

strategic organisational checklist (SOC)

User Guide: If all business leaders ran their Companies with a view to exit, keeping critical documents recorded in a data room organised and ready for due diligence interrogation every company would be operating better.

Category	Information	Comments
1.	Key due diligence items	
1.1	Detailed financial forecasts & three years historic comparables	By plant and including platform and customer analysis
1.2	Details of order book	By location
1.3	Detailed Budget pack	With commentaries.
1.4	3 year business plan and commentary	To the extent that this exists
1.5	Details of capital expenditure plans.	
1.6	Plant utilisation information.	If applicable
1.7	Details of current borrowings .	
1.8	Details of pension schemes and latest actuarial valuations for any defined benefit schemes.	
1.9	Marketing and business development strategy document.	
1.10	All historic vendor due diligence reports.	
1.11	Any other reports previously prepared:	
	(i) Legal	
	(ii) Competitors	
	(iii) Market	
	(iv) Commercial	
	(v) Contracts	
1.12	Details of all material outstanding litigation , court cases, or claims.	
1.13	Organisation chart	Detailed
1.14	Copies of all historic acquisition documentation	
1.15	Any legal opinions concerning Company's products or services.	
1.16	Detailed shareholder analysis .	
2.	Financial	



Category	Information	Comments
2.1	Monthly management accounts packs for 3 years historic –	Showing actual and budget (presuming this covers analysis by plant and customer as well as Balance Sheets and Cash Flows).
2.2	Management accounts commentaries.	If not in packs
2.3	Management targets	As opposed to Board budget – in same detail as Board budget if possible.
2.4	Pipeline analysis including:	(i) Current forecast (ii) Analysis of historic performance against actual (i.e. conversion rates)
2.5	Detailed capital expenditure historic and forecast analysis	If not in other information
2.6	Statutory Accounts of the Company	And each subsidiary for all financial periods since the incorporation of the Company.
2.7	Taxation computations	As agreed with the relevant authorities in respect of those periods and copies of any outstanding taxation computations.
2.8	Latest Aged debtor analysis of the Company.	
2.9	Latest trade creditors analysis.	
2.10	Copy of analysis of reserve for bad debts	And other material reserves as at the end of the most recent financial year.
2.11	Details of any profit taken on long term contracts.	
2.12	Loan agreements	Including credit lines, convertible subordinated debentures, preferred stock agreements, warrant agreements, any rights agreements, including loans with affiliates, subsidiaries and related parties.
2.13	Copy of all correspondence from management since inception.	This could be just ‘meaningful’ correspondence, the buyers is checking management integrity.
2.14	A schedule identifying any off-balance sheet assets or liabilities.	
2.15	A schedule identifying all contingent liabilities and obligations of the Company.	
2.16	Procedures for monitoring actual performance against budget.	
2.17	Details of any non-compliance with accounting standards.	
2.18	Details of MIS (Management Information Systems).	
3.	Corporate	
3.1	Certificates of Incorporation	Including all changes of name of the Company.



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3.2	List of subsidiaries, affiliates, branches, partnerships , joint ventures, sales offices, etc.,	Existing from company's inception, including date acquired or incorporated, when started, when disposed/closed/ceased existence.
3.3	Memorandum and articles of association /bylaws of the Company,	Including copies of all resolutions and agreements which require to be attached thereto.
3.4	List of board members	Giving date of appointment and summary of experience to date
3.5	The minute books of the Company	With all minutes of directors' and shareholders' meetings.
3.6	Minutes of executive management meetings.	
3.7	Details of any mortgages, charges, pledges, liens or other forms of security or encumbrances over any share or loan capital of the Company,	Or any agreement or commitment to give or create any of the foregoing.
3.8	A group structure chart	Detailing all subsidiaries of the Company.
3.9	List of banks and investment banks	Used since inception and services provided.
3.10	Auditors' working papers	For most recent year plus key contact.
3.11	Details of all capital instruments held or issued by the Company not listed above.	
4.	Contracts	
4.1	All contracts of an unexpired duration of 6 months or more	Or which are unusual or onerous having regard to the normal course of business of the Company.
4.2	All contracts entered into otherwise than in the ordinary course of trading.	
4.3	All service contracts with officers of the Company.	
4.4	Details of any guarantees or warranties or representations made by the Company in respect of products or services supplied by it	Together with a summary of costs incurred by the Company in the last 3 years in satisfying claims pursuant to those guarantees, warranties or representations.
4.5	The Company's standard terms and conditions of sale/purchase.	
4.6	Details of any arrangement or agreement which may be subject to termination , or amendment, as a result of a change of control over the equity share capital of the Company, with copies of relevant documents.	
4.7	Details of any power of attorney or similar authority granted by the Company, with copies of relevant documents.	



