

# **Merger & Acquisition Phases**

## **PHASE I - STRATEGIC PLANNING**

### **Stage 1 Develop or Update Corporate Strategy**

To identify the Company's strengths, weaknesses and needs

- a. Company Description
- b. Management & Organization Structure
- c. Market & Competitors
- d. Products & Services
- e. Marketing & Sales Plan
- f. Financial Information
- g. Joint Ventures
- h. Strategic Alliances

### **Stage 2 Preliminary Due Diligence**

- a. Financial
- b. Risk Profile
- c. Intangible Assets
- d. Significant Issues

### **Stage 3 Preparation of Confidential Information Memorandum**

- a. Value Drivers
- b. Project Synergies
- c. EBIDTA Adjustments

## **PHASE II – TARGET/BUYER IDENTIFICATION & SCREENING**

### **Stage 4 Buyer Rationale**

- a. Identify Candidates
- b. Initial Screening

### **Stage 5 Evaluation of Candidates**

- a. Management & Organization Information
- b. Financial Information (Capabilities)
- c. Purpose of Merger or Acquisition

**PHASE III – TRANSACTION STRUCTURING**

**Stage 6 Letter of Intent**

**Stage 7 Evaluation of Deal Points**

- a. Continuity of Management
- b. Real Estate Issues
- c. Non-Business Related Assets
- d. Consideration Method
- e. Cash Compensation
- f. Stock Consideration
- g. Tax Issues
- h. Contingent Payments
- i. Legal Structure
- j. Financing the Transaction

**Stage 8 Due Diligence**

- a. Legal Due Diligence
- b. Seller Due Diligence
- c. Financial Analysis
- d. Projecting Results of the Structure

**Stage 9 Definitive Purchase Agreement**

- a. Representations and Warranties
- b. Indemnification Provisions

**Stage 10 Closing the Deal**

**PHASE IV – SUCCESSFUL INTEGRATION**

- a. Human Resources
- b. Tangible Resources
- c. Intangible Assets
- d. Business Processes
- e. Post Closing Audit