

“Due Diligence”

Financials-

You will want to audit the past three or more years of all financials of the business. You will exhaust most of your due diligence efforts in the financial section.

Structure & Operations-

You will want to explore the infrastructure of what makes up the business. Thoroughly understand the inner working components of the business.

Industry & Competition-

You will be dealing with certain items that really need to be investigated. No matter how much you trust the owner's word and information provided, you will also have to gather your confidential research from other outside sources.

Customer Information-

A seller might still push back on a few of these items granted, if the deal falls through, you will have highly classified material attached to any outside groups. Reinsure the seller the confidential measures you are taking during this process.

Material Contracts-

You are looking for any contractual agreements the business might have associating with any outside groups, such as suppliers, customers, etc.

Legal Issues-

You will want to gather a list and description of any legal involvement in any pending, threatend claim or litigations associated with the business.

Officers, Directors & Employee-

You will be performing your due diligence on all the individuals that are involved in the business as well as detailing various information involving policies and procedures.

Physical Assets & Real Estate-

Gain a better understanding of the physical assets and real estate included with the business and their value. This is not relevant for every business. A buyer needs to understand what is included with the purchase of a business.

Leases and Insurance-

Acquire any leases or insurance information associated with the business.

Intellectual property-

Acquire a list of the company's scheduled patents, trademarks, copyrights, proprietary information, inventions, formulas, recipes, etc.

Information & Technology-

Acquire a list and description of IT systems, structures, software and any ongoing membership applications.