

Guide to M&A Deal Flow and Pipeline Management

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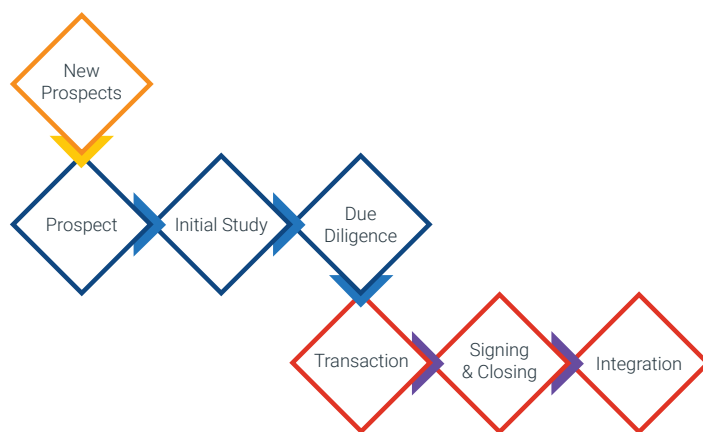
Overview

Handling a deal flow of dozens to hundreds of prospects requires a systematic approach to manage both the pipeline of opportunities and the deal-making process.

You'll need to store information about individual deals in a standardized format, have a clear process of stages that each deal goes through with an orderly flow of tasks, as well as arrange meetings to follow progress and make decisions. A clear structure for the process makes it easier for multiple people to update, share and follow the information.

On a high level, the core work flow includes the following activities:

1. Identification of new prospects
2. Collecting and analyzing information
3. Moving deals through each stage of the process.



Each stage in the pipeline should include clear entry and output criteria to be achieved before a deal can move to the next stage. The stages can vary a bit, but generally the first stage is to create a list of potential prospects. The next stage is to analyze if prospective deals are worth further study. If so, then a deal goes forward through full due diligence, planning the actual transaction, signing & closing and finally, post-merger integration.

Here is a typical pipeline work flow with goals for each stage:

	Entry Criteria	Outputs
Prospect	Very loose criteria	Brief description of the opportunity and why it would make sense
Initial Study	Decision to pursue acquisition	<ul style="list-style-type: none">• Business case presentation• Initial Valuation• Synergy targets• High level integration plan
Due Diligence	Decision to pursue acquisition	<ul style="list-style-type: none">• Due Diligence reports• Final valuation• Revised integration plan
Transaction	Decision to negotiate the final SPA	<ul style="list-style-type: none">• Share purchase agreement (SPA)
Signing & Closing	Sign SPA Deal Approval	<ul style="list-style-type: none">• Communication to stakeholders• Plan for financial and management systems & controls• Revised integration plan
Integration	Change of ownership Integration activities are carried out	<ul style="list-style-type: none">• Progress reports• Synergy tracking

