



## Financing Your M&A Plan... Before You Have a Candidate Lined Up

1. What purchase price range are you looking to work within?  
(Should be around half of your revenue size +/- 25% as a guideline)

\$ \_\_\_\_\_ to \$ \_\_\_\_\_  
i.e \$2M to \$5M
  
2. How many deals do you desire to close inside the time period of your M&A plan?  

\_\_\_\_\_
  
3. Who will be creating the purchase price, deal structure, and offer letter?  

Internal  
 External  
 Combination

What is that potential cost?  
\$ \_\_\_\_\_
  
4. Who will be doing the data gathering, transaction modeling and analysis of candidates?  

Internal  
 External  
 Combination

What is that potential cost?  
\$ \_\_\_\_\_
  
5. Who will be creating the purchase price, deal structure, other business and offer letter?  

Internal  
 External  
 Combination

What is that potential cost?  
\$ \_\_\_\_\_
  
6. Who will be doing the due diligence analysis and project management?  

Internal  
 External  
 Combination

What is that potential cost?  
\$ \_\_\_\_\_
  
7. Who will be doing the integration planning and post-close integration work?  

Internal  
 External  
 Combination

What is that potential cost?  
\$ \_\_\_\_\_
  
8. Who will be taking care of the legal and tax related pieces of any transaction ?  

Lawyers  
 CPAs  
 M&A Advisors

What is that potential cost?  
\$ \_\_\_\_\_
  
9. What is the preferred Deal Type:  

Asset  
 Stock  
  
 Cash  
 Note  
 Earn Out  
 Company Stock
  
10. Consideration Structure (Select all that apply)
  
11. What amount of liquid funding and cash reserves are readily available to use for a transaction?  

\$ \_\_\_\_\_
  
12. Based on the costs and deal structure for your planned purchase price range and planned number of annual transactions, how much capital beyond your readily available funds is needed?  

\$ \_\_\_\_\_
  
13. Based on the funding needs from above, choose potential financing options. (Select all that apply)  
(Additional Cogent resources are available to assist in determining which financing options fit best for your company and M&A plan.)

Personal Fund  
 Friends/Family  
 Traditional Bank  
 SBA Loan  
 Non-Traditional Lender  
 Merger (Cashless/Boot)  
 Minority Investment
  
14. Based on the funding option that works best and is available from above, do you thoroughly understand the funding source(s) rules, covenants and acceptable deal structures you need to work within? It may call for an adjustment to Deal Type and Consideration Structure.  

YES

*From a financing perspective, you are ready to connect with candidates and work to make an offer to purchase their business!*