



Phase I - Comprehensive Viability Assessment

Our Comprehensive Viability Assessment (CVA) is the initial assessment of a business's and/or person's ability to achieve targeted market penetration, revenues and profit objective, prior to considering a full Due Diligence in order to make an Angel investment and/or Strategic Alliance teaming arrangement. The CVA is a voluntary investigation as to the business's and/or person's ability to achieve strategic and operational objectives in targeted market segments.

Business transactions and corporate finance

The initial CVA and subsequent Due Diligence processes include:

1. The examination of a potential target for merger, acquisition, privatization, or similar corporate finance transaction normally by a buyer.
2. A reasonable investigation focusing on material future matters.
3. An examination being achieved by asking certain key questions, including, how do we buy, how do we structure the acquisition, and how much do we pay?
4. An investigation on the current practices of process and policies.
5. An examination aiming to make an acquisition decision via the principles of valuation and shareholder value analysis.

The CVA and Due Diligence (frameworks) can be divided into nine distinct areas:

1. Compatibility audit
2. Financial audit
3. Macro-environment audit
4. Legal/environmental audit
5. Marketing audit
6. Production audit
7. Management audit
8. Information systems audit
9. Reconciliation audit

It is essential that the concepts of valuations (shareholder value analysis) be linked into a CVA and follow-on full Due Diligence processes. This is in order to reduce the number of failed teaming arrangements, investments, mergers and acquisitions.

In this regard, two new audit areas have been incorporated into the CVA and Due Diligence frameworks:

- Compatibility Audit which deals with the strategic components of the transaction and in particular the need to add shareholder value and
- Reconciliation audit, which links/consolidates other audit areas together via a formal valuation in order to test whether shareholder value will be added.

In business transactions, the CVA process varies for different types of companies. The relevant areas of concern may include the financial, legal, labor, tax, IT, environment and market/commercial situation of





Strategic Marketing Partners
a division of
Prism Business Development
"Services to Develop The Most Successful Organizations"

Strategic Marketing Partners **Phase I - Comprehensive** **Viability Assessment**

the company. Other areas include intellectual property, real and personal property, insurance and liability coverage, debt instrument review, employee benefits and labor matters, immigration, and international transactions.

If you are an Angel investor and need CVA and/or Due Diligence to be performed on a company you are considering investing in, contact SMP-Prism Business Development via email CVA@PrismBusDev.com DueDiligence@PrismBusDev.com or call us at (720) 352-3407, and we will have our team of CVA and/or Due Diligence professionals on the job to ensure your success!



Strategic Marketing Partners
a division of
Prism Business Development
"Services to Develop the Most Successful Organizations"

© SMP - Prism Business Development 2008 • 2826 Silver Pl., Superior, CO 80027
(720) 352-3407 • (720) 239-1348 Fax • www.prismbusdev.com
Prism Business Development is a member of the IT-QSV-Alliance