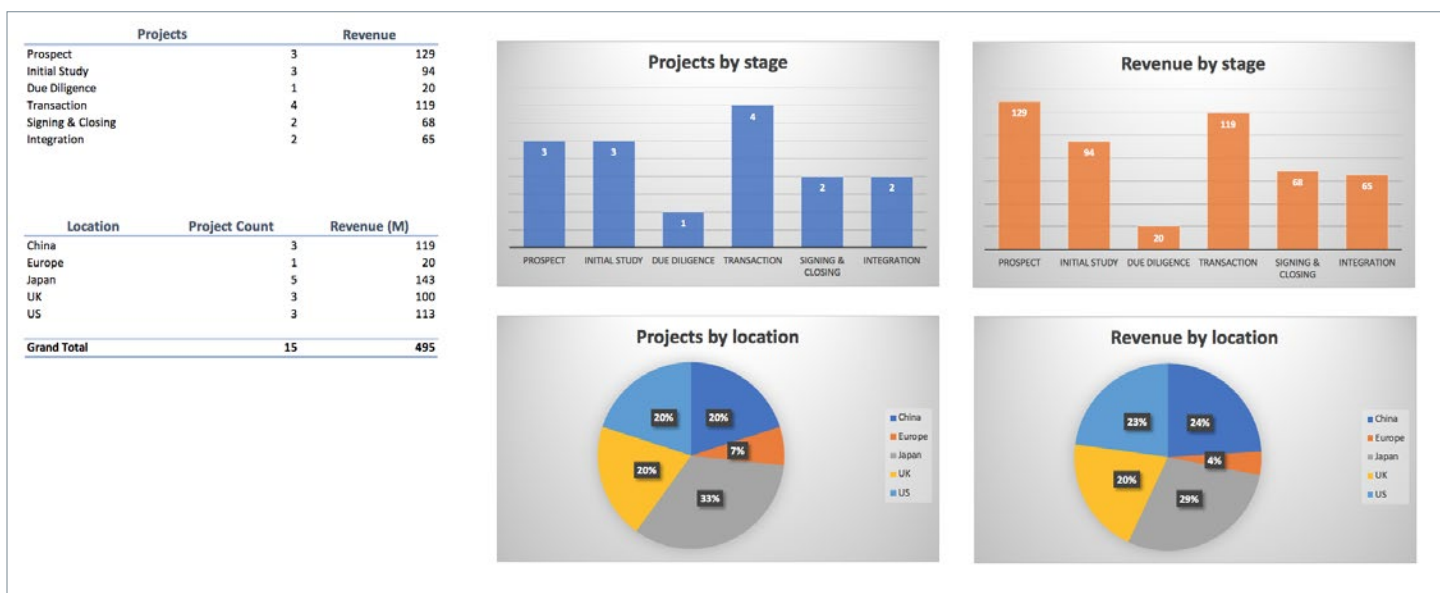
It is important to schedule regular meetings to discuss the deals in the pipeline with all data updated in advance. Meetings can be held weekly or monthly. The regular meeting also determines the reporting cycle for individual projects. In large companies where there is a dedicated corporate development team, a team meeting is usually held weekly. In smaller companies the board meeting cycle usually determines the timing for review meetings.

An Excel spreadsheet is used to keep track of individual deals in the pipeline.

