



## TOOLS: INFORMATION MEMORANDUM FRAMEWORK September 2007

Lincoln Crowne & Company is often asked for the basic framework of what makes up a reasonable information memorandum document. Provided below, as a preliminary guide, is a basic high level framework of potential information for inclusion.

The detail of the content will of course vary depending on the use of the document - be that capital raising or trade sale (*as examples*).

### GENERAL INFORMATION

- ✓ Executive summary on operations of business, and the opportunity.
- ✓ Detail of the Proposal.
- ✓ Information on the process timetable.

### BUSINESS PROPOSAL

- ✓ Summary of the business proposal of the IM.
- ✓ Compelling reasons to undertake the business proposal.

### BUSINESS OUTLINE

- ✓ Business Description
- ✓ How operates (physically)
- ✓ Historic Information
- ✓ Scope of Business Activities
- ✓ Overview of growth opportunities.
- ✓ Discussion of online strategy

### INDUSTRY OVERVIEW

- ✓ Discussion on Industry Development & Trends.
- ✓ Identification of domestic & international competitors.
- ✓ Identification of domestic & international market leaders.
- ✓ Identification of potential technology shifts.

### DETAILED STRATEGIC ANALYSIS

- ✓ Who the key competitors are and why they are successful ?
- ✓ Industry S.W.O.T. Analysis.
- ✓ Industry P.E.S.T. Analysis.
- ✓ Market sizing analysis.
- ✓ Detail of average Industry Margins.
- ✓ How the Company is positioned to meet industry evolution challenges.

### ORGANISATIONAL STRUCTURE

- ✓ HR Matrix identifying all roles & reporting lines in the Company.
- ✓ Summary of Employment Agreements.
- ✓ Identification of Pay Structures.
- ✓ H.R. 'Gap' Analysis discussing potential areas for next hires.

### INFORMATION TECHNOLOGY

- ✓ Detail of physical I.T. Systems.
- ✓ Notes on approach to I.T. operations.
- ✓ Detail of I.T. Disaster Recovery Programme.
- ✓ I.T. Asset register - detailing all software used in the Company in particular.

### FINANCIAL INFORMATION

- ✓ Financial Statements & Tax Returns for previous 3 years.
- ✓ Revenue breakdown by client / geography / product / service, etc.
- ✓ Identification of CAPEX spend for each period of financial statements.
- ✓ Financial Forecast for coming 12 & 24 months, including detailed analysis of growth assumptions.
- ✓ CAPEX & OPEX breakdowns for forecast periods.

### LEGAL INFORMATION

- ✓ Summary of key contracts -suppliers, clients, obligations (*such as leases, etc.*).
- ✓ Discussion of litigation risks.
- ✓ Intellectual Property outline.

### SHAREHOLDER INFORMATION

- ✓ Detail on all holdings of shareholders.
- ✓ Detail on any other securities that might be held.

### RISKS

- ✓ Discussion of general risks which might effect the industry.
- ✓ Discussion of specific risks which might effect the Company on an individual basis.
- ✓ Mitigation section, which discusses how the above risks will be mitigated.



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The drafting of a professional information memorandum is a critical step in any corporate finance process. For further and more detailed information on preparing your organisation in a robust fashion please do not hesitate to contact either:

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