

## **Compatibility Issues**

### **Synergic Issues**

- Background/Company History
- Acquisition Strategy, Motive and History
- Values
- Culture
- Work Ethic
- Management Style
- Accounting Methods – Conservative vs. Aggressive
- Nature of Clients/Niche Markets/Specialties
- Client Retention Record
- New Client Growth
- Services Offered/Cross Sell Opportunities
- Number of Employees/Partners/Shareholders and Equity Structure
- Staff and Staff Chargeability
- Partner Chargeability
- Fee Structure (Hourly/Fixed)/Billing Philosophy/Write-Ups/Write-Downs
- Realization Rate
- Policies and Procedures – Formal/Informal
- Software/Technology/Paperless
- Capacity and Growth Issues
- Strengths and Weaknesses of Practice
- Importance of Size of Down Payment
- Owner's Income/Perks/Firm Profits
- Individual(s) to Transition to Seller's Role as Management and Rainmaker
- Seller's Future Role
- Time Frame and Expectations
- Location Plan

### **Transaction Issues**

- Seller Financing/Bank Financing/Collateral
- Personal Guarantees/Methods of Securing the Transaction/UCC-1 Filing
- Tax Ramifications - Allocation of Purchase Price & Type of Entity
- Adjustment of Purchase Price Time Period
- Intangible & Tangible Assets Not for Sale
- Accounts Receivable and Work in Process
- Assumed Liabilities and Commitments
- Employment/Consulting Agreements
- Prepaids/Commitments
- Indemnities
- Insurance
- Due Diligence
- Loans, Lines of Credit, Liens
- Peer Reviews
- Transitional Issues