaction. Making sure he can be busy with running his company. We will be busy with making an optimal deal.” Manager 7

“An entrepreneur needs to invest time to learn how an M&A transaction would work exactly. By hiring us, he saves out on those costs. [...]. He can focus on the business. Secondly, if the entrepreneur wants to make a proper deal himself, he needs experience. Experience can only be gained by doing lots of deals.” Manager 2

“If we do what we are good at, you can focus on your business.” Manager 8

Managers are aware that an economical choice for a customer can increase the customer perceived value of the product.

4.1.4.4. Item (4/6): The brand/service of this firm is a good product for the price deducted by discounts

Item 4 regards if the perceived value for a customer would be higher if the brand or service of this firm is a good product for the price deducted by discounts. Managers have opposing views regarding discounts and its influence on customer perceived value in an M&A advisory firm context.

About half of the managers are willing to lower their initial advisory fees or to give discounts on the various steps in the process. Most of them say that if they do, they want a higher success fee in the end. For example, they would lower the fixed fee from 50k to 40k and raise the success fee with 0,5%. The discount these managers give seems to relate back to the reasonable advisory fee described in a previous item.

The other half, especially the more experienced managers, are unwilling to lower the fixed fee. They state that those are the costs of doing business with them. A very experienced manager indicated that he uses this moment to show his negotiation skills. By not lowering his advisory fee, he shows the customer that he will be firm when he is negotiating a deal for the customer himself during the transaction. By not giving a discount, the manager can increase the perceived value of the service of an M&A advisory firm.

The influence of this item on customer perceived value in an M&A advisory firm context is unclear. Phase two of this research should help gain a better understanding.

4.1.4.5. Item (5/6): The brand/service of this firm is value for money compared with that of major competitors

Item 5 regards if the perceived value for a customer would be higher if the brand or service of the firm is value for money compared with that of major competitors. Managers did not extensively discuss the pricing of the firm compared to that of a competitor. If managers did talk about competitors, they explained how a deal could be done cheaper with a competitor, but that the results would be lower. Managers did not actively compare themselves to the competition. In some cases, managers described how the advisory fee is not important. When discussing advisory fee manager 7 made the following statement.

“A customer did not want to do business with us because we were too expensive. [...]. In a later stage, we represented the company that bought his company. I’m sure that the company was worth at least 5 times EBITDA, but we bought it for 3.8 times EBITDA. So, the man (potential customer) saved himself 50k by not doing business with us but lost 1.5 million on the deal. [...]. Sometimes I tell this story to potential customers, and it does convince them.” Manager 7

It is, however, unclear how many deals are lost due to the height of the advisory fee, and managers are not eager to discuss this fact. Phase 2 of this research should further explain this item.

4.1.4.6. Item (6/6): *The choice of transacting with the firm is the right decision when price and other expenses are considered*

Item 6 regards if the perceived value for a customer would be higher if the choice of transacting with the firm is the right decision when price and other expenses are considered. This item was not discussed by managers. Some managers did briefly explain how it is important for a customer to run his business and not focus on the M&A process; however the managers did not discuss if this would enlarge the chances of winning a deal, or if customers valued this aspect. Phase 2 of this research should shed more light on this subject.

4.2 Results phase 2 – actionability and importance of different drivers

In phase one, the list of constructs and items was checked on relevance. Phase 2 gives further insight into how perceived value works in an M&A advisory firm context. Furthermore, it will show how important and actionable the different items and constructs are, according to managers. Moreover, different managers gave conflicting statements regarding some items and the last two items of perceived sacrifices were not discussed at all by the managers. This phase will clear up these results as well.

4.2.1. Descriptive statistics of cases

The descriptive statistics of the different cases is presented in table 11. The descriptive statistics show general information on different deals. A total of 31 cases was examined. The youngest manager whose deal was examined was 31, and the oldest manager was 52. The least amount of days taken to complete a deal was 193 days, and the longest was 884 days. The minimum fixed fee was 5.000 euros, and the maximum was 60.000 euros. The minimum success fee was 40.000 euros, and the maximum was 1.400.000 euros. The lowest ratio (total fee vs deal size) was 1.684%, and the highest was 7.674%.

Descriptive statistics 31 cases						
	N	Minimum	Maximum	Mean	Std. Deviation	
Managers Age	31	31	52	39	7	
Days taken	31	193	884	373	139	
Dealsize (x €1.000)	31	1514	52500	8707	9711	
Fixed (x €1.000)	31	5	60	45	10	
Succes fee (x €1.000)	31	40	1400	258	279	
Ratio (total fee/ deal size)	31	0,0168	0,0767	0,0422	0,0197	
Valid N (listwise)	31					

Table 11 descriptive statistics cases

4.2.1. General results

4.2.1.1. General results Likert-scale questionnaire

In appendix D the descriptive statistics of the questionnaires are given. Cronbach’s alpha was calculated to test for reliability of the different items in an M&A advisory firm context. The results are shown in Table 12.

Construct	Cronbach's Alpha	Internal consistency	N of items
Importance	Social Value	0,92 Excellent	3
	Functional Value	0,81 Good	4
	Emotional Value	0,88 Good	5
	Perceived Sacrifices	0,82 Good	6
Actionability	Social Value	0,75 Acceptable	3
	Functional Value	0,95 Excellent	4
	Emotional Value	0,81 Good	5
	Perceived Sacrifices	0,74 Acceptable	6

Table 12 Cronbach's Alpha

The scale for the importance of social value appeared to have excellent internal consistency ($\alpha = 0,92$). The scale for the importance of functional value appeared to have good internal consistency ($\alpha = 0,81$).

The scale for the importance of emotional value appeared to have good internal consistency ($\alpha = 0,88$). The scale for the importance of perceived sacrifices appeared to have good internal consistency ($\alpha = 0,82$). The scale for the actionability of social value appeared to have acceptable internal consistency ($\alpha = 0,75$). The scale for the actionability of functional value appeared to have excellent internal consistency ($\alpha = 0,95$). The scale for actionability of emotional value appeared to have good internal consistency ($\alpha = 0,81$) and the scale for actionability of perceived sacrifices appeared to have acceptable internal consistency ($\alpha = 0,74$). All scales seem to be reliable in an M&A advisory firm context.

To analyze how the different constructs influence customer perceived value in an M&A advisory firm context and to perform meaningful statistics the items were combined into aggregated scores. The descriptive statistics for these combined scores are presented in table 13.

		Descriptive statistics aggregated Likert-scale scores					
		N	Minimum	Maximum	Mean	Std. Deviation	
Importance	Social Value	31	1	7	4,18	1,63	
	Functional Value	31	4	7	6,34	0,71	
	Emotional Value	31	2	7	4,89	1,45	
	Perceived Sacrifices	31	2	6	3,99	1,30	
Actionability	Social Value	31	2	6	4,01	1,10	
	Functional Value	31	5	7	6,07	0,76	
	Emotional Value	31	4	7	5,29	0,94	
	Perceived Sacrifices	31	3	6	4,02	1,10	
Valid N (listwise)		31					

Table 13 descriptive statistics aggregated Likert-scale scores

Functional value scores on both importance (6,3) and actionability (6,1) the highest. Perceived sacrifices score the lowest on importance (4,0) and together with social value has the lowest score on actionability (4,0). In a general sense, functional value seems the most important and actionable, while social value seems the least important and least actionable.

Both social value and perceived sacrifices score a mean of 4 on both importance and actionability. A mean score of 4 indicates neutral, and therefore on a general level, these constructs seem to be neither important nor unimportant, neither actionable nor unactionable.

The standard deviation of functional value both on importance (0,7) and actionability (0,8) are the lowest, meaning that scores on functional value are least dispersed. The scores on social value both on importance (1,6) and actionability (1,0) are the highest meaning that these scores are most dispersed. Managers seem to have agreed more upon functional value and agree less upon social value.

4.2.1.2. General results 100-point scale

The descriptive statistics regarding the scores on the importance of the different constructs in total are displayed in table 14. The different constructs seem to have the same level of importance as actionability. The mean score is similar. Functional value scores both on importance (38,23) and actionability (38,06) the highest. Social value scores on both importance (17,7) and actionability (17,9) the lowest. In a general sense, functional value seems the most important and the most actionable. In a general sense social value seems the least important and the least actionable.

		Descriptive statistics 100-point scale				
		N	Minimum	Maximum	Mean	Std. Deviation
Importance	Social Value	31	0	40	17,74	12,24
	Functional Value	31	10	85	38,23	18,73
	Emotional Value	31	5	50	24,35	12,02
	Perceived Sacrifices	31	5	40	19,68	10,00
Actionability	Social Value	31	5	30	17,90	10,15
	Functional Value	31	15	80	38,06	18,61
	Emotional Value	31	5	40	25,16	11,65
	Perceived Sacrifices	31	10	35	18,87	7,38
Valid N (listwise)		31				

Table 14 descriptive statistics 100-point scale scores

The standard deviation on perceived sacrifices is the lowest in both importance (10) and actionability (7,4). The standard deviation on functional value on both importance (18,7) and actionability (18,6) are the highest. In a general sense, managers seem to agree more upon perceived sacrifices and seem to agree less on functional value. This is in line with the results coming forward from the interviews in phase 1.

4.2.2. Top half versus bottom half

Based upon the ratio deal size/total fee the group was split in half. The 15 deals with the lowest ratio were placed in group 0, the 16 deals with the highest ratios were placed in group 1.

4.2.2.1. Descriptive statistics

Below the descriptive statistics of the two different groups are presented. Group 0 was the group with the lowest ratio, and group 1 the group with the highest ratio. Furthermore, the descriptive statistics regarding all cases are presented.

		Descriptive statistics case information top half versus bottom half						
		Managers Age	Days taken	Dealsize (x €1.000)	Fixed (x €1.000)	Succes fee (x €1.000)	Ratio	
Group 0 (low ratio)	N	15	15	15	15	15	15	15
	Minimum	31	193	3.715	30	40	0,017	
	Maximum	52	478	52.500	60	1.400	0,040	
	Mean	38	355	12.023	47	249	0,024	
	Std. Deviation	6,35	92,36	12690,97	7,26	343,16	0,007	
Group 1 (high ratio)	N	16	16	16	16	16	16	16
	Minimum	31	217	1.514	5	50	0,041	
	Maximum	52	884	13.598	50	780	0,077	
	Mean	39	390	5.598	43	267	0,059	
	Std. Deviation	7,53	173,18	4119,02	12,02	214,10	0,011	
Total	N	31	31	31	31	31	31	31
	Minimum	31	193	1.514	5	40	0,017	
	Maximum	52	884	52.500	60	1.400	0,077	
	Mean	39	373	8.707	45	258	0,042	
	Std. Deviation	6,87	138,89	9711,00	10,00	279,00	0,020	

Table 15 descriptive statistics case information top half versus bottom half

4.2.2.2. Comparing Ratio top half – bottom half

An independent samples T-test was conducted to compare the ratio of group 0 and group 1. There was a significant difference in the ratio of group 0 (mean 0,024, St. D 0,0066, SE 0,0017) and group 1 (mean 0,059, St. D 0,0112, SE 0,0028) conditions; $t(29) = -10,49$, $p < 0,001$. The ratio between group 0 and group 1 is significantly different. It seems that group 1 reaches a significantly higher ratio compared to group 0.