Project Name	Project Stage	Target Name	Region	Company Description	Revenue	Status	Description	Industry
Bolt	Signing & Closing	Bolt	Americas	Bolt is a transportation pla	248.00	No Contact Made	Bolt makes Ecommerce be	Internet Software & Services
Farmstead	Abandoned	Farmstead	EMEA	Farmstead is an artificial ir	1228.00	NDA Signed	Incredibly fresh, locally-so	Retailing
Weezy	Prospect	Weezy	APAC	Weezy is an online superm	1424.00	NDA Signed	Quality groceries delivered	Internet Software & Services
Flytrex	Prospect	Flytrex	EMEA	Flytrex Aviation offers tail	1620.00	NDA Signed	Drone delivery from your f	Aerospace & Defense
Rohlik	Prospect	Rohlik	Americas	Rohlik is an innovative gro	1130.00	DD: Active	Brent Rohlik has extensive	Diversified Financial Services
Lineage Logistics	Signing & Closing	Lineage Logistics	APAC	Lineage Logistics is an inn	346.00	DD: Active	Lineage Logistics is an inte	Air Freight & Logistics
REEF Technology	Initial Analysis	REEF Technology	Americas	REEF is North America, A&S	1032.00	NDA Signed	REEF Technology transfor	Internet Software & Services
Chowbus*	Light Diligence	Chowbus	Americas	Chowbus is a food delivery	836.00	DD: Active	Chowbus is an online deliv	Internet Software & Services
Glovo	Full Diligence	Glovo	Americas	Glovo is a Barcelona base	1914.00	NDA Signed	Glovo is a Spanish quick-co	Internet Software & Services
Zume Pizza	Prospect	Zume Pizza	EMEA	Zume Pizza operates as a r	2012.00	First Contact Made	Zume, Inc. is an American	Industrial Conglomerates
Dija	Prospect	Dija	Americas	Dija is a startup offering gr	1718.00		Dijanik Art is a full service	
Freshtohome	Initial Analysis	Freshtohome	EMEA	Freshtohome is an online g	1522.00	DD: Active	Buy Fresh Chemical-Free F	Internet Software & Services
Waitr* (Aaron)	Full Diligence	Waitr	Americas	WAITR is an app based res	1718.00	DD: Active	Waitr is a new generation	Retailing
Jiffy Grocery	Prospect	Jiffy Grocery	EMEA	Jiffy is an online supermark	2012.00	NDA Signed	Jiffy is a web and mobile pl	Internet Software & Services
Rebel Foods	Initial Analysis	Rebel Foods	Americas	Rebel Foods Services is a f	1620.00	NDA Signed		Hotels, Restaurants & Leisure
Postmates	Initial Analysis	Postmates	Americas	Postmates is an on-deman	542.00	DD: Active	Postmates is an American	Internet Software & Services
Deliveroo	Initial Analysis	Deliveroo	Americas	Deliveroo owns and opera	52.00	No Contact Made	Deliveroo is a British onlin	Internet Software & Services
Starship Technologies	Light Diligence	Starship Technologies	APAC	Starship Technologies is a	2110.00	DD: Active	Here at Faneuil Hall Denta	
Gopuff	Prospect	Gopuff	Americas	Gopuff is a Philadelphia-ba	1816.00	No Contact Made	Find yourselves tired after	Internet Software & Services
Zomato	Light Diligence	Zomato	Americas	Zomato is an online restau	1522.00	DD: Active	Zomato is an Indian multir	Internet Software & Services
Daily Harvest	Initial Analysis	Daily Harvest	EMEA	The Daily Harvest platform	1816.00	NDA Signed	Daily Harvest creates delic	Consumer Staples
Freshly	Initial Analysis	Freshly	Americas	Freshly delivers gourmet r	1326.00	NDA Signed	Our fully-prepared meals a	Consumer Staples
Imperfect Foods	Light Diligence	Imperfect Foods	EMEA	Imperfect Foods provides g	738.00	LOI: Provided	Imperfect Foods delivers s	Food Products
Caviar* (Oliver)	Signing & Closing	Caviar	Americas	Caviar is the easiest way fo	1326.00	DD: Active	Takeout & delivery from th	Food Products
Tovala	Initial Analysis	Tovala	APAC	Tovala combines a smart c	934.00	NDA Signed	No need to shop, prep, co	Consumer Staples
Choco* (Megan)	Signing & Closing	Choco	Americas	Choco is a young startup w	1130.00	NDA Signed	Voted the #1 Healthy Des	Media
iFood	Prospect	iFood	EMEA	iFood is an online food deli	1424.00	NDA Signed	O jeito mais fácil de pedir	Internet Software & Services
Slice	Initial Analysis	Slice	Americas	Slice transforms independ	934.00	NDA Signed	Slice is the easiest way to	Internet Software & Services
Gojek	Light Diligence	Gojek	APAC	Gojek is an app that provi	1228.00	NDA Signed	Gojek is a Super App. It's	Internet Software & Services

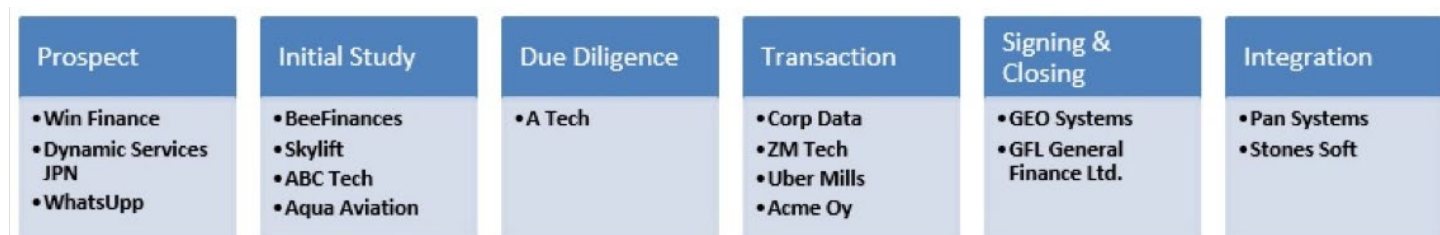
The fields typically include:

- Project code name
- Target name
- The person who leads the deal
- Location (country or city)
- Categorization (such as business unit, technology area, etc.)
- Rationale for the acquisition (category or one sentence description)
- Short company description
- Stage in the deal process
- Active/rejected status + reasons why a deal is rejected
- Description of the status and next steps
- Some financials (like headcount, revenues, EBITDA, etc.)



