

Transaction Readiness Action Items

For each module, we have provided an action item list that will help prepare you and your business for a successful transaction.

What Are Your Objectives?

- Complete the “Determine Your Why” worksheet

The M&A Process - Preparation is Key

- Gather 3 years of P&L, balance sheet, and tax returns
- Produce a TTM P&L (Trailing Twelve Months Profit & Loss)
- Create a corporate organizational chart
- Write your business history/story

Understanding Your Business's Value Through the P&L

- Create your own TTM
 - Identify all personal add-backs or one-time expenses
 - Add that number to your profit to determine your adjusted EBITDA
- Develop an outline of your business mix

Strengthening Your Balance Sheet for a Successful Transaction

- Produce last 12 months of balance sheet
 - Subtract cash and debt
 - Average assets vs. liabilities to determine your Working Capital Peg
- Determine the amount of CapEx needed annually
 - Average your last 3 years
- Check your rent number if you own your building
 - Are you paying market rent? If not, start paying market rent immediately

Transaction Readiness Action Items (Continued)

Building a Strong Team

- Develop bios on each key management member
- Develop bios on each individual; their current role and strengths inside your organization
- Determine who can assist through the M&A process
 - They should be extremely organized and detailed
 - They should be someone you can trust at the highest level
- Identify your attorney early
 - Produce a list of qualified/recommended attorneys
- Discuss the process with others to gain their insight
 - Your CPA
 - Mentors or peers who might have been through this process before
- Engage an M&A Advisory Firm