4.2.2.3. Comparing Control variables top half – bottom half

Several control variables were recorded to control for different effects. These variables were function level of the project owner (experience), age of the project owner (seniority), sector in which the company is active, type of project (sale/purchase), extent of project (full, one-on-one), date of first contact, date of offer, date of offer acceptance, date of deal completion, days taken for completion, deal size, date of agreement on fee, initial fee, final fee, fixed fee and success fee.

Some variables were used to calculate general information. The variables date of the first contact, date of the offer, date of offer acceptance and date of deal completion were used to calculate

days taken. The variables initial fee, final fee, fixed fee and success fee were used to calculate the advisory fee that was earned.

Comparing control variables group 0 (low ratio) and group 1 (high ratio)						
	Group	N	Mean	Std deviation	Std. Error Mean	
Manager age	0 (low)	15	38,40	6,35		1,64
	1 (high)	16	38,94	7,53		1,88
Manager Experience	0 (low)	31	1,60	0,91		0,24
	1 (high)	31	2,19	0,91		0,23
Days taken	0 (low)	31	355,40	92,36		23,85
	1 (high)	31	390,25	173,18		43,30
Dealsize (x €1.000)	0 (low)	31	12.023	12.691		3.277
	1 (high)	31	5.598	4.119		1.030

Table 15 comparing control variables group 0 (low ratio) and group 1 (high ratio)

In the table below, the different sectors in which the company of transaction is active are presented. There are some differences between the groups, however, these are minor. Group 0 seems to have done some more deals in the sector “trade” and “business services”, whereas group 1 has done more transactions in “cleaning”, “Secondment” and “metalworking”. These differences however do not seem to be large. A larger sample size is required to perform meaningful statistical tests for comparing both groups.

	Group0 (low scoring)	Group 1 (high scoring)
Production	2	2
Business services	3	2
Leisure	1	1
ICT	2	3
Trade	3	1
Cleaning	0	1
Secondment	2	3
Metalworking	2	3
Total	15	16

Table 16 deals per sector

Some variables did not have an impact or could not be collected. The variable type of project (full/one-on-one) has been collected, however, only entire projects were assessed, meaning that the dataset does not contain projects in which only certain steps of the process were taken. The variable date of agreement on the fee was not collectible. Only the date the offer was signed was collectible; However, this date was not always the date on which an agreement on the advisory fee was reached. Often an agreement is made off the record, which is signed later on. Therefore a reliable date could not be presented. Furthermore, in line with the previous, the variable initial fee could not be reliably collected. Often managers discuss the fee before a fee is placed in an offer, and therefore agree upon a fee before placing it in the offer. Therefore, no reliable information on the initial fee could be collected. Therefore the variable, type of project did not influence the results, and the variable initial fee could not be tested.

The descriptive statistics for the control variables are presented in table 15, and the results of the statistical tests in table 17. The mean age is nearly the same in both groups. Group 1 seems to consist of more experienced managers; however, the difference is not significant. The average deal size is higher in group 0; however, the difference is not significant. The control variables do not seem to explain the significant difference in ratios between the groups. There is no significant difference between the groups regarding control variables. It appears that age, days taken, deal size, and experience have no significant impact on the ratio.

		Levene's Test for Equality of Variances				t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Man_Age Man_Age	Equal variances assumed	,262	,613	-,214	29	,832	-,538	2,510	-5,671	4,596
	Equal variances not assumed			-,215	28,690	,831	-,538	2,496	-5,645	4,570
Man_Exp Man_EXP	Equal variances assumed	,009	,925	-1,796	29	,083	-,588	,327	-1,257	,082
	Equal variances not assumed			-1,796	28,873	,083	-,588	,327	-1,257	,082
Days_taken Days_taken	Equal variances assumed	2,675	,113	-,692	29	,494	-34,850	50,355	-137,838	68,138
	Equal variances not assumed			-,705	23,195	,488	-34,850	49,428	-137,053	67,353
Dealsize Deal_size	Equal variances assumed	3,924	,057	1,922	29	,064	6425591,838	3343154,446	-411926,735	13263110,41
	Equal variances not assumed			1,871	16,749	,079	6425591,838	3434789,391	-829452,355	13680636,03

Table 17 t-test group 0 (low ratio) and group 1 (high ratio)

4.2.2.3. Comparing Likert-scale questionnaire results top half – bottom half

A summary of the questionnaire scores for group 0 and group 1 are presented in table 18. Functional value seems to be the highest-scoring construct on both importance and actionability. However, the group gives a lower score to functional value compared to group 0. Furthermore, the standard deviation is the lowest on functional value, meaning that scores are less dispersed. Perceived sacrifices receive the lowest scores on both importance and actionability. Functional value seems to be the most important and actionable construct while perceived sacrifices seem to be the least important and actionable construct.

Comparing Likert-scale items group 0 (low ratio) and group 1 (high ratio)

		Group	N	Mean	Std. Deviation	Std. Error Mean
Importance	Social Value	0 (low)	15	4,36	1,64	0,42
		1 (high)	16	4,02	1,66	0,41
	Functional Value	0 (low)	15	6,72	0,43	0,11
		1 (high)	16	5,98	0,74	0,19
	Emotional Value	0 (low)	15	4,72	1,36	0,35
		1 (high)	16	5,05	1,55	0,39
Perceived Sacrifices	0 (low)	15	4,04	1,49	0,38	
	1 (high)	16	3,95	1,14	0,29	
Actionability	Social Value	0 (low)	15	4,09	0,91	0,24
		1 (high)	16	3,94	1,27	0,32
	Functional Value	0 (low)	15	6,22	0,69	0,18
		1 (high)	16	5,94	0,81	0,20
	Emotional Value	0 (low)	15	5,27	1,10	0,29
		1 (high)	16	5,31	0,79	0,20
Perceived Sacrifices	0 (low)	15	3,99	1,07	0,28	
	1 (high)	16	4,04	0,98	0,25	

Table 18 descriptive statistics group 0 (low ratio) and group 1 (high ratio)

Independent Samples Test											
		Levene's Test for Equality of Variances				t-test for Equality of Means				95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper	
Mean_Soc	Equal variances assumed	,098	,757	,564	29	,577	,33472	,59355	-,87922	1,54866	
	Equal variances not assumed			,564	28,899	,577	,33472	,59340	-,87909	1,54854	
Mean_Fun	Equal variances assumed	,600	,445	3,321	29	,002	,73229	,22051	,28130	1,18328	
	Equal variances not assumed			3,376	24,338	,002	,73229	,21689	,28499	1,17960	
Mean_Emo	Equal variances assumed	,612	,440	-,627	29	,536	-,33000	,52628	-,140636	,74636	
	Equal variances not assumed			-,630	28,890	,534	-,33000	,52404	-,140195	,74195	
Mean_PSa	Equal variances assumed	5,451	,027	,203	29	,840	,09653	,47458	-,87409	1,06714	
	Equal variances not assumed			,202	26,308	,842	,09653	,47864	-,88676	1,07982	
Mean_ASoc	Equal variances assumed	1,600	,216	,378	29	,708	,15139	,40004	-,66679	,96957	
	Equal variances not assumed			,382	27,206	,705	,15139	,39579	-,66042	,96319	
Mean_AFun	Equal variances assumed	,039	,845	1,024	29	,314	,27917	,27249	-,27814	,83648	
	Equal variances not assumed			1,030	28,753	,312	,27917	,27105	-,27541	,83374	
Mean_AEmo	Equal variances assumed	2,744	,108	-,134	29	,895	-,04583	,34324	-,74783	,65617	
	Equal variances not assumed			-,132	25,223	,896	-,04583	,34697	-,76011	,66844	
Mean_APSa	Equal variances assumed	,431	,517	-,143	29	,887	-,05278	,36923	-,80795	,70239	
	Equal variances not assumed			-,143	28,348	,888	-,05278	,37028	-,81085	,70530	

Table 19 t-test group 0 (low ratio) and group 1 (high ratio)

The output table for the independent samples T-test is displayed above. There was a significant difference in the scores for functional value of group 0 (mean 6,7, St. D 0,43, SE 0,11) and group 1 (mean 5,9, St. D 0,74, SE 0,18) conditions; $t(29)= 3,321, p=0,002$). The difference in scores on functional value between group 0 and group 1 is significantly different. All other tests result in a statistically insignificant difference.

4.2.2.5. Comparing results 100-point scale top half – bottom half

Comparing 100-point-scale items group 0 (low ratio) and group 1 (high ratio)						
		Group	N	Mean	Std. Deviation	Std. Error Mean
Importance	Social Value	0 (low)	15	14,67	11,10	2,87
		1 (high)	16	20,63	12,89	3,22
	Functional Value	0 (low)	15	44,00	21,31	5,50
		1 (high)	16	32,81	14,60	3,65
	Emotional Value	0 (low)	15	23,33	11,90	3,07
		1 (high)	16	25,31	12,45	3,11
	Perceived Sacrifices	0 (low)	15	18,00	9,60	2,48
		1 (high)	16	21,25	10,41	2,60
Actionability	Social Value	0 (low)	15	17,67	10,83	2,80
		1 (high)	16	18,13	9,81	2,45
	Functional Value	0 (low)	15	42,33	21,29	5,50
		1 (high)	16	34,06	15,30	3,83
	Emotional Value	0 (low)	15	20,33	11,10	2,87
		1 (high)	16	29,69	10,56	2,64
	Perceived Sacrifices	0 (low)	15	19,67	7,90	2,04
		1 (high)	16	18,13	7,04	1,76

Table 20 100-point scale comparing group 0 (low ratio) and group 1 (high ratio)

In the table above the results regarding importance and actionability are displayed. There are no significant differences between the groups. What does stand out from table 20 is that in group 0 both

actionability and importance of functional value are the highest scoring construct. However, group 1 more evenly distributes her points over the different constructs. Regarding importance, group 0 distributes 44 points towards functional value, whereas group 1 only distributes 32,8 points to functional value. Regarding actionability group 0 distributes 42,3 points to functional value, whereas group 1 distributes 34,1. Even though the differences are not statistically significant, it does seem that managers in group 1 more evenly spread their attention over the different constructs.

