



Limited Article Series

The 10 Invisible Reasons Business Owners  
Don't Hire an M&A Advisor (Until It's Too Late)

## PART III: WHY M&A FEES FEEL PAINFUL - AND LOST VALUE DOESN'T

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The psychology of paying for advice versus paying through outcomes, and how founders consistently misprice risk at exit.

Third: **fee aversion combined with false math.**

Advisory fees feel concrete; upside feels hypothetical. Owners fixate on the percentage instead of the delta. "Why pay 5% when I can save it?" becomes the mantra, even when the banker's involvement typically moves the outcome by far more than the fee. Humans are terrible at counterfactuals.

Part 3 of 'The 10 Invisible Reasons Business Owners Don't Hire an M&A Advisor (Until It's Too Late)'



## P3.1

**Why M&A Fees Feel  
Painful and Lost Value  
Doesn't**

At some point in nearly every sales conversation, a founder does the math out loud.

“Five percent of this is a lot of money.”

They're right. It is.

That statement alone has probably killed more advisory mandates than any bad banker pitch ever could. Not because the math is wrong, but because it's **incomplete in a very human way**.

This is the third invisible reason business owners hesitate to hire an M&A advisor: **fee aversion combined with false math**. Advisory fees feel immediate, certain, and personal. Lost value feels distant, hypothetical, and strangely deniable.

The brain treats those two things as fundamentally different, even when one dwarfs the other.

## P3.2

**Why the fee dominates  
the conversation**

Humans are wired to feel losses more intensely than gains. Behavioral economists call this loss aversion. Founders call it common sense.

An advisory fee shows up as a clear number, tied to a real invoice, paid from a real outcome. You can point to it. Argue about it. Resent it. It feels like money leaving *your* pocket.

By contrast, the upside of hiring an advisor exists in an alternate timeline you'll never experience. It's hypothetical. It requires imagination. It depends on “what might have happened.”

And humans are terrible at reasoning about counterfactuals.

So the founder's internal ledger ends up wildly unbalanced: a visible, guaranteed cost weighed against an invisible, uncertain benefit. The fee wins the emotional argument before the rational one even starts.



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### P3.3

#### Percentage thinking breaks down at scale

Another cognitive trap lurks in the way fees are framed: as percentages.

Percentages feel tidy. Manageable. Comparable. Five percent of a small transaction feels fine. Five percent of a life-changing exit feels offensive, even if the advisor's contribution scales with complexity, not just size.

Founders fixate on the percentage instead of the delta, the difference between an unassisted outcome and a professionally managed one. That delta is where advisory value actually lives.

But deltas are slippery. They don't show up on spreadsheets. They don't come with guarantees. They require trust in process and precedent, not proof.

And trust is expensive when the number is already big.

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### P3.4

#### "I can save the fee" is not the same as "I'll net more"

This is the quiet sleight of hand that fee aversion performs.

When a founder says, "Why pay 5% when I can save it?" they are assuming two things:

1. The outcome will be roughly the same with or without help
2. The only variable is the fee itself

Both assumptions are usually false.

In reality, the presence of an experienced advisor often changes:

- The buyer universe
- The level of competitive tension
- The deal structure
- The risk allocation
- The probability of closing at all

But because these effects are interdependent and nonlinear, they don't map cleanly onto a simple "return on fee" calculation.

So founders default to the one number they can see and optimise around that instead.

## P3.5

**Why lost value doesn't register as loss**

There's a psychological asymmetry here that works against owners.

If you pay a fee, you *feel* it. If you accept a lower price than you might have achieved, you rarely feel that as a loss. You feel relief. Completion. Closure.

The money you didn't get never feels like money you lost. It feels like money that never existed.

This is why founders can walk away from seven figures in unrealized value without emotional pain - while stewing over an advisory invoice for years.

The brain doesn't treat missed upside as a loss. It treats it as fiction.

## P3.6

**When Risk turns Risky**

Fee aversion also distorts how founders think about risk at the moment it matters most.

In operating a business, founders take calculated risks constantly. They invest ahead of revenue. They hire before certainty. They spend money to reduce downside.

At exit, many suddenly become risk-averse in exactly the wrong way.

They fixate on minimising *known* costs rather than managing *unknown* risks. Advisory fees fall into the first category. Deal risk, value leakage, and structural downside fall into the second.

The result is a paradox: founders underinvest in protection precisely when the financial stakes are highest and the margin for error is smallest.

## P3.7

**Why advisors struggle to explain this without sounding self-serving**

This pain point is especially difficult for advisors to address head-on.

Any argument about "we'll make you more than we cost" sounds like a sales pitch, even when it's empirically supported. Talking about counterfactual outcomes invites skepticism. Founders rightly ask, *How would you prove that?*

The truth is, you can't. Not definitively. This is one area you cannot A/B test.

That's what makes this decision uncomfortable. It requires accepting uncertainty and paying for risk management rather than guaranteed output.

Ironically, this is the same mindset founders adopt in every other critical area of their business e.g. legal, tax, insurance, cybersecurity, except here, where the numbers are larger and the emotions sharper.

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### P3.8

#### The hidden cost of being "fee-smart"

Founders often pride themselves on being cost-conscious. That discipline likely helped them build the business in the first place.

But at exit, cost discipline can mutate into value blindness.

Being "smart on fees" is not the same as being smart on outcomes. When the transaction is once-in-a-lifetime, optimising for the wrong variable can permanently cap the result.

The tragedy is that founders rarely realise this. There is no audit of missed opportunities. No invoice for the value left on the table. No line item that says "underpriced risk."

Just a closed deal and a quiet question that surfaces years later: *Could this have been better?*

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### P3.9

#### The uncomfortable arithmetic

If you strip away the psychology, the arithmetic is brutal.

A modest improvement in price, terms, or certainty of close almost always outweighs the advisory fee. Even a small shift in competitive dynamics can more than pay for professional guidance.

But arithmetic doesn't drive decisions here. Emotion does.

And emotion is far more sensitive to checks written, than value not received.



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### P3.10

#### The real decision founders are making

When founders decline an advisor over fees, they're not really saying, "This isn't worth it."

They're saying, "I believe the downside of doing this myself is limited."

That belief is rarely tested until it's too late to correct.

In Part 4, we'll examine the next invisible reason owners resist hiring an advisor: **control anxiety and why the fear of losing control during a sale often masks a deeper fear of confronting what the process might reveal.**

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### Why M&A Fees Feel Painful - and Lost Value Doesn't



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Amanda Simmons is the Founder & CEO of Advisiom Global M&A, an AI-enabled cross-border M&A advisory network connecting elite boutique firms worldwide. Holding an MSc and bringing extensive experience in international collaboration and advisory networks, Amanda founded Advisiom after observing first-hand the structural gaps that prevent boutique M&A firms from scaling their cross-border capabilities and capturing the deal flow their expertise deserves.

Her vision was clear: build a network defined not by volume, but by values, where integrity, entrepreneurship, and excellence are the price of entry. Under her leadership, the Advisiom strategy is to grow to represent professionals spanning 14 core industries across the Americas, EMEA, and APAC.

Amanda's approach blends cutting-edge AI-driven dealmaking tools with the trusted human relationships that have always sat at the heart of successful M&A. Based in Europe, she works directly with senior partners at boutique firms worldwide, focused on one outcome: helping members close more deals, faster.



[advisiom.com](https://advisiom.com)

Advisiom Global is an AI-enabled M&A network built to combine smart technology with trusted human relationships - because deals don't close on platforms alone. The purpose is simple: to help our worldwide partners generate mandates, collaborate effectively across borders, share best practice, and ultimately close more deals faster.



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