

CERTIFIED ACQUISITION ASSOCIATES LLC

SELLER'S QUESTIONNAIRE and INFORMATION REQUEST

Business name: _____

Owner: _____

Phone(s): _____

Email: _____

Please Answer The Following:

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.
- 6) Provide copies of any shareholder agreements, buy-sell agreements and documents of any recent ownership transfers.

- 7) Provide copies of board minutes for the past three years.
- 8) Is there any pending or threatened litigation? If so, provide details.
- 9) Provide any business plans or valuation documents.

Products and Services

- 1) Provide a general description of each of the company's products and services.
- 2) Provide a breakdown of sales for each product and service.
- 3) Are any of the products/services seasonal? If so, what and why?
- 4) What future products/services do you plan to offer?
- 5) How do your products/services compare to the competition?
- 6) Does the company have any copyrights, trademarks or patents? If so, describe and provide documentation.
- 7) Provide any brochures or marketing material.

Market and Customers

- 1) Provide general description of the market?
- 2) What is the typical customer profile?
- 3) What geographic market is the company servicing?

- 4) Please provide your market position – how much market share?
- 5) Are there any industry trends that could affect the company – positively or negatively?
- 6) List top 10 customers and their percentage of sales for last three full years and projected year.
- 7) Provide description of the top 5 customers including length of relationship, strength of relationship (with company and responsible party) and contracts (if any).
- 8) What are the major concerns of customers?

Industry

- 1) Who are the major players in the industry?
- 2) What is the size of the total market?
- 3) What changes is the industry facing?
- 4) How are the changes affecting the company?
- 5) What are the barriers to entry?

Sales and Marketing

- 1) Describe the company's general marketing plan. List each type of marketing media.
- 2) What type of marketing creates the most revenue?
- 3) Does the company have an Internet presence?

- 4) What marketing/advertising will/should be considered in the future?
- 5) Does the company utilize sales people? If so, please describe the selling process?
- 6) Are there any key sales people? If so, is there an employee contract or non-compete?
- 7) What could make the sales process more efficient?
- 8) How important is pricing and are there any price pressures?

Competition

- 1) Provide general description of the competition.
- 2) List top 3 direct competitors and give brief description of each, including estimated market share.
- 3) On what basis do you compete with your competitors (price, service, etc.)?
- 4) What are your competitive advantages over the competition?
- 5) What are your weaknesses vs. the competition?
- 6) Do you see any future direct and/or indirect competition – if so, from where and whom?

Operations

- 1) Explain product/service distribution from initial call to collection.

- 2) Explain orders/billings/collection process and terms (A/R & A/P).
- 3) Describe the inventory process – storage, turnover, economic order quantities, etc.
- 4) Describe pricing structure and future pricing considerations.
- 5) List hours of operation.
- 6) Provide a listing of primary vendors/suppliers and dollar amount of expenditures for each supplier for the past three years.

Organization

- 1) How many part-time, contract and full-time employees are with the company?
- 2) What is the salary range and available benefits for each type of employee?
- 3) Describe the importance of any key employees.
- 4) Is there an Employee Stock Ownership Plan (ESOP)? If so, when was it established?
- 5) What is the general morale of the employees?
- 6) Is there an employee handbook? If so, provide a copy.
- 7) Provide a current organization chart.

Owner Involvement

- 1) Do the owner(s) actively manage the business? If yes, please list primary duties and hours worked per week?

- 2) 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)?
- 3) What is the owner(s) reason for selling?
- 4) What will be the desired purchase price, terms, etc.
- 5) Is industry experience critical for continued success by the purchaser? Explain.

Facilities and Assets

- 1) Describe the company's facilities – square ft., location, etc. Provide copies of any maps, diagrams or equipment layouts of the facilities.
- 2) Are the facilities and/or machinery leased or owned? If leased, please describe lease terms and provide copies of lease documents.
- 3) What percentage of the company's facilities is fully utilized? Is there room to expand?
- 4) Describe the general condition of the company's assets. Provide any available pictures.
- 5) Approximately how much has the company spent for each of the past three years on capital expenditures/improvements?
- 6) To reach the projected sales, approximately how much will the company have to spend on capital expenditures/improvements each year for the foreseeable future? Please describe.
- 7) Provide copies of debt instruments and any UCC filings.

Financial Issues

- 1) Describe financial trends over the last 5 years.
- 2) What factors have affected revenue and/or profitability?
- 3) What could management do to increase revenue?
- 4) What could management do to increase profitability?
- 5) Does the company have to rely on short-term debt for working capital purposes? Please explain.
- 6) Provide copies of financial statements and tax returns for past five years.
- 7) Provide current year-to-date interim financial statements (balance sheets, income statements and cash flow statements) and projections for the remainder of the year.
- 8) Explain any nonrecurring, unusual or extraordinary items (revenues or expenses) included in the financial statements provided.
- 9) Provide details of any unnecessary or superfluous assets listed on the balance sheets.
- 10) Provide a schedule of fixed assets, showing cost, depreciation and estimated current value.
- 11) Provide best guess projections, with assumptions, of income and expenses for the next three years.

Technology Overview

- 1) Describe technology used in daily operations.

- 2) Is technology up to date?
- 3) Would newer technology increase efficiency?
- 4) Does the company rely upon its own technology and if so, how often is it updated?

SWOT

- 1) List the company's strengths.
- 2) List the company's weaknesses.
- 3) List the opportunities that the company should explore.
- 4) List weaknesses that should be addressed.

Other

Please list any other important factors not included above.