MS Office SmartArt can be used to visualize the different deal stages as illustrated below. To do this In Word or PowerPoint, select 'Insert' Ribbon, 'SmartArt' Selection, 'Horizontal bulleted list' and populate the data manually.

TIP: It's worth keeping the information from rejected deals, because the same prospects could come back to the table at a later time. Also the reasons why deals are rejected are valuable data to record and analyze.



Managing Documents

In each stage you will collect and analyze information as well as produce reports and presentations. For this you need a place to store documents. Be sure to have a dedicated folder for each deal and each stage. An ideal storage solution would enable you to share certain documents with other people within and outside your organization. Typical solutions range from company intranet sites, Dropbox and Google docs to **M&A-specific systems** like Midaxo. It is important to understand the security limitations of the solution you select.

The key documents to produce and maintain until the deal is signed are the business case presentation, the due diligence issue list and the share purchase agreement.

The business case presentation is the most important document. It should include at least the following topics:

- Executive summary
- Target description
- Product/Service offering
- Business breakdown (by product, customer segment, etc.)
- Financials
- Initial Valuation
- Synergy targets
- Due Diligence key focus areas
- Integration plan

Managing Issues and Risks

Throughout the process you will encounter and identify issues and risks to track. In project management terminology an issue is usually something already known that needs action or a resolution, whereas a risk is something that could occur during a project that affects the outcome. Once again an Excel spreadsheet is the minimum solution. Each time an issue or risk is identified it should be added to a shared issues list that can be reviewed in a team meeting.

The issue tracking spreadsheet should include at least the following fields:

- Description of the issue
- Status (not handled, in progress, done, ignored)
- Severity of the issue (Critical, High, Medium, Low)
- Probability (Certain, High, Medium, Low)
- Corrective action
- Who is responsible
- When issues and risks are added or changed

Issue tracking spreadsheet example:

Title	Status	Severity	Probability	Corrective Action	Responsible	Stream	Task	Modified
Outstanding Debt Obligation	Not started	Critical	Certain Issue	Address immediately	Michael Clayton, Andrew Carnegie	Decisions	POST MERGER INTEGRATION, 5.FINANCIAL, Treasury – Debt,	23 Mar 2022
Access to Facilities	In progress	High	Certain Issue	Keys	Mary Barra	Finance & IT	Closing & Post-Closing Payments	17 Feb 2022
Issues	Delayed	Critical	Certain Issue		Mary Barra	Legal	Overview	21 Jan 2022
Potential Employee Lawsuit	In progress	Critical	High Risk		Mary Barra	HR & Legal	2 DAY ONE, 6.LEGAL, 7.HR	09 Dec 2021
Capitalization of IT equipment	Delayed	Low	Certain Issue	Capitalization of new IT equipment and the write-off of redundant equipment to be reflected in monthly management accounts for Board reporting.		Finance & IT		15 Jul 2021
Questionable Leadership	In progress	Medium	Certain Issue		Mary Barra, Jim Gordon		6.LEGAL, Ensure Effective Leadership	16-Mar-21
Project Issue 1	Not started	Medium	Certain Issue		Mary Barra	Decisions		02 Mar 2021
Test Issue 2	Delayed	High	High Risk		Mary Barra		POST MERGER INTEGRATION	25 Feb 2021
Potential Flag/Risk	In progress	Medium	Medium Risk		Michael Clayton		5.FINANCIAL	17 Apr 2020
Issue Test	In progress	Medium	High Risk		Mary Barra	Legal		11 Mar 2020
ISSUES DOC TEST	Not started	Medium	Certain Issue		Mary Barra			28 Jan 2020
Need corp gov structure	In progress	Medium	Certain Issue		Michael Clayton		Corporate Governance	17 Jul 2019

