

Packaging for Success

An exclusive event for business leaders

BUILDING VALUE

Building Value Symposium 2007

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STIRLING MERCANTILE
CORPORATION

Please turn off cell phones and pagers.

About Stirling Mercantile

Sectors

- Mid market financings
- Early-stage VC financings
- Mergers and acquisitions
- Valuations and fairness opinions
- Public market advisory services



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Corporate Finance

Quality advisory services
More than just money

Stirling Mercantile Corporation

Welcome

The partners of Stirling Mercantile Corp have extensive knowledge and contacts in the senior debt, growth capital and equity markets and bring this experience to bear in assisting growing companies with their financial plans and funding requirements.

We hope you find this site resourceful.

Sectors

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- Valuations
- Public market advisory services

Recent News



Stirling client Celeres Systems Inc. closes seed round with first investment by the Venture Fund of BC Advantage Funds. [More...](#)



Stirling raises \$3.4 million of debt and equity for Uniserve Communications Corporation's expansion plans. [More...](#)



Stirling client GaleForce Solutions Inc. receives \$2.8 million first round equity financing from Ventures West and Yaletown Ventures. [More...](#)



Obligatory Checklist

- Business plan (management's plans)
- Confidential Information Memorandum (details of the company for sale)
- CIM Executive Summary
- 3 to 5 years of financials plus a one page commentary
- Due diligence folder/binder



Due Diligence Folder/Binder

A great example of a due dilly map, made available in the root of the folder or binder

Updated 20-Dec-06
Last Update 13-Dec-06

Added or Updated Since Last Update
On FTP Site - Black Text
To be provided - Red Text

Corporate

CDN Corp. Documents
Articles of Incorporation
Bylaws
Board Meeting Minutes
Board Resolutions
Shareholder Resolutions
Filings
Industry Canada
Provincial
Taxation
US Corp. Documents
Articles of Incorporation
Bylaws
Board Meeting Minutes & Resolutions
Various
Business Plan
Capitalization Table
Insurance Policy
SRED Claims

Financial

Financial Projections
Financial Statements
Statements-200610
Consolidation-200610
Trial Balance-200610
A/P
Directory of Suppliers
Debt
Debt Summary
Interest Calculations
Prommissory Notes
Convertible Loan Agreement
Convertible Notes
Funding Prentation

HR

Employment Contracts
Key employee resumes
Stock Option Plan, agreements
Advisor
Contractor
Employee
Various HR Items
Benefits Plan
Org Chart
Salary Summary

Market

Competition
Competitive matrix
Market research

Agreements

Consulting Contracts
Stirling Mercantile Corporation
Partner Validation Agreement
Office Lease
NDA & Proprietary Rights Agreements

Product

Development Process
Release
Busdev Roadmap
Release plan
Specifications
Whitepaper
MRD's
PRD's
Feature Spec
Countering Network Failures
Intellectual Property
IPR Identification
3rd Party IPR Validation
IPR Protection Strategy



Think Like A Buyer

- Strategic
 - Market share, keep away from competitor
- Financial
 - Earnings, valuation multiples, accretive value to a stock price
- Entrepreneur
 - Lifestyle



Think Like A Buyer

Spend money to...
... make money, or
... save money



What Motivates Buyers?

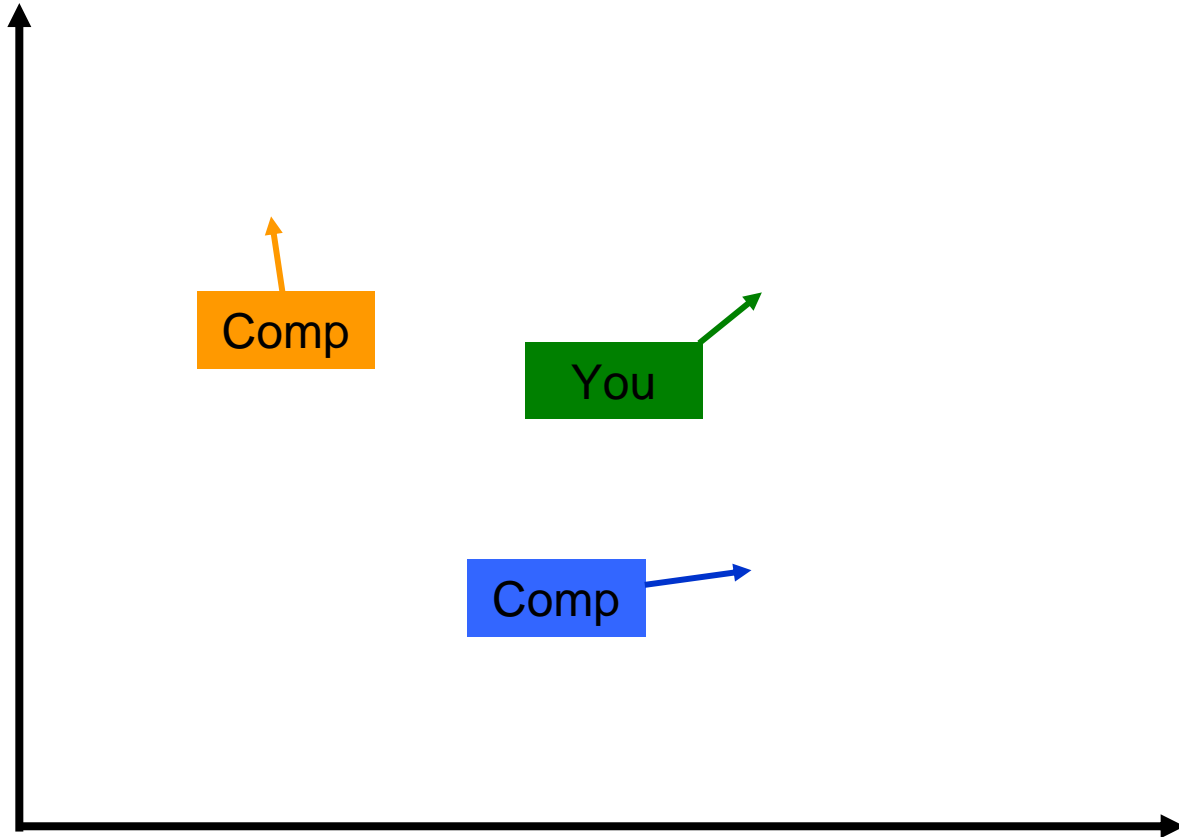
R.O.I.

lifestyle



Position

Value to
Customer



Sales Unit
Volume



Presentation

- A picture tells a thousand words, but...
- Don't spend time on graphics and eye-candy
- Docs in PDF, available for download from your site



Keep It Concise

- Ask yourself if each paragraph helps to explain why this company has value
- Use grade 8 English, don't put yourself in a position to have to explain jargon or technical terms



Executive Summary

- Start with a simple description of the value (not the price) to a buyer
- Summarize each section in a short paragraph
- Keep it about 2 pages – just enough to stimulate questions of interest
- Include best contact info, especially if confidential process



Executive Summary

- Make sure you clearly state the deal
 - Financial example*
 - We are selling this company for \$XXX which represents a revenue multiple of X and an EBITDA multiple of Y
- Restate the Reason to Buy
 - This acquisition would do well for a company looking for [strategic/financial/lifestyle benefit]



Thank you

A copy of this presentation is available at:

www.stirlingmercantile.com/speakers.htm

