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The Benefits of Sell Side Due Diligence

[BUSINESS ADVISORS](#), [DUE DILIGENCE](#), [TRANSACTION ADVISORY SERVICES](#)
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There has been an uptick in the number of companies doing sell side due diligence over the past few years, for many good reasons. Sell side diligence helps the company determine its true value by identifying its sustainable cash flows, the quality of earnings that will be most important to potential buyers. It also provides comfort to intermediaries, provides confidence in the numbers, and provides a forum to explain the company's history. In addition, it speeds the process of a potential transaction. In today's world, there is value to cutting time between the letter of intent and closing.

The most common areas that Sell Side Due Diligence should cover:

- Determination and documentation of owner expense addbacks
- Identification of one-time financial events
- Evaluation of capital investments on future earnings
- Potential off-balance-sheet liabilities
- Impact of employee benefits
- Evaluation of staffing levels
- Customer trends, contracts and sustainability
- Impact of recent marketing and sales programs on future revenues
- Vendor relationships, contracts and commitments
- IT investments and risks
- Federal, state and local taxes including sales and use taxes

The above are only a few items to consider. Careful planning of the engagement should include meetings with the company's management to determine other company-specific areas that would need to be addressed as part of the diligence plan.

One other benefit of sell side diligence is that it gives the company the opportunity to develop a full and complete data bank to support the quality of earnings and other findings. This will help reduce the burden of producing a huge amount of data in a condensed period of time when the company gets the right offer.

Schneider Downs provides a complete suite of both [Sell Side](#) and [Buy Side Due Diligence](#). Please contact Joel Rosenthal at 412-697-5387 or jrosenthal@schneiderdowns.com if you would like to discuss our services.

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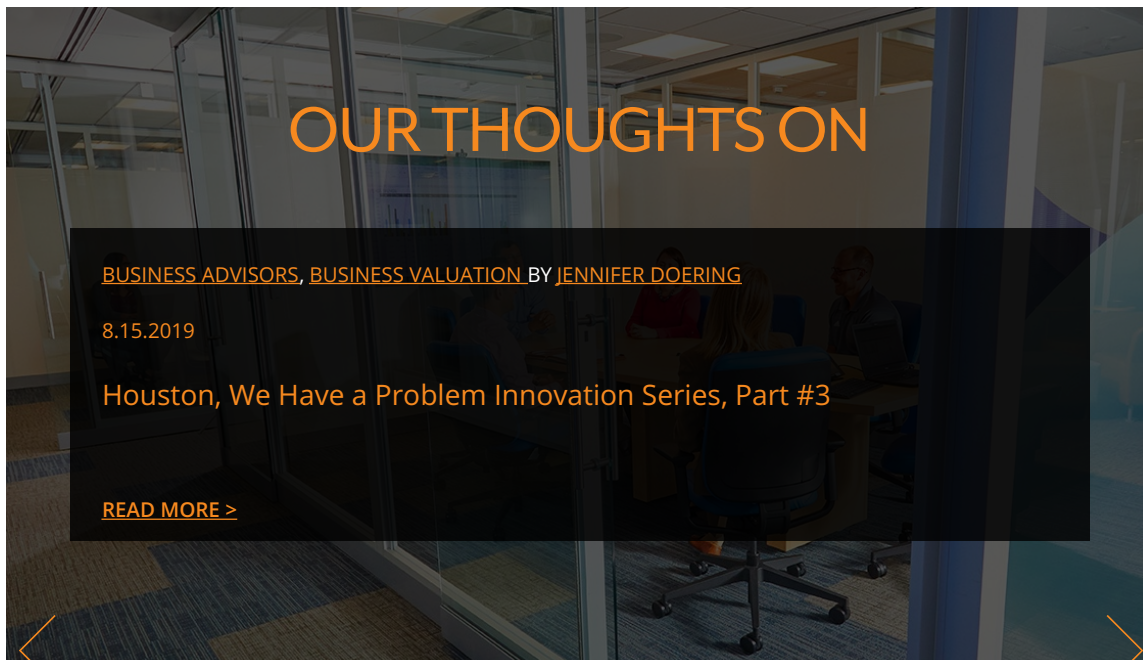


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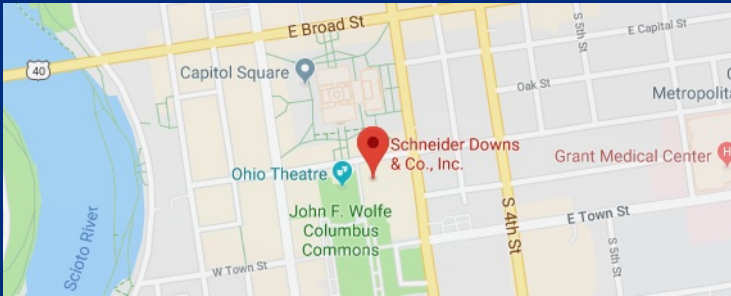
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