5. Discussion

The main question of this research paper is “How do managers of M&A SME advisory firms in the Netherlands, create perceived value for their customers during the pre-contract phase?”. By doing research in two phases both qualitative and quantitative data were gathered. Firstly, in phase one, qualitative data was gathered using interviews, secondly, in phase 2, quantitative data was collected.

The theory of Wang et al. (2004) was used to present a framework for perceived value in an M&A advisory firm context. This model explains how four constructs combined explain perceived value. These constructs are social value, functional value, emotional value, and perceived sacrifices. During phase 1 one 9 different managers were interviewed regarding perceived value and during phase 2 these managers filled in a questionnaire. The interviews and questionnaires indicated that the framework of Wang et al. (2004) also is relevant in an M&A advisory firm context. However not all constructs of the framework seem to be evenly important.

The key findings and interpretation of these findings will be discussed below followed by implications and limitations. Firstly, the key findings and interpretation of social value will be given followed by functional value, emotional value and perceived sacrifices.

5.1 Key findings and interpretation

In general, during phase one, through semi-structured interviews, managers have discussed all different constructs, however, they did not discuss all items or vaguely discussed several items. In phase 2 it became apparent that the top half cases scored functional value significantly different from the bottom half cases. The other differences in scores were not statistically significant.

5.1.1 Control variables

Several control variables were compared using statistical tests to see if the groups differed from each other. The variables date of the first contact, date of offer, date of offer acceptance and date of deal completion were used to calculate days taken. The days taken did not significantly differ between the groups. The mean age is nearly the same in both groups and did not significantly differ. The average deal size is higher in group 0; however, the difference is not significant. The control variables that were subject to statistical tests did not show significant differences between the groups.

Some control variables could not be statistically tested due to limitations regarding data gathering or due to limitations regarding sample size. Only entire projects were assessed, meaning that the dataset does not contain projects in which only certain steps of the process were taken. Since both groups contain the same type of deals, this variable does not explain the difference between the groups. The sector in which companies that are sold were active in did not seem to differ to a large extent; however, a larger sample size is needed to run meaningful statistical tests on this variable. The variables initial fee, final fee, fixed fee and success fee were used to calculate the advisory fee that was earned. It was impossible to reliably collect more data on the advisory fee, on for example at what date an agreement regarding the fee was reached, or whether the fee was renegotiated. Therefore it was not possible to see to what extent fees were renegotiated.

When checking control variables, it became apparent that there were no significant differences between groups, other than the ratio (advisory fee/deal size). It appears that the control variables do not explain the significant difference in ratio between group 0 and group 1.

5.1.2. Social value

Surprisingly the construct social value was a construct that some managers did not discuss at all. Three out of nine managers did not speak about social value, whereas two managers extensively discussed social value. Mainly more experienced managers did consider social value. It seems that more experienced managers better recognize the aspect of social value in customer value.

In phase two all managers scored social value. When looking at the aggregated score in general social value scores a mean of 4.18, whereas in group 0 it is scored 4.36 whereas in group 1 it receives a score of 4.02. The difference between these scores is not statistically significant.

On the 100-point scale social value received a score of 17.74 on importance and 17.9 on actionability. These scores make social value the least important and least actionable construct. The construct's low actionability and low importance suggest that managers should not put in a lot of focus on this construct in their interactions with customers. It does not seem important, nor actionable.

Surprisingly on the Likert-scale, both groups gave social value a neutral score as well. This seems to be in line with the three managers that did not discuss social value at all during phase 1. Based upon the interviews and questionnaires the data suggests that social value does not play a large role in perceived value, and it does not seem to increase or decrease perceived value in an M&A advisory firm context.

5.1.3. Functional value

The results regarding functional value were most surprising. Both the interviews and the results from the questionnaires painted a similar picture. During the interviews, it became apparent that more experienced managers gave less weight to functional value as opposed to less experienced managers. Results from the questionnaires show that the higher scoring group gave less weight to functional value as opposed to the lower scoring group. However, both groups gave functional value an above-average score. Surprisingly having a very strong focus on functional value does not seem to raise perceived value.

Surprisingly more experienced managers seem to think that, even though the functional value might be important, customers cannot truly base their decision on functional value. During the interviews, experienced managers made several statements regarding the nature of the M&A advisory firm service, customer experience and the nature of the market that are in line with these results. Experienced managers discussed how quality is hard to assess. The steps to sell or buy a company that each M&A advisory firm undertakes are the same, and therefore the basic service and products are the same. Moreover, since most customers only do a transaction once in a life, most customers have no prior experience or knowledge of an M&A process and find it hard to decide which advisor can deliver high quality. Furthermore, customers cannot honestly assess the quality of the service of M&A advisory firm since deals only rarely get published. The service of an M&A advisory firm is not a tangible product, which makes it hard to compare. All in all, experienced managers make it seem hard, nearly impossible for a customer to choose an M&A advisory firm based on quality.

Less experienced managers, on the other hand, discuss functional value very extensively. Several examples are given on how these managers try to impress customers using referrals, try to convince customers of an M&A advisory firm's strength, and of their personal skills. This way of acting is very different from more experienced managers.

These results were supported by the results from the questionnaires in phase 2. After having divided the group into group 0 (low ratio) and group 1 (high ratio), it became apparent that on the Likert scale, group 0 gave functional value a higher score as opposed to group 1. The difference in scores between group 0 (low ratio) and group 1 (high ratio) is significant. Both the interviews and the questionnaires give similar results regarding functional value.

Interestingly, both groups gave functional value a high score in actionability, even though the results that came forward during the interviews would suggest that functional value is not very actionable. The difference in mean score regarding actionability is not significant. Managers appear to agree on actionability.

On the 100-point scale, it becomes apparent that in a general sense as well as at a group level, functional value is the most important and actionable construct. Managers seem to believe that functional value is the most important and most actionable construct.

The results indicate that even though both groups seem to agree on the actionability of functional value, group one is convinced it is less important. Both groups seem to think that functional

value is actionable. However, group 0 seems to focus more on functional value as opposed to group 1. The reason appears to be that group 1 is convinced that the M&A market is a closed market and that quality is hard to assess, whereas group 0 is very eager to show the quality they possess. Group 1 seems to be more successful even though they think functional value is less important. This indicates that functional value is important for perceived value in an M&A advisory firm context; however, having too much focus on functional value does not seem to increase the advisory fee.

5.1.4. Emotional value

The interviews and questionnaires showed that emotional value is important and actionable for creating perceived value in an M&A advisory firm context. During the interviews, all managers extensively discussed emotional value. Numerous examples were given describing how customers valued emotional value. Furthermore, during the questionnaires, emotional value received a mean score of 4.89 on importance and 5.29 on actionability. Group 0 and group 1 did not give a significantly different score on these subjects. It seems that emotional value is important and actionable.

On an item level, some interesting differences occurred. Item 1, enjoyment, is one item of emotional value on which the phase 1 interview did not give enough insight and the phase 2 questionnaire was needed. Only some managers described how enjoyment was important. During the questionnaires the managers scored this item on importance a mean of 5.17 and a 5.81 on actionability. Therefore, it seems that enjoyment is important for emotional value. Even though most managers did not describe enjoyment, it does seem to be an important part of emotional value, and an actionable item.

During the interviews, item 3 (feeling relaxed about using the service) was mostly discussed when talking about situations when the deal was already completed. In the questionnaire this item did, however, receive a score of 4.97, being somewhat important, and a 5.10 on actionability, somewhat important. It seems that this item is somewhat important for emotional value and somewhat actionable.

Item 5 (customer pleasure) was not extensively discussed by managers during the interviews, however, a manager was very convinced that it was an important item. In phase two this item received a mean score of 4.29 on importance (close to neutral), and 5.19 on actionability (somewhat actionable). This item does seem actionable, but since it did not receive attention in the interviews, nor did it receive a high score on importance seems less relevant for perceived value in an M&A advisory firm context. Even though managers could influence this item, it does not seem to bear importance for perceived value in an M&A advisory firm context.

During the interviews, several results came forward regarding emotional value. All managers discussed emotional value; however, the different managers laid different focus on the different aspects of emotional value. From the questionnaires it came forward that emotional value is important for perceived value; however no significant difference was found between group 0 and group 1. When looking at the 100-point scale a similar image arises. On importance both group 0 and 1 give a similar score, however on actionability group 1 gives a higher score. However, the difference is not significant. The data suggest that emotional value is an important aspect of customer perceived value.

5.1.5. Perceived sacrifices

In general, the questionnaires showed no significant differences between group 0 and group 1 on importance and actionability. In general, perceived sacrifices received a mean score of 3.99 on importance and 4.02 on actionability. Both scores indicate that the impact of perceived sacrifices is neutral.

The most surprising result regarding perceived sacrifices was the type of sacrifices the different managers talked about. During the interview, more experienced managers discussed the sacrifice time and tried to minimize this sacrifice for their customers. Less experienced managers mostly presented the advisory fee as a sacrifice. It seems that if a manager gets more experienced a different type of sacrifice becomes more important.

Item 1 regards reasonable pricing. The reasonability of pricing is a subjective matter. Even though managers put in a lot of effort to make a price seem reasonable, by for example comparing the price to the amount of effort that went in, a clear conclusion cannot be drawn. In phase 2 this item scored 3.58 on importance and 3.71 on actionability. This seems to suggest that reasonability is something that is hard to take action upon and is not thought of as very important. This result might occur because managers are used to the advisory fee they charge. Since there is no insight into how many customers decide to not do business with the manager it is impossible to assess if the scores on this item are representative.

A different surprising result is an opposing view on customer M&A experience and its impact on the advisory fee, which is discussed in item 2. Most managers state that this lack of experience makes it harder to convince a customer that the service is worth the price paid. Some other managers describe that the lack of experience makes it easier to convince the customer of a higher advisory fee. However, in the questionnaire, no significant differences were found regarding this item. In general, this item received a mean score of 4.06 on importance, being neutral, and 5.45 on actionability being actionable. Even though the interview did show differences between opinions of the different managers, these different opinions did not translate into different results in the questionnaires. This item seems to be neutrally important and somewhat actionable.

Another surprising result is the impact that discounts have on customer perceived value, which is item 4 of perceived sacrifices. About half of the managers are willing to give a discount, however, the other half, especially the more experienced managers, are using this moment to show their customers that they can negotiate and can be tough. They show the customer that they will be good negotiators for them as well. In phase 2 this item scored 4.68 on importance and 4.58 on actionability. This item is somewhat actionable and somewhat important, both leaning towards neutral.

