



# Mergers & Acquisitions Strategy Health Check

The M&A Health Check is designed to gauge how ready you are to complete an acquisition or a merger. It provides a number of important questions for anyone considering buying a brokerage or merging with another brokerage.

The M&A Health Check will increase your chances of a successful transaction by prompting consideration of all necessary aspects. This tool will organize your thoughts and your team for a thorough execution of the merger or acquisition process.



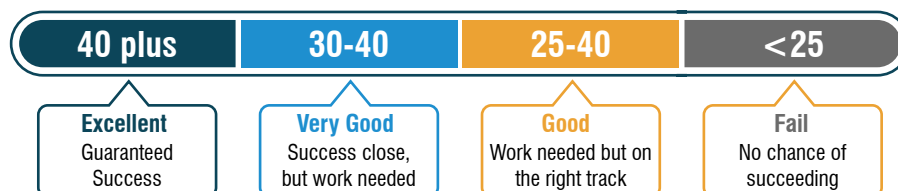
Score yourself between 1 and 5 in the following areas



**B**

1	I have a written 5 Year vision for myself and my company	5
2	I have a list of like-minded Broker/Owners in my Target Area	3
3	I have completed a valuation on my company and understand my valuation drivers	2
4	I have selected the trusted professional that I will use to execute the transaction	5
5	I understand the minefields in the transaction and am taking steps to avoid them	2
6	I have proven internal procedures that will make integration easy	3
7	My financial reporting regimen meets ICBC minimum standards	3
8	My internal team is strong and ready to act on an opportunity	5
9	I understand the concept of synergy and how it will impact the earnings multiple I ultimately will pay	4
10	My days cash meets the ICBC minimum benchmark to ensure that I have enough working capital to fund operations after an acquisition	4
<b>Total</b>		<b>36</b>

Probability of Success **C**



Action Plan **D**

	Action	By When	Person Responsible
1	Engage BVMA to assist	August 1	Joe
2	Complete valuation report of target company	September 30	Emma
3	Arrange workshop for managers to discuss proposed integration	October 31	Joe
4	Walk through BVMA integration checklist and assign tasks	November 30	Emma & Joe
5	Close transaction	December 15	Joe
6			
7			
8			
9			

# INSTRUCTIONS TO COMPLETE M&A HEALTH CHECK



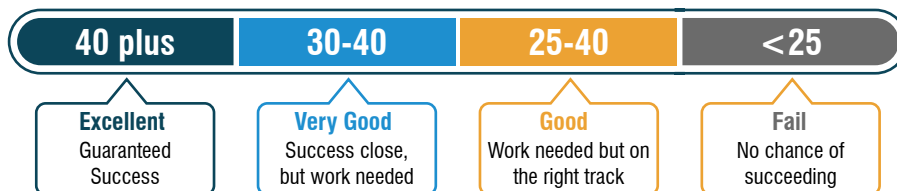
- A** This scale is created so you can obtain an accurate picture of what is going on in your business. Consider it in terms of where your business actually is today, rather than where you want it to be. Be conservative and completely honest using the scale provided. The more accurate your feedback, the bigger the impact of implementing the tools provided.
- B** Please answer each of the 10 questions, using your Scale in A, based on your current Brokerage readiness for an acquisition or a merger. We recommend that you insert the numbers that correspond with the accurate description. Before finalizing, go back over the questions and your responses to ensure they are as accurate as possible. You may want to have one of your senior staff members also complete the questionnaire independently then compare your answers.
- C** Once you tally your score from the numbers you answered in Column B, you will receive a readiness score. If everything is excellent, you are prepared for the merger or acquisition. If everything is not excellent, your job is to work on how to improve in those ten areas to make it excellent. The effort you put into increasing your score will pay business dividends in the actual transaction.
- D** Section D is designed to help you create some action items to help improve your readiness for a merger or acquisition. An Action Plan should include concrete items to be done, with responsibility assigned to one person ideally. It should be obvious what is being mandated, and the tasks should be discrete. Each separate item merits a separate action item.

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Total		

## Probability of Success



## Action Plan

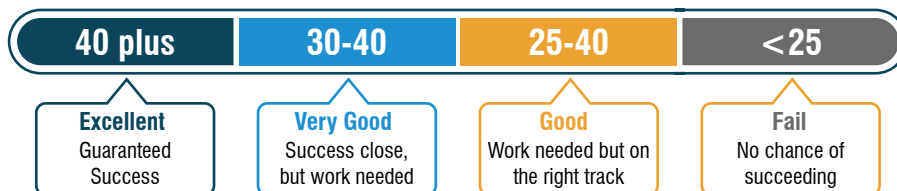
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## Probability of Success



## Action Plan

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