

# Acquisition Practice

EdgeStone's expertise enables us to provide an intelligent, in depth and independent assessment of your potential acquisition target. We focus on all aspects of the business model - historic and projected financial performance, customer perceptions of past performance, sales and marketing assessment, financial systems review and Human Resource compliance assessment to give

you a complete integrated picture of your acquisition target.

The end result is that we provide a complete picture of the target company, and a specific list of recommendations to help you integrate your acquisition in a timely and efficient manner.

Our services include:

## Due Diligence Planning and Implementation

- We provide a detailed due diligence information checklist to the target company and work directly with the company to assure that the proper information is provided in a timely manner.

## Business Plan Review

- We review the detailed business plan for the target company and provide an assessment of the company's competitive position and financial model.

## Financial Assessment

- We review the organizational structure and workflow model and provide specific recommendations to optimize performance.
- We analyze the cost structure and provide specific recommendations to improve the bottom line performance of the acquisition candidate.

## Contract Review

- We review the target's major contracts with emphasis on:
  - Revenue recognition
  - Past performance
  - Revenue and profit forecast by contract
  - Detailed review of fixed price contracts
  - Contract liabilities and risks
  - Contract receivables
  - We review all leases and provide a summary of the financial commitments you are assuming

**EdgeStone** | Great Ideas  
Great People



## Financial Forecast Analysis

- We review the target company's detailed forecast by project/customer and identify key assumptions and risk areas
- We identify the "Base Case" conservative forecast of revenue, profit and EBITDA based on the company's backlog and pipeline
- We provide an assessment of target company's funded and unfunded backlog

## Human Resource Assessment

- We review target company's policies and procedures, focusing on:
  - Compliance of the company's existing policies
  - The Affirmative Action Plan
  - An assessment of company's EEOC compliance
  - A review of existing compensation system
  - Identification and review of Employment and Severance agreements
  - A comparison of target company's benefit structure with your company's plan
  - A review of the benefit structure and identification of areas for improvement and/or cost savings
  - A review of the target company's current 401k(k) plan and recommendations for integration with your plan

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