Item 5, value for money compared to major competitors, was not extensively discussed during the interviews, and therefore, the results on this item in phase 2 should be interesting. During phase 2 this item received a mean score of 4.19 on importance 4.68 on actionability. The item seemed to be neutrally important and somewhat actionable. Considering the results from an earlier item, describing the closed M&A market in which customers can hardly compare services, can be an explanation for these results.

Item 6, the choice of transacting with the firm is the right decision when price and other expenses are considered, was not discussed by managers during the interviews. In phase 2 this item received a score of 4.71 on importance, being somewhat important, and 4.06 on actionability, being neutral. It seems that this item is not relevant for perceived value in an M&A advisory firm context.

On the 100-point scale, perceived sacrifices received a score of 19.68 on importance and 18.87 on actionability, being the second-lowest score.

Surprisingly the results seem to indicate that perceived sacrifices are not very important for perceived value in an M&A advisory firm context. The reason might be that the advisory fee is paid from the money a customer gets from the buyer of the company. If a customer receives a high price, the level of the advisory fee might not be as relevant as thought.

Surprisingly the data seems to suggest that perceived sacrifices are not seen as very actionable even though managers can control the advisory fee. If managers want to, they can give discounts, after having consulted a co-worker, and influence perceived sacrifices. Managers might feel as if they cannot truly control the advisory fee.

5.2 Implications

5.2.1 Practical implications

Through the perspective of perceived value, this paper has shown that perceived value might play a role in the level of advisory fee an M&A advisory firm can charge their customers. The framework proposed by Wang et al. (2004) was used as the basis for this research. The main constructs that are important and actionable for perceived value in an M&A advisory firm context seem to be functional

value and emotional value. Social value and perceived sacrifices seem to be less important and do not seem very actionable.

The combination of results from the interviews and the questionnaires implies that managers of M&A advisory firms should find a proper balance between the different constructs of perceived value, and not focus too strongly on functional value. All managers seem to talk about functional value, meaning that they will talk about delivering superior service, delivering high quality, having well-made services, and give the customer a feeling of confidence. This seems to make it hard to be distinctive in this field. It seems that functional value should be a basis for the service of an M&A advisory firm, on which other aspects of perceived value could be added. It seems that if managers want to increase the advisory fee they earn, they should try to evenly combine the different aspects of perceived value while giving a little above average focus on functional value.

Functional value seems to be very actionable. Managers of M&A advisory firms therefore should be able to show functional value by the services that they are going to deliver. Managers could mainly focus on showing quality by presenting themselves in an excellent way, instead of focussing on telling that they will deliver superior quality. Besides functional value managers should focus on emotional value. Emotional value seems to be both actionable and important.

Regarding the other constructs managers might have several learning points as well. On the aspect of perceived sacrifices manager could learn that time that a customer must invest in the project could be perceived as a sacrifice as well. Even though the impact of perceived sacrifices on perceived value is neutral, and actionability is neutral, this could be a good point of which managers should be aware of. Social value did not seem to be very important, nor did it seem very actionable. Managers should not lay a strong focus on this aspect of perceived value. Social value does not seem to increase the perceived value in an M&A advisory firm context.

Overall, awareness of what factors drive price might help managers to come to better price propositions. This research has shown that practitioners should not solely focus on functional value but should try to evenly spread their attention over the different constructs if they want to maximize the advisory fee.

5.2.2. Theoretical implications

Despite the growing body of research on perceived value, the concept of perceived value in different research contexts remains unclear. There is a growing body of research in different contexts regarding the perceived value, however, findings in these contexts could not without additional research be translated onto other contexts (Lappiere (2000), Petrick 2002, Wang et al. 2004). This paper aimed to fill the gap in the literature of perceived value regarding the M&A advisory firm context.

These findings are a first step into a better understanding of perceived value in an M&A advisory firm context. By qualitatively and quantitatively assessing the different scales this research has explored perceived value in an M&A advisory firm context. The data contributes a clearer understanding of perceived value, especially in the workings of the different constructs. This research has shown that several constructs that exist in other contexts, exist in an M&A advisory firm context as well. Especially functional value and emotional value seem to be relevant. This research can form a basis for further research into perceived value in the context of M&A advisory firms. Further insight can be developed into the impact of the different constructs of perceived value in an M&A advisory firm context based upon the constructs used in this research.

This research has investigated the importance of the different constructs of perceived value. Especially functional value and emotional value seem to be relevant for an M&A advisory firm context. Whereas it was thought that functional value would have a positive impact on perceived value it seemed that a too strong focus on perceived value decreased the advisory fee and therefore perceived value. Further research could explore to what extent functional value adds positively to perceived value.

Moreover, this research has explored if the different constructs of perceived value are actionable in an M&A advisory firm context. It has attempted to gain insight into which elements of

perceived value can be affected. It seemed that functional value and emotional value actionable. Social value and perceived sacrifices do not seem to be actionable. Further research is needed to further explore the actionability of perceived value in an M&A advisory firm context.

Furthermore, the lists of constructs and items that existed to test perceived value in different contexts were not thought to be useful in other contexts. This research has shown that these lists, questionnaires, can be used. However, this list should be tested on a larger group or should be enriched to improve reliability.

5.3 Limitations

The generalizability of the results is limited by the number of cases researched. This research paper has assessed 31 cases, and a total of 9 managers were interviewed to come to a better understanding of perceived value in an M&A advisory firm context. Ideally, one would assess more cases to come to a better understanding of perceived value in an M&A advisory firm context and to come to more reliable results. The timespan and budget of this paper, however, did not allow for more extensive research.

It appeared to be impossible to reliably collect data on the control variable that described the exact date at which an agreement on the advisory fee was reached. Closer observation over a longer period could give more insight into the exact detail surrounding the advisory fee.

By increasing the sample size the data set would be more normal. At this moment several deals have been assessed, however some were larger than others. Ideally, the deals would be more of a similar size, or the data set should be larger. Furthermore, a larger sample size would enable meaningful statistical tests regarding the control variable "sector in which the client is active". Additional research could focus on collecting data in one specific sector and use a larger sample size.

The reliability of this research is impacted by limited access to participants. Unfortunately, it is impossible to question customers regarding their views upon perceived value in an M&A advisory firm context. Potential customers are unknown, meaning that they haven't disclosed that they are willing to sell their company. If they disclose that information that would have an impact on their organization. Having not assessed customers is a limiting factor for this research paper.

6. Conclusion

This paper aimed to explore how managers of M&A SME advisory firms in the Netherlands create perceived value for their customers in the pre-contract phase. Based upon qualitative data gathered through interviews, and quantitative data gathered through 31 cases and questionnaires, it can be concluded that perceived value in an M&A advisory firm context is created through four constructs which all have a different level of importance. The results indicate that functional value is the most important construct for creating perceived value, followed by emotional value, social value, and perceived sacrifices. The actionability of these constructs follows the same order. Since actionability and importance were nearly equal there were no surprising results regarding actionability.

During stage two of the research, the dataset was split in half based upon the ratio advisory fee/deal size. This gave an interesting insight. Surprisingly making functional value to important does not result in higher perceived value. For customers it is very hard to assess the quality of an M&A advisory firm. All firms will state that they will do the best deal, and a customer can hardly assess this. Therefore, by focussing too much on functional value, and less on other aspects, perceived value is not increased.

Practical implications for managers derived from this research are that functional value is actionable and important for perceived value in an M&A advisory firm context but should not receive too strong a focus. Focussing too strongly on functional value does not seem to increase perceived value and the advisory fee. Focussing too much on talking about functional value, talking about delivering superior service, delivering high quality, having well-made services, and giving the customer a feeling of confidence does not seem to increase perceived value. Instead of solely focussing on functional value managers should more evenly distribute attention over the different constructs.

On the other constructs of perceived value there are learning points as well. Emotional value is the most actionable and important construct after functional value. On the aspect of perceived sacrifices managers could learn that time that a customer must invest in a project could be perceived as a sacrifice as well. Social value appeared not to be important or actionable, and therefore should receive the least attention. Further research could increase the understanding of the implications for managers.

Theoretically this paper aims to fill a gap in the literature regarding knowledge of perceived value in the context of an M&A advisory firm. First, this paper has both qualitatively as quantitatively assessed perceived value in an M&A advisory firm context. This research forms a first step into better understanding of perceived value in this context. This paper contributes to the existing literature by exploring which constructs and items drive perceived value in this context. The constructs and items created by Wang et al. (2004), which was based upon the scales created by Lappiere (2000) and Petrick (2002), seem to be applicable.

Furthermore, this research has explored which constructs are the most important for perceived value in an M&A advisory firm context. The results have shown that functional value appears to be the most important construct, followed by emotional value, perceived sacrifices and social value. However, having a too strong focus on functional value, and giving less attention to the other constructs, seems to have a negative effect on perceived value. This might oppose the view that functional value always has a positive impact. Further research, containing a larger sample size could be used to better understand the workings of functional value.

Next, this research complements previous literature by furthering insight in not only what creates perceived value, but also by shedding light upon how actionable the items and constructs are. At the start of the research, it was thought that important practical implications could be derived by combining highly important and highly actionable constructs and items. However, the constructs that were highly important seemed to be highly actionable, whereas the constructs that were unimportant seemed to be unactionable. The constructs seem to be as actionable as important.

This research has several different limitations. The availability of data constrained methodological choices. It became quite clear that employees of an M&A advisory firm could be interviewed. However, it is impossible to interview potential or former customers. Potential customers

are hard to find since the percentage of the population that is selling their company is very small. Furthermore, admitting that you want to sell your company could have a negative impact on the company itself and, therefore, always is confidential. Therefore, only managers of an M&A advisory firm were interviewed.

Furthermore, asking former customers about the service they have had, and their view on value could be problematic. Former customers would either be positive or negative and, therefore, would not give an unbiased opinion on the case. Moreover, an M&A advisory firm only helps with a transaction, meaning that once the deal is completed, they no longer are actively involved. However, as stated in the introduction section of this paper, there are many reasons why a transaction can be called a failure, which is not directly related to an M&A advisory firm. Due to these limitations, the research group consisted of M&A advisory firm managers.

Additionally, to already stated points there are several questions left for future research. Further research is needed to establish weights of the different constructs that create perceived value in an M&A advisory firm context. Further studies should, therefore, focus on quantitative assessment of the constructs and items which are proposed in this research. To increase the generalizability and reliability of the results, the study should be performed on a larger amount of deals. Deals that were assessed all took place in the same year under similar market conditions. However, since only one year was assessed only a limited amount of deals were evaluated. A larger sample size would enable more tests regarding the different (control) variables.

