

CHECKLIST & QUESTIONNAIRE

Company: _____

Please Provide The Following:

- Complete list of assets and liabilities in the sale of the business
- Brochures, product/service description;
- Past business plans, business valuations and/or performance reports
- Organizational chart
- Accounts Receivable Aging Report. Accounts Payable Aging Report.
- Four years, year end PLs and balance sheets; YTD PLs and balance sheet
- Four years corporate tax returns
- Lease of the Premises.
- Projections with key assumptions (if available), if not we may have to do some projections together
- I will take pictures of equipment/facilities when I walk through

Please Answer The Following For Each Entity:

Business Summary and History

1. Provide a general (short) description of the business, its products/services, market and customers.
2. Provide list of current shareholders and percentages owned.
3. When was the company originally founded and by whom?
4. Provide a brief history of the business – from inception to present.
5. List any major accomplishments or setbacks from inception.

Products and Services

6. Provide a general description of each of the company's products and services.
7. Provide a breakdown of sales for each product and service.
8. Are any of the products/services seasonal? If so, what and why?
9. What future products/services do you plan to offer or the new owner could/should pursue to expand the business?
10. How do your products/services compare to the competition?

Market and Customers

11. Provide general description of the market?
12. What is the typical customer profile?
13. What geographic market is the company servicing?
14. Please provide your market position – how much market share?
15. Are there any industry trends that could affect the company – positively or negatively?
16. List top 5 customers and their percentage of sales for last full year and projected year.
17. Provide description of the top 3 customers including length of relationship, strength of relationship and contracts (if any).

Sales and Marketing

18. Describe the company's general marketing plan. List each type of marketing media.
19. What type of marketing creates the most revenue?
20. Does the company have an Internet presence?
21. What marketing/advertising will/should be considered in the future?
22. Does the company utilize sales people? If so, please describe the selling process?
23. Are there any key sales people? If so, is there an employee contract or non-compete?
24. What could make the sales process more efficient?

Competition

25. Provide general description of the competition.
26. List top 3 direct competitors and give brief description of each.
27. On what basis do you compete with your competitors (price, service, etc.)?
28. What are your competitive advantages over the competition?
29. What are your weaknesses vs. the competition?

38. Describe the importance of any key employees, will they stay, and how hard will they be to replace?
39. Is there an Employee Stock Ownership Plan (ESOP)? If so, when was it established?
40. Who keeps the financials on a daily basis? How is payroll done? How often do you get P&L statements? Who does them? Who does your taxes?

Owner Involvement

41. Do the owner(s) actively manage? If yes, please list primary duties and hours worked per week?
42. If the owner(s) will need to be replaced with new management, describe the job title, salary, etc. it would take to replace the owner(s)?
43. What is the owner(s) reason for selling?
44. What licenses are required to operate this business?

Facilities and Assets

45. Describe the company's facilities – square ft., location, etc.
46. Are the facilities leased or owned? If leased, please describe lease terms.
47. What percentage of the company's facilities is fully utilized? Is there room to expand?
48. Describe the general condition of the company's assets.
49. Approximately how much has the company spent each year on capital expenditures/improvements?

50. To reach the projected sales, approximately how much will the company have to spend on capital expenditures/improvements each year? Please describe?

Financial Overview

51. Describe financial trends over the last 5 years.

52. What factors have affected revenue and/or profitability?

53. What could management do to increase revenue?

54. What could management do to increase profitability?

55. Does the company have to rely on short-term debt for working capital purposes? Please explain the nature of the accounts receivable.

Technology Overview

56. Describe technology used in daily operations.

57. Is technology up to date?

58. Would newer technology increase efficiency?

59. Does company rely upon its own technology and if so, how often is it updated?

60. Please list any other important factors not included above?

Other Important Information:

61. Does company rely upon or hold any contracts affecting revenues?