Managing Tasks

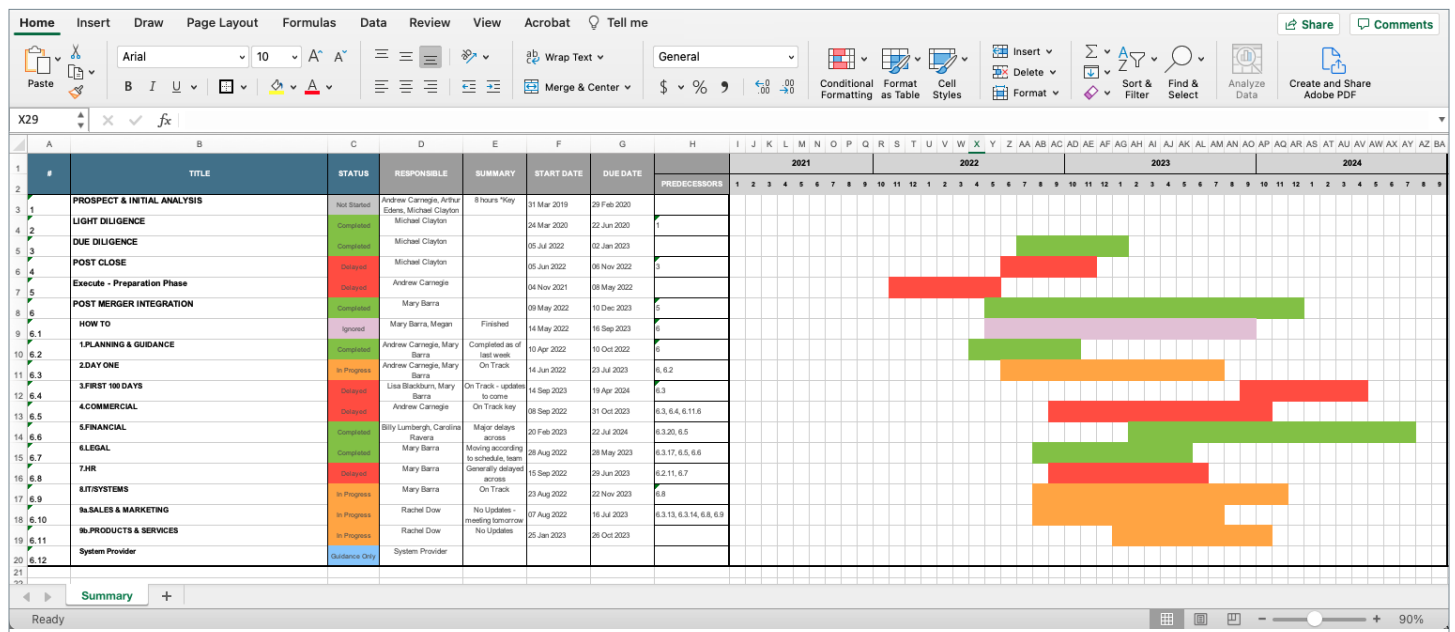
You'll also need to list the tasks to be carried out in each stage. In the stages before the acquisition is completed, the task list should be as brief as possible. Concentrate on the deliverable and decisions you need to produce for each stage. In a real deal-making situation there is often a sense of urgency and the temptation to skip steps. This can lead to a hasty decision that you will later regret. Once you have planned the task flow for deal preparation and decision making, use the same template as the baseline for all your deals. Improve it over time as you learn and accumulate experience.

The post-merger integration stage requires much more detailed task lists.

Once again, a minimum solution is a spreadsheet with the following information:

- Task names in a hierarchical list
- Task status (Not started, In progress, Completed, Ignored, Delayed)
- Assignment of responsibilities
- Status summary
- Due date

This will help you (and your team) organize your work. If there are multiple members in your team, make sure you have a clear assignment of responsibilities, due dates and access to the schedule for all team members. As your M&A process matures it would be good to write a handbook that explains how tasks are typically



Using an M&A Platform to Run Team Meetings Efficiently

Although you can run your pipeline and projects without a dedicated platform, it is much easier with a tool purpose-built for M&A.