Furthermore, one could further research functional value in an M&A advisory firm context. It would be interesting to gain further insight into the effect of functional value. It could be interesting to find out to what extent the focus on functional value has a positive effect. Moreover, one could further research the aspect of perceived sacrifices, and especially the aspect of giving discounts. It would be interesting to research if giving discounts has a positive effect on perceived value since giving discounts might undermine the position a good negotiator needs to be.

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Appendix A an Overview of constructs and items (Boksberger and Melsen, 2011)

Name	Context	Constructs	Items
Sa´nchez-Ferna´ndez et al. (2009)	Vegetarian restaurants	Efficiency	5 items
		Quality	4 items
		Social value	3 items
		Play	4 items
		Aesthetics	4 items
		Altruistic value	4 items
Huber et al. (2007)	Customers of car dealers	Risk components	1 item
		Logical components	1 item
		Practical components	1 item
		Emotional components	1 item
Sa´nchez et al. (2006)	Tourism packages	Functional value establishment	4 items
		Functional value person	4 items
		Functional value product	4 items
		Functional value price	3 items
		Emotional value	5 items
		Social value	4 items
Rintama¨ki et al. (2006)	Shopping	Utilitarian value	6 items
		Social value	6 items
		Hedonic value	6 items
Heinonen (2004)	Online banking	Technical value	more/same/fewer
		Functional value	more/same/less
		Temporal value	more/same/less
		Spatial value	more/same/less
Wang et al. (2004)	Security service	Functional value	4 items
		Social value	3 items
		Emotional value	5 items
		Perceived sacrifices	6 items
Petrick (2002)	Cruising	Quality	4 items
		Emotional response	5 items
		Monetary price	6 items
		Behavioural price	5 items
		Reputation	5 items
Agarwal and Teas (2001)	Hand-held business calculators, wrist-watches	Perceived quality	5 items
		Perceived sacrifice	2 items
		Performance risk	2 items
		Financial risk	3 items
		Perceived value	5 items
Sweeney and Soutar (2001)	Furniture, car stereo	Functional value (quality)	6 items
		Emotional value	5 items
		Functional value (price)	4 items
		Social value	4 items
Cronin et al. (2000)	Health care, fast food, entertainment	Sacrifice	3 items
		Service quality performance	10 items
		Overall service quality	3 items
		Service value	2 items
Sweeney et al. (1999)	Electrical appliance	Functional service quality	5 items
		Technical service quality	2 items
		Product quality	4 items
		Relative price	2 items
		Performance/financial risk	2 items
		Perception of value for money	3 items

(Boksberger and Melsen, 2011)

(Boksberger and Melsen, 2011) Continued:

Name	Context	Constructs	Items
Grewal et al. (1998)	Bicycle	Advertised selling price	2 price levels
		Internal reference price	2 items
		Perceived quality	3 items
		Perceived transaction value	3 items
		Perceived acquisition value	9 items
Sinha and DeSarbo (1998)	Cars	Relative quality	5 items
		Relative price	3 items
Cronin et al. (1997)	Health care, fast food, entertainment	Overall service value	1 item
		Service quality	10 items
		Overall service quality	5 items
		Sacrifice	9 items
Patterson and Spreng (1997)	Consulting service	Outcomes	2 items
		Method	3 items
		Service	4 items
		Relationship	2 items
		Global	1 item
		Problem identification	2 items
		Value	1 item
		Ostrom and Iacobucci (1995)	Four experience services, four credence services
Quality utilities	high or low		
Friendliness utilities	more or less		
Customisation utilities	more or less		
Chang and Wildt (1994)	Apartments, personal computers	Perceived quality	4 items
		Perceived price	2 items
		Perceived value	1 item
Bolton and Drew (1991)	Telephone service	Perceived service quality	n.a.
		Perceived service value	n.a.
		Sacrifice	n.a.
		Customer characteristics	n.a.
Dodds et al. (1991)	Calculator, stereo headset player	Perceived sacrifice	5 price levels
		Perceived quality	5 items
		Perceived value	5 items
Sheth et al. (1991)	Cigarette smoking (users/nonusers)	Functional value	6 items
		Conditional value	4 items
		Social value	2 items
		Emotional value	7 items
		Epistemic value	3 items
Zeithaml (1988)	Beverages	Perceived quality	n.a.
		Perceived price	n.a.
		Perceived value	n.a.

(Boksberger and Melsen, 2011)

Appendix B questionnaire semi-structured audio-recorded interview

Questions Phase 1

Can you tell me something about customer value from the perspective of an M&A guidance firm?

Can you tell me something about the differences between suppliers' and customers' perception of customer value?

Can you tell me something about the different sources of customer value?

Can you tell something about the firms' strengths and weaknesses?

Can you tell me something about customer' needs and expectations?

What do customers expect other than products and services?

How do you think perceived value influences price?

How does a customers view on value influence your interaction with him/her?

When looking at this list (list of items and constructs Appendix X), which constructs do belong on this list?

When looking at this list (list of items and constructs Appendix X), which constructs do not belong on this list?

When looking at this list (list of items and constructs Appendix X), which constructs are missing?

Appendix C Interview guidelines Wilson (2014)

- Step 1 Determine the research focus and goal of your interview
- Step 2 Create a list of general questions and research topics which you want to cover during the interview
- Step 3 Create an interview guide which contains general questions and a basic script for the interview
- Step 4 Approach and recruit participants that fit the screening criteria
- Step 5 Produce any documentation that is needed
- Step 6 Prepare a briefing memo to introduce the subject

Figure 2 Steps in preparing semi-structured interviews (Wilson, 2014)

When executing a semi-structured interview several steps must be taken to ensure reliable results. Furthermore, the interviewees should feel at ease to discuss the subjects they want to discuss. Wilson (2014) predefines 6 steps for the execution of a semi-structured interview.

- Step 1 Meet participants before the start of the interview and explain the main outline and goal of the research.
- Step 2 When meeting the participants, ask them where you should sit
- Step 3 Discuss the following points before starting the interview:
 - a) The main topic of interest and the research goal, the different phases of the interview, recording, ethical issues, prompting and discussion.
 - b) How much time the interview will take.
 - c) Decide on what happens if the participant gets disturbed due to what reason so ever (for example a phone call).
 - d) Explain how the data will be used, and how they will be informed about the results.
- Step 4 Start the interview using warm-up questions that are easy to answer and relax the interviewee, those who are relevant and non-threatening
- Step 5 During the main phase of the interview starts with questions that should be answered. Once these are answered ask the remained questions
- Step 6 End the interview in a clear and obvious way by thanking the interviewee, stopping the recording device, and stowing away the taken notes

Figure 3 Steps in executing semi-structured interviews (Wilson, 2014)

Appendix D Descriptive statistics Likert-Scale items

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Q1 Soc_I1	31	1	7	4,35	1,644
Q2 Soc_I2	31	1	7	4,26	1,751
Q3 Soc_I3	31	1	7	3,94	1,861
Q4 Fun_I1	31	3	7	6,32	,909
Q5 Fun_I2	31	4	7	6,42	,807
Q6 Fun_I3	31	4	7	6,23	,956
Q7 Fun_I4	31	4	7	6,39	,882
Q8 Emo_I1	31	1	7	5,16	1,772
Q9 Emo_I2	31	2	7	4,97	1,581
Q10 Emo_I3	31	2	7	4,94	1,692
Q11 Emo_I4	31	2	7	5,10	1,535
Q12 Emo_I5	31	1	7	4,29	2,194
Q13 PSa_I1	31	1	7	3,58	1,893
Q14 PSa_I2	31	2	7	4,06	1,731
Q15 PSa_I3	31	1	6	2,74	1,751
Q16 PSa_I4	31	2	7	4,68	1,869
Q17 PSa_I5	31	2	7	4,19	1,759
Q18 PSa_I6	31	2	7	4,71	1,736
A1 ASoc_I1	31	3	6	4,00	1,155
A2 ASoc_I2	31	1	6	4,23	1,454
A3 ASoc_I3	31	2	6	3,81	1,400
A4 AFun_I1	31	4	7	6,00	,894
A5 AFun_I2	31	4	7	6,03	,912
A6 AFun_I3	31	5	7	6,26	,682
A7 AFun_I4	31	5	7	6,00	,730
A8 AEmo_I1	31	4	7	5,81	,703
A9 AEmo_I2	31	4	7	5,45	,925
A10 AEmo_I3	31	3	7	5,10	1,106
A11 AEmo_I4	31	3	7	4,90	1,399
A12 AEmo_I5	31	1	7	5,19	1,778
A13 APSa_I1	31	1	6	3,71	1,465
A14 APSa_I2	31	2	7	4,06	1,788
A15 APSa_I3	31	1	6	3,00	1,571
A16 APSa_I4	31	2	7	4,58	1,478
A17 APSa_I5	31	2	7	4,68	1,447
A18 APSa_I6	31	2	7	4,06	1,459
Valid N (listwise)	31				

