



PLAYBOOK

The SME Acquisition Playbook

From acquisition thesis to closing: a gated process for decisions with more evidence and less drift.

LANGUAGE

EN

STATUS

RELEASE CANDIDATE

EVIDENCE CUTOFF

24 September 2026

REFERENCE

P02

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Outcome

Move from a vague acquisition ambition to a disciplined process: **thesis -> search -> screening -> qualification -> NDA -> management meeting -> offer/LOI -> diligence -> financing -> closing.**

This playbook is not an investment recommendation or valuation opinion. It organises decisions, evidence and professional escalation.

1. End-to-end roadmap

Stage	Decision	Minimum evidence	Gate
0. Readiness	Am I ready?	thesis, capacity, team	G0
1. Search	Where should I look?	documented criteria	G1
2. First look	Is the target worth time?	screening sheet	G2
3. Qualification	Can I access more?	identity, authority, capacity	G3
4. NDA/T2	Can I see sensitive materials?	NDA + admission	G4
5. Management	Does the thesis survive discussion?	Q&A evidence	G5
6. Offer/LOI	Can I state credible terms?	price/funding structure	G6
7. DD	Which risks change the decision?	issue register	G7
8. Financing	Is the deal financeable?	sources & uses / headroom	G8
9. Closing	Are conditions satisfied?	closing checklist	G9

2. G0 - Buyer readiness

Inputs: strategic/personal objectives, available equity, intended debt capacity, management time and target countries/sectors.

Owner: lead buyer.

Action: complete a one-page acquisition thesis and transaction budget including advisers, diligence, financing and integration costs.

Stop if the buyer depends on an untested financing assumption or cannot explain why it wants to own and operate the business after closing.

3. G1 - Acquisition thesis

Define sector, geography, business size/economics, acceptable customer concentration, capex profile, management expectations, possible asset/share structures, equity envelope and immediate rejection criteria.

Evidence produced: One-Page Acquisition Thesis.

4. G2 - First-look screening

Review eight blocks before full diligence: market, growth, customers, profitability, cash, owner dependency, team and structural risk.

Use PASS , INVESTIGATE , PROGRESS as investigation labels, not DealPME investment recommendations.

5. G3 - Qualify as a counterparty

Trust is symmetrical. As the seller releases more, the buyer should progressively evidence identity, authority, thesis and financial capacity. FATF beneficial-ownership principles illustrate the importance of attributable counterparties without making DealPME a regulated financial institution.

6. G4 - NDA and disclosure

Before T2/VDR: executed NDA, admission/permission, defined scope, understood download rules and a named diligence team.

7. G5 - Management meeting

Ask questions that test mechanisms: why customers stay, how pricing works, where owner dependency sits, what growth required in capex, which risks management has accepted and what would change with more capital.

Failure mode: using the meeting to confirm a story already decided.

8. G6 - Offer or LOI

A credible offer links indicative price, value basis, cash/debt/working-capital assumptions, payment structure, financing, any exclusivity, remaining diligence, conditions/approvals and timetable.

Any legally binding effect requires counsel review.

9. G7 - Due diligence

Use an issue register, not only a checklist. Each issue should carry domain, question, source, status, potential impact, owner, action, deadline and any link to price, SPA, conditions precedent, financing or integration.

10. G8 - Financing

Build a Sources & Uses model covering price, fees, refinancing, working capital, immediate capex and liquidity buffer. Stress-test lower performance, delayed closing and higher cash needs.

11. G9 - Closing readiness

Closing should not depend on memory. Use a controlled checklist for final documents, approvals, conditions precedent, financing, transfers/formalities, signing authority, timing and post-close evidence.

12. Roles

Role	Responsibility
Buyer	decision, capital, accepted risk
Deal lead	timetable, coordination, issue register
Finance	model, QoE, debt, working capital, financing
Legal	structure, contracts, documentation, closing
Tax	tax risks and structure
Operations/IT	feasibility and integration risk
Lenders/investors	financing decision

13. Stop conditions

Stop or re-evaluate where identity cannot be attributed, authority to sell is unclear, major numbers cannot reconcile, financing is unrealistic, critical information is withheld without explanation, a regulatory issue remains unresolved, or there is pressure to sign before necessary professional review.

14. DealPME mapping

P08 qualification -> P09 matching -> P10 admission -> P11 NDA -> P12 VDR -> P14 offer/LOI -> P15 diligence -> P16 completion under applicable gates.

The acquisition decision remains the buyer's.