Midaxo is a professional cloud-based **M&A platform** designed especially for deal flow and project management. It is quicker to adopt than spreadsheet-based solutions, provides far more functionality, and scales easily.

The platform has integrated deal flow and pipeline management, document management, as well as issue/risk and task tracking. It comes with a comprehensive M&A process template to help you create your own task lists and M&A handbook.

Let's look at how to run an efficient team meeting with the Midaxo M&A platform.

Meeting Preparations

For an efficient meeting, all relevant data must be updated beforehand with key information communicated to all the participants. It is a good idea to send a pipeline visualization or deal-list spreadsheet in advance by email. In Midaxo, the landing page and highest-level overview is the pipeline visualization of deals by stage. Professional PDF and Excel reports can be exported with a few clicks.

Pipeline Overview

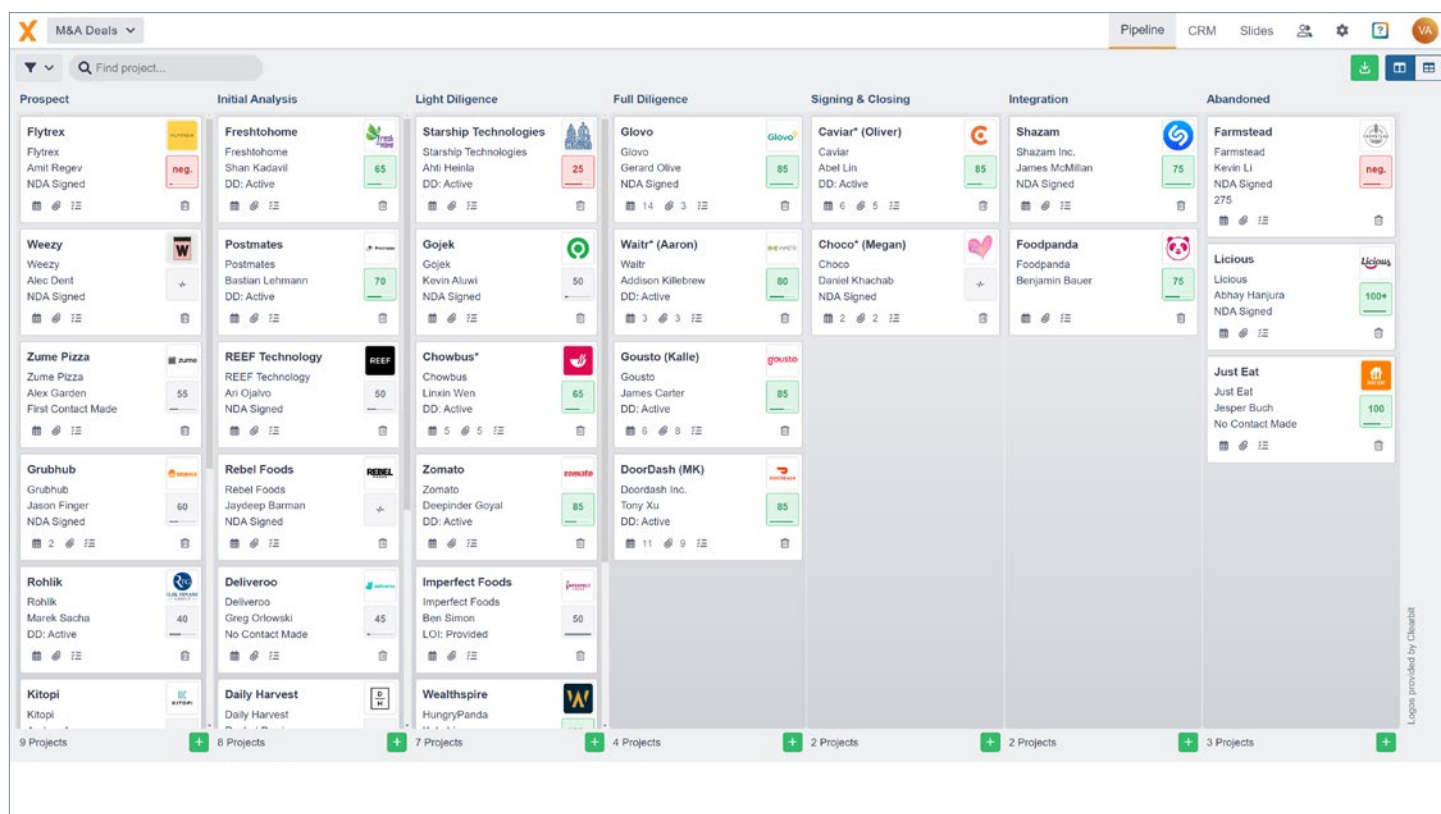
In a meeting, the pipeline view is ideal to visually show all deals in their different stages.