Appendix E Interview quotes

Quotes Social Value

Manager 1	Manager 2	Manager 3	Manager 4	Manager 5	Manager 6	Manager 7	Manager 8
		Ik kan best begrijpen dat naast product een locatie op de zuid-as wel veel doet met bepaalde klanten. Een locatie, wat voor merk, exclusief of prijsvechter. Maar of dat echt invloed heeft op de advisory fee? Ja nee jawel.		je hebt allemaal gesprekken en je hebt wel 8 biedingen binnengehaald, dat kan voor een klant ook betekenen, hee zo kijken partijen dus aan tegen waarde, en dan verander hij zelf daar ook wel is in. Dan denkt ie soms, positief of negatief, misschien is dat wel wat er in zit.	Je verkoopt maar één iets terwijl er meerdere kopers zijn moeten kopers extra hun best doen. Dat doen ze door extra aardig te zijn en door betere transactie voorwaarden. Dat zie je eigenlijk en dat werkt. Dat is meteen ook de toegevoegde waarde die wij hebben.	Dat omveld kan zijn, zijn vader, zijn moeder, zijn vrouw, zijn kinderen, de commissaris, de accountant, de bankier. Dat zijn allemaal mensen die invloed hebben op z'n proces, omdat ze ook een belang hebben. Die proberen te trekken en te duwen om die ondernemer een bepaalde kant op te bewegen.	dat prijs iets is, wat iemand aan het begin heeft genoemd als iets dat te belangrijk vindt, natuurlijk. Vaak uit overweging van ik wil daar niet tekort in worden gedaan.
		Als ik er zo over nadenk, een plek op de zuid-as, of je exclusief bent, dat uitdraagt, daardoor zal iemand wel een hogere prijs willen betalen. Alhoewel, ik had wel een gesprek met iemand laatst en die zei, joh ik betaal zo hoge prijs omdat jullie 80 man aan het werk hebben.			Als je een één op veel relatie hebt, dan weet iedereen in de veel groep ik kan ook uit het proces worden gezet dus ik moet extra m'n best doen.	Dat zit 1) in een stuk historie, 2) in een stukje band met zijn personeel, klanten en leveranciers. Dus hij heeft een band met dat bedrijf. Op het moment dat je het verkoopt, wil je ook dat dat een beetje goed over gaat. Je kunt niet over je graf heen regeren. Maar je kunt wel zegmaar een beetje in sturen	Soms denkt een klant dat hij zelf wel het proces kan doen. Dan zeg ik, Op het moment dat je een info memorandum met onze naam opstuurt naar een partij krijg je sws 10% op je bieding. Omdat een partij weet dat ze je niet beet hoeven te nemen, want je bent een professionele partij.
					Het is ook niet alleen het geld omdat je dat geld wil hebben. Het is meer dat het met emotie heeft te maken. Kijk als je een bedrijf hebt wat je al 20 jaar geleden hebt opgericht, en het is nu een bepaalde waarde, dan is die waarde die een ander daar aan toekent, dat geeft een stukje bevrediging.	Maar inderdaad, sinds wij boarding doen, en dat deden we al heel snel, dat was bij XX. Dat kostte niet zoveel, maar toen mensen dat zagen zeiden ze van "oohh dat is een goed bedrijf heh".	
		De social value zal er zeker zijn maar denk niet dat het belangrijk is. Meer een extraatje.			Zo van nu, zie je wel, iets wat ik 20 jaar geleden heb opgebouwd, iemand anders waardeert dat ook op een mooie waarde.	Het merk is zodanig geliden dat we aanzien hebben in nederland. Dat meer partijen naar ons kijken dan andersom.	
		Als een ondernemer afscheid neemt van z'n onderneming, z'n onderneming is eigenlijk zijn leven, maar ook z'n sociale vangnet. Hij heeft naast z'n onderneming vaak niet heel veel andere mensen die die kent. Zijn status in de samenleving, in de regio, is gekoppeld aan z'n bedrijf. En als het bedrijf dan weg valt dan zie je in een keer dat de ondernemer ook een beetje weg valt. Iedereen kent hem nog wel, maar hoeft hem niet echt meer te spreken, want ze hebben niets van hem nodig. Dus het sociale vangnet is kleiner, daar kunnen we zeker wat in betekenen.			Dat is ook een soort waardering van he dat heb je goed gedaan. Zeker als er dan meerdere partijen geïnteresseerd zijn dat vinden ondernemers mooi, die zijn er van gecharmeerd.	Ondernemers doen zaken met mij omdat ik succesvol ben. Ze willen iemand hebben die succesvol is in het verkopen van bedrijven. En dat laat ik zien met een goed kantoor, een mooie auto... In het verleden hadden we een heel strikt auto beleid, om er zo maar zeker van te zijn dat onze medewerkers een goede indruk maakten.	
					Social value, status. Dat is zeker wel zo. We horen wel is ondernemers via ons hebben verkocht, en dat is dan toch een club waar je bij wilt horen. Dat snap ik dan niet helemaal. Maar goed, we zijn de grootste, ja en dan zeggen ze o je hebt je bedrijf via XX verkocht? Ja, ooo dan heb je het vast goed verkocht, dat is toch, stom is dat maar dat vinden mensen toch mooi. Ja was een mooi traject heh, ja was een mooi traject	Soms hoor je klanten tegen elkaar zeggen "werkte jij met hun? Dat was vast niet goedkoop, maar dan heb je het vast goed verkocht."	
					alle investeerders kennen ons format, ze willen daar graag in mee, want onze merknaam	Wij zijn ook veel duurder dan bijna alle concurrenten. Ja en waarom is een deel van de ondernemers bereid om dat te betalen. Niet iedereen heh! Soms zeggen mensen "die ander verteld precies het zelfde verhaal". Dan zeg ik, ja, dat is ook zo. Iedereen doet de zelfde stappen, de zelfde dingen, en iedereen is succesvol. Ik zeg, ja dat klopt ook. Ik vind het ook heel lastig om mij daarin te onderscheiden. Het enige wat ik zeg is, ik doe het al 20 jaar. Op onze website staan een paar honderd referenties die kun je allemaal bellen.	
					We zaten hiervoor in een flexoffice. Dat was niet representatief. Ja je gaat bij ons een bedrag betalen, maar je zit bij ons in een shady kantoor. Dat kan niet	Ze staan er niet op omdat ze een kutverhaal vertellen en we groeien elk jaar omdat onze klanten ook weer vriendjes aandragen, en dat is niet voor niets. En dat kan niet iedereen zeggen	
					Ja misschien trackrecord. Ik merk ook als ik met leads bezig ben. Ik mag heel graag vertellen met voorbeelden. En dat werkt bij ondernemers ook. Zeker als ik zeg, moet ik je een keer in contact brengen		