Category	Information	Comments
4.8	Details of any contracts or arrangements not previously referred to	that have been entered into between the Company and any of its directors (or any associate of any such director).
4.9	Details of any agreements restricting the ability of the company to compete.	
5.	Share Capital	
5.1	List of common shareholders, option holders , warrant holders, preferred stock holders, convertible debt holders, committed share issuances, etc	Include amounts owned, price paid/to be paid, date of grant, vesting schedule, etc.
5.2	Capitalization table showing summary of stock authorized , issued and outstanding, and committed.	
5.3	Agreements covering sale of ordinary shares.	
5.4	Prior financing documents.	
5.5	Copies of each Share Option Grant	
5.6	Warrants, convertible notes , and debentures.	
5.7	Agreements relating to pre-emptive rights, rights of first refusal or other preferential rights to acquire securities, and any waivers thereof.	
5.8	Copy of any agreements with shareholders (e.g., voting agreements, registration rights agreements).	
6.	Assets	
6.1	A full list of all fixed and loose plant and equipment.	
6.2	All contract hire, finance leases and hire purchase contracts	Which the Company is a party, with copies of any notices served thereunder.
7.	Insurances	
7.1	A schedule of current insurances of the Company	Prepared by the Company's brokers.
7.2	All policies of insurance maintained by the Company.	
7.3	Details of all outstanding insurance claims	And any circumstances which may give rise to such claims together with a summary of all insurance claims made by the Company in the last three years.
8.	Properties	
8.1	Summary of all property owned or leased by the company	Including details of floor space, term of lease and cost of lease.



Category	Information	Comments
8.2	All title deeds and ancillary documentation relating to all freehold property of the Company.	
8.3	The leases and all ancillary documentation,	including landlords' freehold titles, relating to any leasehold property of the Company.
8.4	The latest property searches obtained by the Company.	
8.5	Details of any outstanding boundary disputes or other claims relating to the properties.	
8.6	Details of any outstanding rent reviews and copies of valuations obtained in respect thereof.	
8.7	All outstanding dilapidation notices served on the Company in respect of any leasehold property, with an estimate of costs to remedy.	
8.8	Copies of all planning and building control documents relating to each of the properties.	
8.9	Details of any local property taxes payable	
9.	Employees	
9.1	A schedule of all employees of the Company	Showing location, name, job title, date of birth, start date, wage/salary and other benefits including holiday entitlement, medical insurance etc.
9.2	Date of pay review and indication of average percentage to be awarded	
9.3	All contracts of employment	Or if standard terms and conditions of employment are used, a copy of the standard terms and conditions and a note of all employees employed on those terms.
9.4	Details of any employee disputes or claims	Including outstanding discrimination, unfair dismissal, wrongful dismissal, redundancy or other claims or any circumstances likely to give rise to the same.
10.	Employment	
10.1	All agreements with trade union or staff association	Including any memoranda or correspondence in connection with the foregoing.
10.2	Details of any outstanding disputes with trade unions or staff associations	or circumstances likely to give rise to the same.
10.3	Details of any profit-sharing, bonus or commission arrangements with any of the employees	with copies of all relevant documents.



Category	Information	Comments
10.4	Details of any share option or share incentive schemes in operation	with copies of all constitutive documents.
10.5	All other information made available to employees regarding their terms of employment.	
11.	Litigation and claims	
11.1	Details of any litigation or arbitration proceedings to which the Company is party.	and all circumstances which may give rise to any such proceedings
11.2	Details of all outstanding employee liability claims and employee liability claims settled by the Company or its insurers within the last 12 months.	
11.3	Are you or have you been involved in any Patent and Trademark Office proceedings other than applications?	For example, any re-examination, reissue applications, interference proceedings or appeals regarding patents, or any oppositions or appeals regarding trademarks? If so, please describe
11.4	Has the company received any notice regarding any actual or threatened claim of infringement of Intellectual Property ?	If so, please describe the assertions made or threatened and provide a copy of all written notices
11.5	Is the company aware of any third party that may be infringing the Intellectual Property rights of the company.	If so, please explain
12.	Borrowings and Bank facilities	
12.1	Details of all bank facilities	(whether utilised or not) and documentation in respect thereof.
12.2	Details of guarantees	
12.3	Details of any discounted bills	
12.4	Details of any debentures	
12.5	Details of any loans between the Company and any related party	
12.6	Details of security given and covenants provided	
12.7	Repayment schedules for any long term debt	
12.8	Schedule of all bank accounts	
12.9	Details of any set off agreements or restrictions on withdrawals	
13.	Licences and Consents	



