

SELLER SELF ASSESSMENT

The seller must be able to demonstrate that the new owner will be able to adequately compensate management and employees, service the debt, receive a return on investment and generate a profit. The C&H Group will facilitate the preparation of required information with the assistance of the business owner, who should provide the following data:

General:

Reasons for selling _____

Length of time the business has been for sale _____

Predetermined selling price and term _____

Background/History:

Legal name and incorporation (state, date) _____

Form of business _____

Articles of incorporation, bylaws, board of directors _____

Founders and history _____

Acquisitions, mergers, divestitures, joint ventures _____

Market:

Market definition and current market share _____

Market trends and major competitors _____

Sales and profitability of major products/services _____

Competitive strengths and weaknesses _____

Channels of distribution _____

People:

Owners and percentages of ownership _____

Officers, managers, and key employees (position, experience) _____

Total employment and skill sets (union or nonunion) _____

SELLER SELF ASSESSMENT (continued)

Facilities:

Location and plant facilities (age and condition, leased or owned) _____

Utilization and capacity rates _____

Environmental studies _____

Operations:

Production processes _____

Major suppliers _____

Major customers and percentage of total sales _____

Method of inventory control and order backlog _____

Research and development activities _____

Pricing methodology _____

Capital expenditures (historical and planned) _____

Financial/Legal:

Audited financial statements for past three years and current monthly financials _____

Budget and cash flow statements for current year _____

Financial projections for next five years _____

Unusual/nonrecurring expenses and/or income _____

Description of internal controls _____

Capitalization and list of shareholders _____

Outstanding debt _____

Intellectual property (patents, trademarks) _____

Insurance coverage, retiree pension and medical liabilities _____

Names and contacts of professional advisors _____

History of any legal action brought against the company _____

Contract _____