QuotesFunctional Value

Manager 1	Manager 2	Manager 3	Manager 4	Manager 5	Manager 6	Manager 7	Manager 8	Manager 9
Nou, die ondernemer heeft geen ervaring in z'n heel traject. Dus hij zoekt uiteindelijk de partij die hem het beste kan helpen bij dat traject.	Het is onze taak om de klant opties te bieden.	Om zoiets zoveel als mogelijk biedingen op tafel krijgen van die partijen	een netwerk hebben waarmee wij vragen en aanbod bij elkaar kunnen brengen.	voor de klant, als een sonderhandeling resultaat. Ofwel op basis van onze professionele kennis en ervaring vinden wij meer waarde, in euro's uit te drukken, dan wanneer hij ons niet zou inschakelen. Dus is de dienstverlening dit daar ook waarde in.	We zijn echt perfect voorbereid en pas dan gaan we kopers benaderen.	Nou dat is wat we doen, wat ik doe. Dus door uit te leggen, je natuurlijk is de hoogste prijs, de hoogste prijs, dan gaan we voor de hoogste prijs. Maar is dat wat je wilt?	De ene is je brengt kennis van en een specifiek onderwerp, waar veel ondernemers, onze klanten, nog nooit over nagedacht hebben mee.	ik zit te denken. Ondernemers weten echt niet hoe je een bedrijf verkoopt. In de regel dan heb. En ja eum is vaak helemaal nieuw. T zelfde, ja je kunt je eigen huis verkopen maar eer zijn ook makelaars.
Wij moeten zorgen dat ik met een plan dat wij maken, he, waar we iets over kunnen vertellen, en voorbeelden kunnen noemen over hoe we dat bij andere ondernemers hebben gedaan om uiteindelijk die eindfase te kunnen bereiken		Een zwakte kan ook zijn dat we daardoor soms sector focus missen, en daardoor een opdracht mis lopen	een klant komt bij ons omdat hij denkt dat wij de beste deal voor hem uit de markt gaan halen. Dat is wat wij moeten doen.	Dus ja je belt partijen, als ik dat niet zou doen, dan zou hij dat zelf moeten doen. Die dienstverlening lever ik en dat heeft een bepaalde waarde. Daarnaast heeft ie, omdat ik een professional meen te zijn, heeft dat ook echt een grotere toegevoegde waarde dan wanneer hij dat zelf zou doen.	Meer kopers en kopers waar je in eerste instantie niet zelf aan gedacht had die ook voor te spiegelen.	Dus je kunt beter op andere argumenten je deal binnenhalen, en dan de verwachting die je lager gesteld hebt overtreffen. Want dan zeggen ze dat is een goede, die heeft het veel geld voor mij verdient	Dat betekent dat je beter met andere partijen kan praten over wat je hebt. Dus waarde kan creëren aan de bovenkant van de waardeperceptie van jouw klant. Dat is het ene, het studee begeleiding	ik geef ook wel eens het voorbeeld: je kan het zelf proberen. Maar geen komen ondernemers dan toch na een paar maanden/ een jaar weer terug. Dan zitten ze na een half jaar in gesprekken met mensen waarbij iemand toch minder leuke dingen zegt over het bedrijf. ik moet te veel aarven, het leidt te veel af. Dus dat probeer ik duidelijk te maken.
wat zijn de wensen van die klant, en hoe zorg je nou dat je die wensen goed gaat invullen. Dat moet je van te voren duidelijk op tafel hebben.		Maar die sector focus is soms wel zo van, hey, stel we krijgen een lead uit de flexmarkt dan gaat te meteen naar de gene die hem het eerste sprekt, terwijl je ook kan zeggen hey, XX jij hebt zoveel gedaan in de flexmarkt, hebt kennis van deze markt, pak jij deze.	de klant kan ook lezen hoe de markt in elkaar steekt, en wat het marktgemiddelde is. Als dat een factor is is en wij halen een factor er uit, dan hebben we toch een goede deal gedaan? ik communicer ook met de klant wat marktgemiddelden zijn.	je legt context, en dat hebben we in een ppt presentatie of in een brochure of folder ook, maar lig in een mondelinge toelichting en wat de werkzaamheden in houden en wat we doen, en welke stappen we zetten. Dat ligt je uitgebreid toe. Dat staat ook in de offerte trouwens, die stappen met de werkzaamheden en dergelijke.	Dan hebben ze bijvoorbeeld een eamout. ik heb nu een andere klant, en die belt dan en die zeg ja zo en zo, hoe zat dat ook al weer. Dan zeg ik "oh, maar het even op" ik heb dat traject met XX gedaan. En dan kijken we der ff naar. Dat is voor ons een uur / 2 uur werk. Houps, voornamelijk voor xx dan. Maar dat doe je dan gewoon even.	Schetsen hoe z'n proces loopt. Ook laten zien waarom je bepaalde dingen doet. Waarom stoppen wij zoveel tijd in de analyse van een bedrijf, om een memorandum op te leveren waar bijna alles in staat wat een koper nodig heeft om fatsoenlijk te bieden, waardoor je verdorp in het proces minder ellende krijgt. Dus als je in het begin goed je huiswerk doet, heb je uiteindelijk minder ellende	Dus als de wij bij de ondernemer aanwezig is, en wij hebben er een goed plan voor gformuleerd met te leveren, dan gaat het ook door. Dus dat is denk ik het belangrijk	Wat we te weinig doen is feedback vragen aan klanten. Dat doen we bijna niet. Toevallig heb ik het gisteren wel gevraagd. Hij vroeg ook aan mij, wat vind je er zelf van, en ik vroeg dat aan hem. Toen kregen we, korte kom. Lijpen. Snel, doen wat je zegt. Wat ik belangrijk vind, als je zegt, morgen krijg je reactie, dan die ook leveren.
Kijk die meneer heeft een gesprek met ons, maar ik heb aan het einde van het gesprek niet zijn vragen beantwoord		Jij hebt zoveel gedaan in de markt, pak jij deze maar. Maar dat is meer als iemand helemaal vol zit en toch in bonus al heeft gehaald.	Stel joh, hij komt op het moment dat ie het bedrijf wil verkopen, dan komt hij bij ons terecht en nemen ja hem mee wat we allemaal gaan doen, hoe z'n proces loopt en wat het inhoudt. Dan ga je je toegevoegde uitdiepen en uitleggen	in kennis te laten maken met de ondernemer. ik denk dat wij daar sterk in zijn. ik denk dat trackrecord van ons sterk is in de markt waarin wij ons bewegen	Die zei ook van joh we willen je echt wel goed betalen, maar dan moet je echt een goede prestatie leveren	Waarom 5 kopers aan tafel, of 10. Ja zijn je wilt lezen hebben. 2, je wilt gebruik maken van de marktwerking. En 3, je wilt de koper hebben die net 2 keer een tik op de neus heeft gehad, en zegt: deze moet ik echt hebben. En als je dat uitlegt en ook die proces stappen wat je eigenlijk allemaal doet. Dan denkt z'n klant ook van ja dat is toch wel het veel.		
Wat je wel ziet, als ze daar is over nadenken, ze hebben iets in de krant gelezen, ze horen wel iets, dan hebben ze verwachtingen die niet helemaal aansluiten bij de realiteit			Het proces ga je je niet in onderscheiden, behalve dat wij dat consistent in zijn en professioneel zijn. Soms als je het werk van één jitters ziet dan schieten de tranen je in de ogen. Maar goed, dat moet je van tevoren proberen uit te leggen, dat daar een kwaliteitsverschil in zit. Waar de moeilijkheidsgraad bij ons in zit is, we hebben concurrentie, en die doet het voor een kaart voor de kosten, en die pretenderen de zelfde werkzaamheden te doen als wij. Want het proces is het zelfde, maar het resultaat absoluut niet	Ontwikkelpunt is in mijn beleving, positionering in de markt duidelijk maken, waardoor je bij een grotere doelgroep aan potentiële klanten zichtbaar bent en serieus wordt genomen.	dat zeg ik hele vaak tegen klanten van ons en daar halen we ook opdrachten mee binnen, dat is onze omvang. We zijn natuurlijk verrewer de grootste speler in dit vakgebied, en onze omvang is ook juist onze kracht	Maar het zit niet in de tijd of de hoeveelheid. Maar het zit meer in de kwaliteit die wij bijstaan hebben, of de knowhow, of het netwerk, of de combi van die dingen		
Wat ik altijd zeg tegen mijn klanten, ik ga een waardering maken bij aanvang van het traject, en die waardering zie ik als een referentie kader. Het is een ijkmoment			Wat ik denk dat wij groter zijn, en steeds beter geïntegreerd zijn om grotere deals aan te kunnen. Maar dat moet dan ook door de markt zo ervaren worden.	ik denk dat wij groter zijn, en steeds beter geïntegreerd zijn om grotere deals aan te kunnen. Maar dat moet dan ook door de markt zo ervaren worden.	Dus of je met 3 werkdagen of met xx, ja met xx man weten wij gewoon veel meer.	ik gebruik de omvang van ons bedrijf wel, maar ik leg ook uit waarom dat dan interessant is.		
we weten een beetje wat je kunt krijgen voor de onderneming			ik referer naar de omvang, de aantal deals, de kennis, de expertise. En aan de andere kant probeer ik aan te geven dat ik gespecialiseerd ben en capaciteiten heb.	Ik denk dat wij groter zijn, en steeds beter geïntegreerd zijn om grotere deals aan te kunnen. Maar dat moet dan ook door de markt zo ervaren worden.	Die hebben niet z'n meendenk opspan van xx man. Dat moet je echt uitleggen.	Dus wij weten met z'n allen heel veel, en die kennis gebruiken we ook voor jou, waardoor we te staar zijn om voor jou de beste deal te maken, de beste koper te vinden, de snelste deal te maken. Dus die omvang gebruiken wij om succesvol betere deals te maken		
			Alleen hoe professioneel je dat doet, hoe bereikbaar je bent en hoe hard je rent, dat is natuurlijk binnen die stappen aspecten waarmee je de klant positief als negatief mee kan verseren		Dus je moet je dat eigen maken maar klanten verwachten wel is dat je dat weet voordat je in gesprek komt	Soms zeggen mensen "die ander verteld precies het zelfde verhaal". Dan zeg ik, ja, dat is ook zo. Iedereen doet de zelfde stappen, de zelfde dingen, en iedereen is succesvol. ik zeg, ja dat klopt ook. ik vind het ook heel lastig om mij daarin te onderscheiden. Het enige wat ik zeg is, ik doe het al xx jaar. Op onze website staan xx referenties die kun je allemaal belken. Ze staan er niet op omdat ze een kutverhaal vertellen en we groeten elk jaar omdat onze klanten ook weer vriendjes aandragen, en dat is niet voor niets. En dat kan niet iedereen zeggen.		
			Hogmaakt, dat is een kwaliteit van de activiteiten die je doet en kan heel waardevol zijn voor de klant		het graspijs is als je dat niet doet, als ik mis gaat belien ze mij, meteen als eerste.	Maar de stapjes, die zijn allemaal het zelfde. En iedereen kan het goed. ik noem altijd een voorbeeld. XX en XX plichten vorig jaar bij een wat kleiner bedrijfje, alleen de ondernemer vond ons te duur. Dat kan, wij waren te duur. Per sevel lopen wij voor een klant van ons dat bedrijf. Wij weten natuurlijk dat we die deal gemist hadden, klant van ons was aan het zoeken. Dus ik kom aan tafel met de nieuwe adviseur. Uiteindelijk kopen wij dat bedrijf op xx keer EBITDA. Technisch bedrijf. ik durf wel te zeggen, dat bedrijf was minimaal x keer EBITDA waard. Dus ja, die man heeft x aan kosten bespaard, maar x miljoen verloren. Dus ja, wat duur. Alleen die jongen die t verkocht heeft verteld ook een verhaal dat te de koring is in de M&A. Dus je het is lastig om daarin te onderscheiden. Dus ik noem dan wel is dit voorbeeld, ja dit gebeurt in de markt. En daar trek je sommige klanten mee over de streep.		
					ja ik ga ook niet tegen die klant zeggen wat we nog meer allemaal doen. En daar heeft te ook niks mee te maken, het is geen excuus, het loopt zoals het loopt. En je kunt het soms gewoon heel moeilijk plannen			