15. Evidence required at each gate

Gate	Expected file	Control question	Escalation
G0	Thesis + transaction budget	is the project compatible with capital, time and capabilities?	financing adviser / lender if funding untested
G1	Search criteria	are criteria precise enough to reject opportunities?	rewrite thesis
G2	First-look sheet	which assumptions must be proven before LOI?	sector expert if critical unknown
G3	KYC/authority/capacity	can the buyer legitimately request more information?	compliance / bank

Gate	Expected file	Control question	Escalation
G4	NDA + VDR rights	who may see what, for how long?	counsel / VDR admin
G5	Management memo	do answers confirm or change the thesis?	additional questions
G6	Term sheet / LOI	are price, funding and conditions coherent?	counsel / tax / finance
G7	Issue register	which issues change price, contract, funding or integration?	scoped experts
G8	Sources & uses	does funding survive downside?	lender / investors
G9	Closing checklist	does every CP/formality have evidence?	counsel / closing agent

16. Financial discipline before LOI

Separate **purchase price**, **equity required**, **debt**, **transaction fees**, **refinancing**, **minimum cash**, **working capital**, **immediate CAPEX** and **liquidity buffer**. Headline price is not the same as capital consumed.

The model should include at least a base case, operating downside and funding/closing downside. Critical assumptions should be visible rather than buried inside a spreadsheet.

17. Diligence discipline

Good diligence is not designed to prove that a target is “good.” It identifies facts that change the decision. For each workstream define in advance: hypothesis, expected evidence, escalation threshold, owner, deadline and destination of the risk (price , SPA , CP , financing , integration , walk-away).

18. Management meeting preparation

Prepare questions in three columns: **what we think we know / what we need to test / what evidence would confirm or disprove it**. Avoid questions that merely invite management to repeat the teaser. Useful questions explore mechanisms: pricing, customer losses, renewal, unused capacity, key hiring, cash cycles, recent incidents and deferred investment.

19. Day 1 starts before closing

Before closing identify banking authorities, payroll, IT access, critical contracts, key executives, employee/customer communication, insurance, suppliers, governance, cash control, reporting and 100-day priorities.

Diligence should therefore hand operational risks into the integration plan. An issue that is legally resolved can remain operationally important.

20. Buyer exit checklist

- thesis documented and still valid;
- funded sources & uses;
- legal/tax structure reviewed;
- material risks documented with owners;
- model updated after diligence;
- LOI and final documents aligned;
- conditions assigned;
- Day 1 / 100-day plan ready;
- final decision documented by the competent decision makers.

21. Questions for professional advisers

Counsel: which obligations, consents and contractual risks could delay or prevent transfer?

Tax adviser: which consequences depend on structure, financing and jurisdiction?

Financial/QoE adviser: which earnings and cash flows are recurring and which adjustments are supportable?

Lender: which conditions must be satisfied before funding is available?

Operating expert: which investments and dependencies change the post-acquisition plan?

Working tool — Acquisition Thesis

Print or complete this table during the process. Blank fields are intentional and should be completed using deal-specific evidence or decisions.

field	decision
Sector	
Geography	
Revenue / EBITDA range	
Equity available	
Management role	
Deal-breakers	

Working tool — Issue Register

Print or complete this table during the process. Blank fields are intentional and should be completed using deal-specific evidence or decisions.

Row 1

issue_id	
domain	
question	
source	
status	OPEN
potential_impact	
owner	
action	
deadline	
deal_link	price / SPA / CP / financing / integration

Sources, methodology and limitations

The sources below support the rules, methods or context used in this playbook. They do not turn the document into transaction-specific legal, tax, financing, valuation or investment advice.

Guidance on Beneficial Ownership of Legal Persons

Publisher: FATF · Tier: Tier 1/standard setter

Use: Beneficial ownership transparency and reliable, up-to-date ownership information.

<https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Guidance-Beneficial-Ownership-Legal-Persons.html>

Master Due Diligence Playbook

Publisher: DealRoom · Tier: Tier 4

Use: First-party workflow benchmark for structured diligence requests, linked documents and collaboration.

<https://dealroom.net/resources/templates/master-due-diligence-checklist>

DealPME governed product baseline - Core Build Pack and P04-P25 process reference

Publisher: DealPME · Tier: Governed internal source

Use: Product rules for RPS, T0/T1/T2, buyer qualification, NDA, VDR, LOI, diligence and human decision ownership.

Source interne gouvernée / Governed internal source