



CCA has developed a process and methodology to assist business owners as they prepare for a future sale or liquidity event.

CCA's Pre-Transaction Readiness Assessment is designed to ensure that a business is well-positioned to enter the market and run a process as efficiently as possible with the goal of maximizing value. Preparation is critical, and CCA is experienced in understanding and preparing to overcome the challenges of a transaction in an increasingly sophisticated M&A marketplace. A typical Pre-Transaction Readiness Assessment engagement includes the following elements:



Marketability Assessment

- Review current M&A market conditions, including macro-economic environment of the capital markets and the industry-specific conditions of the sector.
- Select relevant precedent transactions for valuation guidance.
- Analyze the size and quality of the potential buyer universe.
- Identify potential marketability challenges of the seller.



Valuation Analysis

- Review historical and prospective financial statements.
- Identify key add-backs to cash flow and normalization adjustments.
- Analyze and benchmark financial metrics based on company size and market sector.
- Perform working capital analysis.



Value Enhancement Focus

- Identify and analyze company and industry value drivers and value detractors.
- Evaluate implementing value sharing plans with non-owner key executives.
- Perform scenario and sensitivity analyses of value based on proposed future strategies, particularly anticipated acquisitions or capital investments.
- Develop plans to minimize investment in cash-free/debt-free working capital.



Due Diligence Readiness

- Perform a pre-sale Quality of Earnings.
- Assess employment contracts and restrictive covenants of the key executive team.
- Review of fundamental corporate organizational documents by legal counsel.
- Review material contracts for provisions.
- Assess quality and timeliness of internal and external financial reporting.
- Evaluate quality of audit firm and legal counsel.