Here we see the full pipeline with all deals. Access can also be limited so that individual users only see the deals relevant to them, while managers can see all deals. The ability to grant specific access to the platform (such as to the corporate development team, a business unit, advisors, a target company representative, etc.) and to control exactly what they can access is a powerful feature that is not possible with homegrown spreadsheet-based solutions.

It is a good idea to go through all the deals in the pipeline one by one. If the pipeline has many deals, you can easily filter the pipeline, for instance by business unit, and let each business unit leader go through their deals.

Useful pipeline overview capabilities include:

- Filter deals by country, business unit, deal owner, etc.
- Highlight changes since the last meeting
- Drag & drop deal from a stage to another
- Easily drill-down to the status, issues and documents of any individual deal
- Export professional reports with a few clicks
- Switch between a visual pipeline view, a spreadsheet view and a project overview.



Reviewing an Individual Deal

To review an individual deal, a single click brings you to an overview page where you can see all the key information, the status of the deal, and all the key related documents in one place.

Deal information stored in Midaxo:

The screenshot displays the Midaxo M&A Deals interface. On the left, a grid of deal cards is organized into columns: Prospect, Initial Analysis, Light Diligence, Full Diligence, and Signing. Each card shows a company name (e.g., Flytex, Weezy, Zume Pizza, Grubhub, Rohlik, Kitopi, Freshthome, Postmates, REEF Technology, Rebel Foods, Deliveroo, Daily Harvest, Starship Technologies, Gojek, Chowbus*, Zomato, Imperfect Foods, Wealthspire, Glovo, Waitr* (Aaron), Gousto, DoorDash (MK)), key personnel, deal status, and a progress indicator. On the right, a detailed overview for 'Choco* (Megan)' is shown, including target information, company description, deal lead, and financial metrics.

Target Name	Business Unit
Choco	

Seller POC	Region
Daniel Khachab	Americas

Company Description

Choco is a young startup with plenty of momentum that's aiming to attract restaurants and suppliers. It also makes ordering and communication with your suppliers faster and simpler. They are simplifying how to order from their suppliers and their technology has the potential to help millions of people worldwide. Choco connecting food suppliers and restaurants on one global platform. Their technology has the potential to optimize communication among food channels to create a more transparent supply chain. The young start-up seeks to build up a user base among suppliers and restaurants keen to build out their networks. Add some

State (US Only)	Country
	USA

Deal Lead

Jane Doe

Notes On POCs

The CEO James seems to be keen to explore opportunities to collaborate.

Vertical	Revenue	EBITDA (MUSD)
Product	1 130	285

EBIT (MUSD)

Mini-agenda for a case review:

- Summarize the latest developments
- Present any relevant PowerPoints, Excels or Reports (these should be highlighted as key documents)
- Go through open issues/risks and discuss corrective actions
- Agree on next steps

You can fully customize the fields you want to have on the overview page, which usually includes basic information about a deal, a summary of recent developments and proposed next steps. You can export this to a project one-pager as a Word Document with a single click.

Having all your key documents at hand, such as business case PowerPoint presentations, meeting minutes and due diligence reports, makes it easy and efficient to present all aspects of the deal in question.

If your audience wants to drill down to finer details, you can easily present a list of open and handled issues and risks, a full project schedule with all relevant status information and related documents and activity logs.

A list of open issues in a deal:

M&A Deals

Find project...

Prospect

Initial Analysis

Light Diligence

Full Diligence

Signing

Flytrex

Flytrex

Amit Regev

NDA Signed

neg.

