



### WHAT IS NFDD?

Non-financial due diligence (NFDD) defined: The process by which an acquiring company investigates a target company, looking at components other than the financials.

Like a home inspection.

### TYPES OF RISK IDENTIFIED

Any business competence is either a risk or an asset.

What is important?



### NFDD COMPONENTS Examples (not exhaustive)

CONTRACT REVIEW	HR DOC	CLIENT BASE ANALYSIS	GOVERNANCE AUDIT
LOGISTICS	PRODUCTION METHODS	CUSTOMER SUPPORT	SALES PRACTICES
CAPACITY PLANNING	FACILITIES	PRODUCT MARKET FIT	STABILITY
CULTURE	HARDWARE	SOFTWARE	COMP PLANS
MARKETING	PAYROLL	INVESTORS	DATA
AUTOMATION	BENEFITS	LEADERSHIP	DECISION PROCESS
LEAD GEN	CUSTOMER RETENTION	COMPLIANCE	OPERATIONS
TAXES	SECURITY	INTELLECTUAL PROPERTY	METRICS



“When you merge cultures well, value is created.  
When you don't, value is destroyed.  
The game is won or lost on the field of cultural integration.  
Get that wrong and nothing else matters.”

*George Brandt  
Forbes / Leadership 2015*

## LONG-TERM BENEFITS OF NFDD

### Deal Structure

- Documented value proposition
- Key selling points
- True cost of integration based on identified risks
- Accurate valuation of hardware / software assets
- Negotiate retention contracts / hold backs

### Strategic Plan

- Better long term outcomes
- Detailed plan for integration based on early recognition of risks
- Quick initiation of integration plan

### Reality

- Clarity about internal structures
- Clarity about limitations and capabilities
- Starting point for new management team



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