Quotes Perceived sacrifices

Manager 1	Manager 2	Manager 3	Manager 4	Manager 5	Manager 6	Manager 7	Manager 8	Manager 9
Toen vertelde iemand anders dat ze een keer XX had ingeschakeld, die had een midstage gebied en een paar miljoen aan bedingen op tafel gelegd. Dus ja, wat kosten ze. Die kosten vallen in het niet.	Mocht hij dat willen leren dan moet hij leergeld betalen. Dat loopt hij mij bij ons. Dus een heel stuk zit hem op het technische vlak, en een heel ander stuk zit hem in het ervaringsvlak. De ondernemer kan zich gewoon focussen op de business.	Maar wat we voornamelijk zelf merken is dat de beste deal, is de hoogste prijs.	Als er veel potentie in de deal zit qua omzet, dan ben je ook automatisch bereid om er meer voor te doen.	Dus los van de tijdspanning, denken wij dat wij door onze kennis en ervaring, en specialisme, het ook beter kunnen dan de ondernemer zelf. En daarmee is de dienstverlening, is de waarde die je toevoegt, voor onze klant.	De ene vind het minder belangrijk dan de ander, maar die gaat ook over de laatste 10 k lopen onderhandelen en moeilijk doen. En dan denk ik ja, geld is wel belangrijk anders ga je daar niet zo moeilijk over doen.	het is onze taak om de ondernemer uit de wind te houden. Dus ontzorgen, uit de wind houden, zo min mogelijk belag op de ondernemer en zijn bedrijf tijdens de deal, en natuurlijk uiteindelijk de optimale deal voor hem maken	een ondernemer die verkoopt puur om maximale opbrengst is niet klaar voor verkoop, want dan is het nooit genoeg	ik denk trouwens wel weer, we zijn best redelijk geprijsd, maar in de beleving zijn we duurder. Wij moeten natuurlijk een kantoor dsaaiende houden maagred.
Dan hebben we een goede basis om de markt op te gaan, en weet je of die ondernemer bereid is om voor de prijs te verkopen.	Daarnaast, om een fatsoenlijke goede deal te maken heb je ervaring nodig. Dat krijg je alleen maar door heel veel deals te doen	Vaak zeggen klanten aan het begin van een traject, ik vind het belangrijk hoe mijn bedrijf wordt voorgezet, maar als hij dan normaal het traject in gaat begint prijs toch wel een hele belangrijke factor te worden.	Na het intensieve traject had ik echt een goede band opgebouwd met mijn klant. En die zegt op de dag van de closing, joh XX, verduidelijk je factuur maar. Zonder dat ik er zelf over begon. Je hebt het fantastisch gedaan	Daarnaast heeft, omdat ik een professional meer te zijn, heeft ook een grotere toevoegde waarde dan wanneer hij dat zelf zou doen.	Nou, als ze meteen op geld beginnen is het niet echt zo. Dan komen ze bij ons en zeggen ze joh het boeit me niet, ik wil gewoon de hoogste prijs. Nou oké, dan gaan we dat doen. Als dat jouw wens is we daar voor, en adviseren we hoe we dat kunnen bereiken.	de beste deal, is de beste prijs". Het is natuurlijk belangrijk, maar het is niet het enige wat belangrijk is	prijs moet nooit de overweging zijn tot verkoop, als alleen prijs de overweging is tot verkoop, gaat de deal nooit door want het is altijd te weinig	ik ben het eens met de prijs, maar in de ondernemers beleving, als je gaat rondshoppen, ja dan kan je goedkoper. XX werkt op uren en een succesfeer. Dus ja, dan zie je dat het. Op voorhand weet hij niet wat het aantal uren gaat worden. Dus miss is die dan wel meer kwijt. Dus ja.
Dat is soms het beste gevoel. Ja prijs is 1, maar vraag ik hoe het ziet de betafing er uit, hoe ziet de structuur er uit.	Prijs is eigenlijk niet relevant.	Er zijn klanten die zeggen ik vind het alleen maar belangrijk dat het bedrijf wordt voorgezet met de cultuur die wij nu hebben, als wij daarin waarde gaan creëren dan moeten wij naar de juiste partij toekomen in plaats van naar de hoogste beding.	Waarbij hij zei, joh XX, ik heb jou alleen maar gezien in het proces, 2 ton verdienen is toch hartstikke prima, prima boterham. Dan kan ik van alles weerleggen tegen hem, maar hij vindt gewoon dat 2 ton voldoende was. Ja dat vond je gewoon. Daar had ik niets aan de band die ik had opgebouwd.	Voor de ene gaat het om een maximale opbrengst op de bankrekening	Het is wel grappig, iedereen hikt tegen de kosten aan voordat ze het traject beginnen.	Ja als je die in proces trekt waar ook emotie in speelt, dan heeft dat ook consequenties voor het ondernemen. Dus op dat moment is je nog ondernemer, en als je dan teveel uit zijn dagelijkse gang van zaken trekt, heeft dat consequenties voor de zaak. Dus ja, het ontzorgen van een ondernemer in zijn proces is dus een hele cruciale. Want ja, hij moet daar wel mee doorgaan.	Dus dat kan meerdere dingen zijn. Je hebt verschillende type ondernemers. Bij de typische babyboomers zie je vaak dat er geen opvolging is, en dat ze wat moeten. noodgedwongen deals	
Er zijn ook ondernemers die kopen echt op prijs. Maar wij zeggen jonges, dit is wat wij kosten, maar we verdienen het dubbel en dwars terug.	Het zijn geen kosten, het is een investering. Een investering in een succesvolle deal. Wij commiteren ons met de lage fee vooraf, en de klant ook. Wij nemen een risico met de klant, dus dan mag het als er iets succesvol uitkomt ook wat meer in zitten voor ons. Als de klant verdient verdienen wij ook. En dat mag best zo zijn.	Soms heb je wel eens dat je klant zegt: ik niet met partij A die de beste bieding heeft, maar ik wil met partij B die een heel wat mindere bieding heeft dan ja je voor de klant er het beste uithalen, maar dat is dan niet de beste deal voor jou (M&A advies kantoor).	Waar de moeilijkheidsgraad bij ons in zit is, we hebben concurrentie, en die doet het voor een kwart voor de kosten, en die pretenderen de zelfde werkzaamheden te doen als wij. Want het proces is het zelfde. Maar het resultaat absoluut niet	"ik dacht dat het misschien 100 uur werk was, maar als het 200 uur is, dan begrijp ik die andere waarde"	Maar achteraf, meer dan 9 van de 10 klanten, bij deze ook, maken me het liefste xx over omdat we het traject goed hebben gedaan. Dat vind ik mooi. Maar dat is daarna achteraf, omdat ze dan pas hebben gezien dat het een circus was de afgelopen 9 maanden.	In aanvang zegt de ondernemer altijd er is maar 1 beste deal, en dat is de hoogste prijs.	En ik wil de opbrengst gebruiken om door te gaan. Daar zit veel meer dat je mentaal al verder zijn dan hun eigen bedrijf	
Ik zie het niet als een sacrifice, ik zie het als een investering. Ja kijk als dat niet zou kloppen dan zouden wij er niet mee zijn. Wij leveren kwaliteit en resultaat, zodra we dat niet meer doen dan houden we op met betalen.	Dat kan ik aan tafel aangeven, alleen de klant heeft nog nooit zo traject doorlopen dus weet ook niet waar daar de kosten in zitten		Meer dan wanneer je zegt ik reken alleen op uren. Dus als je op uren berekend en op uurtarief dan geeft dat een andere perceptie van waarde dan volgens ons business model		maar relatief hebben ze heel veel meer gekregen dan dat ze van te voren vanuit gingen	als je er meer uithaalt ben je een goeide.	klanten die er inlitten voor maximale opbrengst vinden ons ook altijd te duur	
Ik weet niet of wij perse duurder zijn, ik heb is een keer een voorbeeld gehoord van een ondernemer die op par basis met een accountant dealde. Die was 2 ton aan uren kwijt en had alleen maar een informatieve memorandum. Dan heb je niks heb. Bij ons had je voor het zelfde wat de hele transactie gedaan	En kleine ondernemer denkt, ik krijg straks 2 miljoen, maar daar moet ik wel 150k naar jou van over maken. Dat is wel veel geld ten opzichte van die 2 miljoen.		Terwijl het heel moeilijk is om in te schatten hoeveel uren ik ga besteden aan een traject, want elk project is anders. De ene kan wel stabiel zoveel uren kosten als de ander. Dus het is ook heel onzeker voor de klant hoeveel hij daar aan kwijt is.		Soms verlies je een opdracht, en dan heeft een concullege wel gezegd, ja 10 ml halen we makkelijk. Tegen een bouwondernemer. Ja ik zeg dan wel is, er zijn misschien wel adviseurs die zeggen dat halen we makkelijk, maar ik ben graag realistisch. Ik wil het ook graag halen, laten we eerlijk zijn. Hoe meer jij voor je onderneming krijgt, hoe meer ik betaald krijg. Dus ja ik ben er niet zo goed bij gebaat dat er een hoge dealwaarde komt.	Dus wij doorpraten, nou dit is een optie, misschien is 7 keer wel goed, ja zeg niet dat het niet goed is. Maar weet even hoe het spel werkt.	Want dat gaat van de opbrengst af. Dus als je nog niet zover bent is het altijd te duur.	
Wij geven commitment vooraf aan de klant. We doen niet aan no cure no pay, we willen dus wel wat betaald krijgen aan de voorkant, maar die voorkant is wel een investering voor ons. Ik denk dat de klant dat echt merkt. En dan nogmaals, als iemand iets ook met de fiscalist op de hoek, met een no cure no pay model. Dat is gewoon niet onze klant, dat is prima	Dus vaak, die XX tot XX procent. Staat leuk. Alleen ondernemers hebben vaak helemaal niet door hoeveel geld het is, en het wordt vaak verrekend met de overname som. Dus ze voelen het niet echt als ze het uitgeven. Voor een ondernemer is de perceptie 50K moet ik betalen, en de aan het einde krijg ik 2 mil. 1,9 mil en dat voelt ik eigenlijk niet. Ik krijg gewoon iets minder. Het is geen uitgave, het zijn minder inkomsten. Zo kijkt een ondernemer daar vaak tegen aan.		En wat we allemaal moeten doen, het maakt niet uit. En je kan ook aan ons verwachten dat er alles aan doen, want onze beloning zit ook achteraf.		Het is wel grappig, iedereen hikt tegen de kosten aan voordat ze het traject beginnen. Dat is ook logisch, dat heeft ook te maken met de waarde perceptie van onze dienstverlening en hun eigen bedrijf. Maar achteraf, meer dan 9 van de 10 klanten, bij deze ook, maken me het liefste 4 ton over omdat we het traject goed hebben gedaan. Dat vind ik mooi! Maar dat is daarna achteraf, omdat ze dan pas hebben gezien dat het een circus was de afgelopen 9 maanden. Wat we allemaal hebben gedaan, wat erbij kwam kijken, hoe moeizaam het gaat. En hoe vaak je wel niet denkt, dit gaat helemaal niet meer worden. En toch lukt het altijd.	Nou dat is wat we doen, wat ik doe. Dus door uit te leggen, ja natuurlijk ja de hoogste prijs de hoogste prijs, kan gaan we voor de hoogste prijs. Maar is dat wat je wilt?	je moet wel oppassen dat je niet gemotiveerd lijkt om dat er uit te halen, maar als de vraag is wat denk je dat mijn bedrijf waard is, en je kiest voor degenen die de hoogste invult, is een gekke perceptie	
En de ondernemers vinden dat vaak ook wel prettig. Als je presteert, en je doet het goed voor ze. Dan mag je zelf wat meer verdienen.	Amankelijk is het vaak, ja prijs is niet belangrijk. Het gaat ook om goede voorwaarden, het totaalpakket. Maar naarmate je verder naar het einde gaat worden ze een rupsje nooit genoeg. Tuurlijk zijn er vanuit de klantzijde ook altijd als de prijs enig veel hoger is dan de ander dan zijn ze best bereid om voorwaarden te laten schieten.		En wat ons belang is. Aan de andere kant kan het betekenen dat je hogere beloning wordt als het een succes wordt, en dat is iets wat je heel aardelijk probeert voor te leggen aan de klant		Want dan kom je met niet op de 7, is 5 of 5 wat je geregd hebt, en dan moet je strijden om toch die deal te doen. En dan moet je strijden met je eigen klant	als wij doen waar wij goed in zijn kan jij je focussen op business		
						Dus wij gaan pas geld verdienen als ook geld gaat verdienen. "Aah dat vind ik mooi!"		
						Ja maar de range die wij afspraken was XX tot XX procent. En nu wordt dan wel XX tot XX procent gezegd. Maar dan haal je maximaal XX. Maar je zult in veel van mijn opdrachten zien dat ik meer dan XX krijg. Nou met een range van XX tot XX is de kans dat je XX krijg niet zo groot. Dus dan kom je meestal uit op XX (het midden). En dan moet je wachten want je klant zegt XX en jij zegt XX. En dan moet je onderhandelen. Ik heb daar geen zin in. Dus ik zit liever aan de voorkant.		
						Maar de stapjes, die zijn allemaal het zelfde. En iedereen kan het goed. Ik neem altijd een voorbeeld. XX en XX plichtten vorig jaar bij een wat kleinere bedrijfje, alleen de ondernemer vond ons te duur. Dat kan, wij waren te duur. Per toeval kopen wij voor een klant van ons dat bedrijf. Wij wisten natuurlijk dat we die deal gemist hadden, klant van ons was aan het zoeken. Dus ik kom aan tafel met de nieuwe adviseur. Uiteindelijk kopen wij dat bedrijf op 3,2 keer EBITDA. Technisch bedrijf. Ik durf wel te zeggen, dat bedrijf was minimaal 5 keer EBITDA waard. Dus ja, die man heeft XX aan kosten bespaard, maar 1,5 miljoen verloren. Dus ja, wat duur.		
						Alleen die jongen die t verkocht heeft verleid ook een verhaal dat te de koning is in de M&A. Dus ja het is lastig om daarin te onderscheiden. Dus ik noem dan wel is dit voorbeeld ja dit gebeurt in de markt. En daar trek je sommige klanten mee over de streep.		
						Waarom je te maken hebt met ondernemers die eigenaar van de zaak zijn, vaak al tientallen jaren. Dus daar dus ook met emotie inlitten. Ja als je die in proces trekt waar ook emotie in speelt, dan heeft dat ook consequenties voor het ondernemen. Dus op dat moment is je nog ondernemer, en als je dan teveel uit zijn dagelijkse gang van zaken trekt, heeft dat consequenties voor de zaak. Dus ja, het ontzorgen van een ondernemer in zijn proces is dus een hele cruciale. Want ja, hij moet daar wel mee doorgaan.		