Postmates

Postmates

Bastian Lehmann

DD: Active

70

Zume Pizza

Zume Pizza

Alex Garden

First Contact Made

55

Grubhub

Grubhub

Jason Finger

NDA Signed

60

Rohlik

Rohlik

Marek Sacha

DD: Active

40

Freshtohome

Freshtohome

Shan Kadavil

DD: Active

65

REEF Technology

REEF Technology

Art Ojalvo

NDA Signed

50

Rebel Foods

Rebel Foods

Jaydeep Barman

NDA Signed

45

Deliveroo

Deliveroo

Greg Orlowski

No Contact Made

50

Starship Technologies

Starship Technologies

Ahli Heinla

DD: Active

25

Gojek

Gojek

Kevin Aluwi

NDA Signed

50

Chowbus

Chowbus

Linlin Wen

DD: Active

65

Zomato

Zomato

Deepinder Goyal

DD: Active

85

Imperfect Foods

Imperfect Foods

Ben Simon

LOI: Provided

50

Glovo

Glovo

Gerard Olive

NDA Signed

85

Waitr

Waitr

Addison Killebrew

DD: Active

80

Gousto

Gousto

James Carter

DD: Active

85

DoorDash

DoorDash Inc.

Tony Xu

DD: Active

85

Caviar

Caviar

Abel Lin

DD: Active

85

Choco

Choco

Daniel K

NDA Signed

85

Choco* (Megan)

Tasks

Overview

CRM

Documents

Issues

Permissions

+ Issue / Risk

Title	Severity	Probability	
Vendor Contracts Expired	IDENTIFIED	CATASTROPHIC	LIKELY
Delays Possible - Waiting on docs	RESOLVED	MAJOR	VERY LIKELY
Pending injury lawsuit	IN PROGRESS	MAJOR	UNLIKELY
IT Systems Concern	DEAL BREAKER	CATASTROPHIC	VERY UNLIKELY
Issue: Finances	IN REVIEW	MODERATE	UNLIKELY

+ Issue / Risk

Powered by Midaxo

Deal Management with task tracking, documents, collaboration and issue log:

M&A Deals

Gousto (Kalle)

Task

Status

Responsible

Due Date

Initial Analysis

Business case presentation

Initial target meetings

High level integration plan

Initial valuation range

Letter of intent (LOI)

Go/no-go decision

Due Diligence

Transaction Negotiations

Signing and Closing

Integration

1.1. Business case presentation

COMPLETED

Business case presentation

Start Date

Jun 1, 2022

Due Date

Jun 6, 2022

Responsibles

Kalle Klipi

Summary

Presented to investment committee

Notes & Comments

Excellent fit to our target profile.

Product fills a gap in our portfolio.

Strong growth in desirable markets.

Documents

Download

Upload

File	Updated	Updated by	Size
Business Case.pptx	Jun 23, 2022 at 03:18	Kalle Klipi	78 KB

Rows: 10

Dependencies

Edit

Guide

M&A Deal Flow and Pipeline Management Options

We've established that the key to deal flow and pipeline management is a systematic approach. Taking the time to structure the processes and work flow, the standard documents and content guides will ultimately allow for more informed and timely decisions.

For additional resources to help you successfully build, improve, and execute your M&A process, check out our [Resources Library](#).

Get Your Deal Flow & Pipeline Management in Order in a Day

Use the Midaxo+ M&A deal management platform free for seven days by [requesting a trial](#).

The platform provides step-by-step guidance to configure your pipeline stages, one pagers, tasks lists and more. You will also have a comprehensive process template to create your own task list and M&A handbook.

If you decide that the platform is more than you need for your business at the moment, don't worry, you can export everything that you configure (pipeline spreadsheet, issue tracker, task list, handbook) and use them independently.



About Midaxo

Midaxo helps corporate development teams manage the entire M&A process from deal sourcing to evaluation and post-merger integration. The Midaxo+ software solution enables frequent acquirers to standardize their approach, visualize deal progress, and create value faster. To learn more about Midaxo, visit www.midaxo.com.