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What is the company's market area? How fragmented is the market? Is the market growing or shrinking?

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Discuss sales concentrated with a few customers. What percentages of total sales are made to the five largest customers (break out by each)?

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What is the key selling feature product, price, service, brand name, packaging, etc.?

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What type of promotion and advertising methods does the company use?

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Are buildings and machinery owned or leased? If leased, are the leases renewable? Are they payable to a related party?

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What is the overall condition of the company's equipment? How old are the company's manufacturing facilities? Is there any inefficient or obsolete equipment?

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Discuss the current labor market. How easy is it to attract qualified employees? Briefly describe past and current employee relations (that is, contentious, harmonious, strikes, etc.). Also discuss employee turnover and indicate whether any of the employees are unionized.

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Discuss key suppliers. Are any suppliers the sole source? Have there been any major problems in getting raw materials? Are there long lead times to get the purchased goods?

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**MANAGEMENT**

List key members of management.

Name Title

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Discuss the company's officers (age, experience, and current duties).

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**FINANCIAL**

Has there been any changes in accounting principles during the past five years (cash to accrual, FIFO to LIFO, and so forth) or similar changes that might affect the comparability of the historical financial statements?

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Have there been any nonrecurring or extraordinary income or expenses during the last five years?

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Discuss plans for major capital expenditures (excluding inventory), how they will be financed, and how much of the amounts represent expansion versus replacement of existing assets.

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Discuss any contingent liabilities, including lawsuits and pending or threatened litigation.

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Describe any nonoperating assets, such as marketable securities, aircraft, boats, and real estate investments.

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**COMPANY EXPECTATIONS**

Describe relevant past and expected future trends for the company, such as growth patterns, expansion or cutbacks of business segments, possible spin-offs, mergers or acquisitions.

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