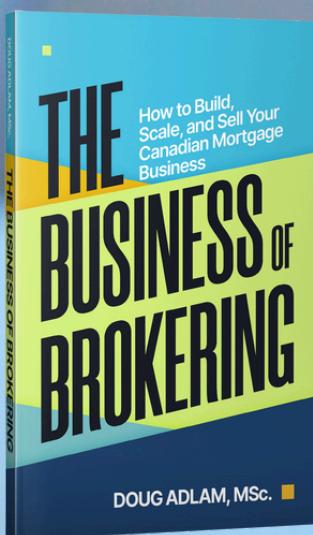


Chapter 17 – Worksheet

Worksheet: Mergers, Acquisitions, and Partnerships



1) Quick Self-Assessment: Are You Ready to Merge, Buy, or Partner?

Rate each statement from 1 (Strongly Disagree) to 5 (Strongly Agree). Total your score.

Statement	Score (1-5)	Notes
Our business runs on documented processes (SOPs) that the team follows consistently.		
Client relationships and referral sources are distributed beyond the founder/lead broker.		
Our CRM and deal pipeline reporting are accurate, current, and standardized across the team.		
Compensation, splits, and revenue-sharing rules are clear, written, and up to date.		
We can demonstrate predictable monthly cash flow and strong approval-to-funding ratios.		
We have defined cultural values and a clear vision that the team can articulate.		
Key team members are under term agreements (or retention plans) that survive a transition.		



Statement	Score	(1-5)	Notes
Our brand and client experience are transferable (not tied to a single persona).			
We maintain clean financials (P&L, balance sheet), and reconcile monthly with an accountant.			
We know what we want from an M&A/partnership and can articulate our non-negotiables.			

Scoring Guide: 40–50 = Strongly Ready • 30–39 = Needs Targeted Prep • <30 = Focus on Institutional Readiness First

2) Alignment Scorecard (Both Sides Complete)

Score each dimension 1 (low alignment) to 5 (high alignment). Use comments to capture gaps & remedies.

Dimension	Buyer Score	Seller Score	Observed Gaps	Proposed Remedies
Vision & Strategy				
Culture & Values				
Client Experience Standards				
Compensation Philosophy				

Dimension	Buyer Score	Seller Score	Observed Gaps	Proposed Remedies
Technology Stack / CRM				
Compliance & Risk Appetite				
Lender Relationships & Policies				
Brand Positioning				
Decision Rights & Governance				
Leadership & Succession Plan				

3) Diligence Checklist

- Corporate: Organization chart, ownership, registrations, licenses.
- Financial: 36 months P&L, balance sheet, cash flow; bank recs; AR/AP; tax filings.
- Revenue: Lender comp summaries, trailer fee statements, BPS by lender, seasonal patterns.
- Operations: SOPs, SLA metrics, approval-to-funding ratios, exception policies.
- CRM: Pipeline reports, data hygiene protocols, user list & permissions.
- People: Contracts (open/term), role descriptions, KPIs, compensation models, retention plans.
- Legal/Compliance: Complaints, audits, E&O, privacy policies, regulator correspondence.
- Technology: Systems list, integrations, access controls, vendor contracts.
- Brand/Marketing: Trademarks, brand guidelines, campaigns, NPS/review trends.
- Lender/Partner: Scorecards, sponsorships, agreements, dispute logs.
- Risk Register: Top risks, mitigations, incident history.



4) Red Flags Heat Map

Rate risk level: Low / Medium / High.

Risk Indicator	Risk Level	Evidence/Notes
No broker term agreements / unclear IP ownership	Medium	No broker term agreements / unclear IP ownership
Founder-centric decision making	Medium	Founder-centric decision making
Inconsistent CRM usage / poor data integrity	Medium	Inconsistent CRM usage / poor data integrity
Undefined revenue-sharing models	Medium	Undefined revenue-sharing models
Hidden liabilities, legal disputes, compliance findings	Medium	Hidden liabilities, legal disputes, compliance findings
Overreliance on single lender or referral source (>30%)	Medium	Overreliance on single lender or referral source (>30%)
Cultural mismatch (values, pace, autonomy)	Medium	Cultural mismatch (values, pace, autonomy)
Unclear governance & decision rights post-close	Medium	Unclear governance & decision rights post-close

5) Glossary Quick-Hits

Aggregation: Pooling brokers/teams under shared infrastructure for scale.

Integration: Depth of operational unification post-deal (systems, brand, processes).

Clawback: Buyer protection to reclaim payout if agreed performance isn't met.

Earn-out: Deferred consideration contingent on future performance.

Data Room: Organized repository for diligence documents and evidence.

Term Contract: Agreement with defined duration and renewal/exit mechanics.