Category	Information	Comments
13.1	All licences, consents, permits and authorities obtained by the Company in connection with its business,	with copies of all conditions relating thereto.
13.2	Details of all trade associations of which the Company is a member.	
14.	Anti-Trust	
14.1	Any notices or communications served on the Company by or on behalf of any regulatory authority .	
14.2	All agreements , or details of all arrangements, to which the Company is party and which restrict its freedom to conduct its business .	
15.	Intellectual Property Rights	
15.1	All trade mark certificates , service mark certificates and details of any applications for the foregoing.	
15.2	All documentation relating to registered designs or patents and details of any applications for the foregoing.	
15.3	Details of, and all documentation relating to, the Company's copyright in the source code to the software developed by or on behalf of, it.	
15.4	Any licences or similar agreements entered into by the Company in connection with any intellectual property whether owned or used by the Company, together with details of any licences of right.	
15.5	Details of any claim by any third party to the effect that the Company is infringing any intellectual property rights of any third party.	
15.6	All confidentiality undertakings granted by or in favour of the Company.	
15.7	Details of any patent or trade mark agents used by the Company.	
16.	Data Protection	
16.1	The registration of the Company under the any applicable Data Protection regulations.	
17.	Computer equipment and software	



Category	Information	Comments
17.1	Details of all computer equipment and software owned or used by the Company.	
17.2	All maintenance agreements for computer equipment and software.	
17.3	Where software is owned by the Company, confirmation of the terms on which the Company or any third party may have access to the source code.	Where software is licensed to or by the Company, details of all licence arrangements, with copies of relevant documentation and details of the terms on which the Company or any third party may have access to the source code.
18.	Pensions	
18.1	A description of all schemes and arrangements current, frozen, closed or old in terms of which the Company or any other party provides retirement benefits, life assurance or similar benefits for its employees or former employees.	
18.2	All constitutive documents , including trust deed and rules, supplemental trust deeds, deeds of adherence, etc.	
18.3	Details of any outstanding claims in respect of the Company's pension scheme(s) , other than routine claims for benefits.	
18.4	Details of all discretionary powers exercised or discretionary practices implemented in relation to the Company's pension scheme in the last 5 years.	
18.5	The latest actuarial valuation of the Company's pension schemes .	
18.6	All information booklets regarding retirement and other benefits	That were available to employees or former employees
18.7	Details of the trustees and of the employer's or trustees' arrangements relating to member trustees.	
18.8	Details of members, pensioners and deferred pensioners .	
18.9	Details of prospective members .	
18.10	Details of current pension contributions .	By members and the employer and a schedule of contributions
18.11	A list of investments	And statement of investment principles.
18.12	Copies of all investment agreements .	



Category	Information	Comments
18.13	Evidence of Tax Authority approval .	
18.14	Details of all announcements made to scheme members .	
19.	Market	
19.1	Copies of any consultant reports, industry studies .	Or research analyses relating to industry.
20.	Marketing	
20.1	Sales brochures	Service literature or other marketing / selling materials used.
20.2	Overview of sales process	Including marketing strategy, seasonal mark-up / downs, and other sales strategies.
20.3	Description of fulfilment capabilities .	
20.4	Reports outlining brand image	Across categories, locations and demographics.
20.5	Press clippings	For last three years
20.6	Marketing and Promotional Plan .	
20.7	YTD Marketing and Promotional Plan .	
21.	Customers	
21.1	Value sales by top 5 customers by product/SKU for past 3 years.	
21.2	Volume sales by top 5 customers by product/SKU for past 3 years.	
21.3	Description of all agreements or arrangements reflecting pricing commitments for Company products.	
21.4	Analysis of Retros (Discounts) for top 5 customers for past 2 years.	
22.	Products	
22.1	Value sales by product / SKU for prior 5 years.	
22.2	Volume sales by product / SKU for prior 5 years.	INDUSTRY SPECIFIC
22.3	Listing price comparison across category	
22.4	List of ingredients by product/ SKU .	INDUSTRY SPECIFIC
22.5	New product development plans	
22.6	Detail of retailer products sales .	
23.	Suppliers	
23.1	Volume and value by supplier for past 3 years.	
23.2	Summary of key supplier terms .	



Category	Information	Comments
23.3	Copy of any long-term contracts .	

