

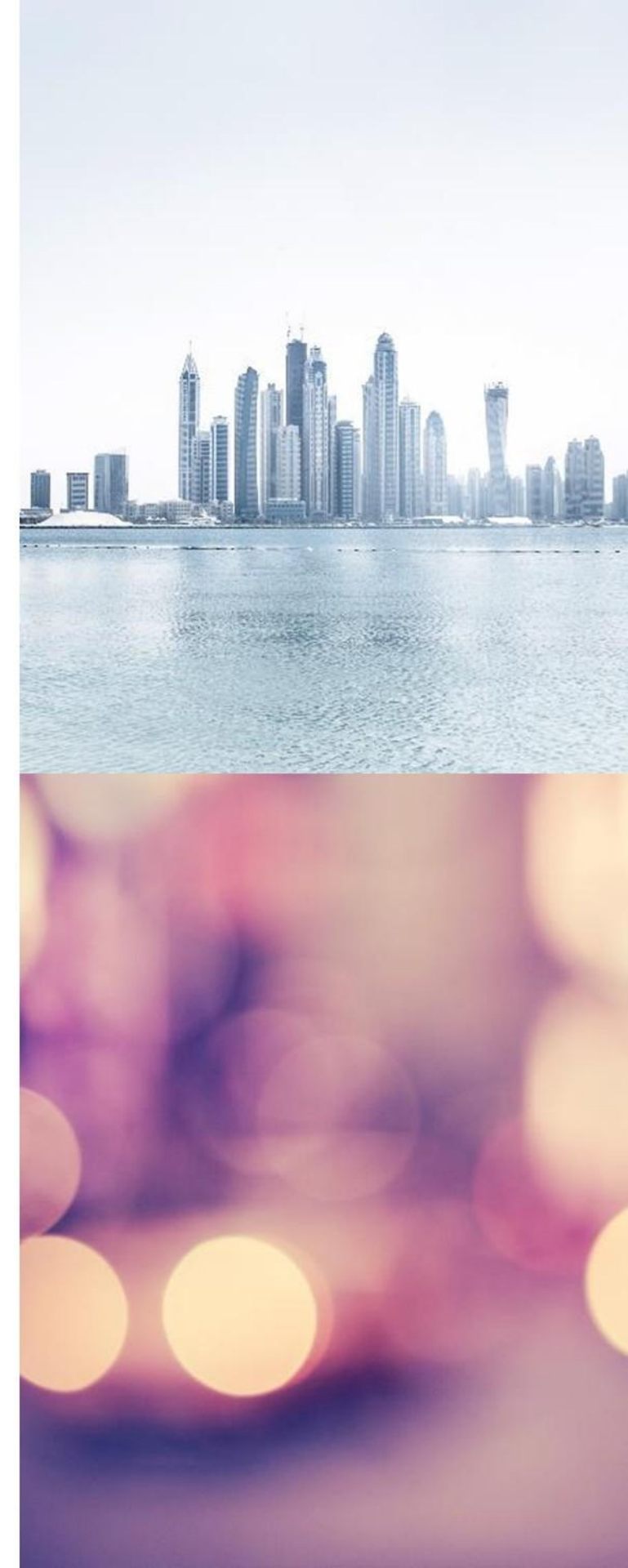


Desk Due Diligence & Quick Valuation

From Analysis to Decision
Memo and NDA Writing

Section

1. Understanding Desk Due Diligence in the M&A Process
[2 topics]
2. Desk Due Diligence Core Analysis
[5 topics]
3. Red Flags and Deal-Breaker Hypotheses [3 topics]
4. Quick Valuation in Practice
[4 topics]
5. Go/Stop Decision and NDA Strategy [2topics]
6. Capstone - Writing Your Professional Desk DD Memo
[1 topics]



What This Course Covers

The Core Problem

- Most deal teams skip straight from a teaser to management meetings.
- Weeks of time + thousands in advisor fees lost before catching problems a desk review finds in days.
- This course fixes that.

Course Structure: 6 Sections · 17 Topics · 45 Modules

- Section 1: Desk DD in Your Deal Timeline
 - 3 levels of DD · desk DD memo structure · go / stop / park decision framework
- Section 2: Core Desk DD Analysis
 - Public info gathering (no NDA) · strategic fit before financials · revenue quality + sustainability · margin dynamics · balance sheet risk
- Section 3: Red Flags and Deal-Breaker Hypotheses
 - Operational red flags: tech dependency · customer concentration · key person risk
 - Financial red flags: accounting irregularities · cash flow vs. earnings divergence
 - Legal and regulatory issues → deal termination risk

2. Building Your Desk DD Memo That Drives Decisions

What Your Desk DD Memo Actually Does

- Your “desk DD memo” serves specific purpose in M&A workflow.
- This document communicates preliminary assessment to decision makers quickly + clearly.
- Senior executives use this memo to decide whether to commit resources next phase.
- You’re not writing comprehensive analysis or detailed investment thesis document.
- You’re providing enough information to support go or no-go decision with confidence.

Core Components of the Memo Structure

- Every effective desk DD memo contains 5 essential sections that flow logically.
- 1st: executive summary provides your recommendation + key findings in half page.
- 2nd: target snapshot describes what company does + its market position.
- 3rd: strategic fit section explains why target aligns with your acquisition strategy.
- 4th: financial snapshot presents high-level numbers + key metrics without detailed modeling.
- 5th: red flags section identifies critical questions + risks requiring further investigation.
- This structure ensures readers can quickly understand opportunity + associated risks.

The Executive Summary as Your Anchor

- Your executive summary “appears first but should be written last”.
- This section distills entire assessment into 3~4 concise paragraphs clearly.
- State your recommendation clearly in opening sentence using GO or STOP language.
- Summarize investment thesis in 2~3 sentences capturing why this deal makes sense.
- Highlight 2~3 most significant risks or red flags that need validation.
- Provide immediate next steps if the recommendation is GO clearly.
- Decision makers often read only this section before deciding whether to continue.



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Valuation, Decision Discipline, and the Capstone Deliverable

- 💰 **Section 4: Quick Valuation in Practice**
 - When and why to value at desk DD stage
 - EV/EBITDA comps · normalized FCF quick DCF · precedent transaction multiples
 - Output: credible valuation range without a full financial model

- ✅ **Section 5: Go / Stop Decision and NDA Strategy**
 - Evaluate deal-breakers vs. manageable risks
 - Frame a park decision with clear re-entry triggers
 - Draft NDA request: signal readiness without revealing negotiating position

- 📄 **Section 6: Capstone Deliverable**
 - Write a complete, professional desk DD memo
 - Structure: business intro · strategic fit · financials · quick valuation · risks · recommendation

📖 How You Will Learn: 5-Stage Cycle

- ① Framework → ② Quiz → ③ Real Case Analysis → ④ Template → ⑤ AI Report
- Real cases from actual transactions and primary source articles:
- Microsoft screening LinkedIn · HP overpaying for Autonomy · ADM accounting irregularities · Exxon/Pioneer ESG stress test
- Each case: apply the framework you just learned to a real investment outcome
- Desk DD judgment = repeated application on real cases, not reading about it

Case Study: Microsoft Screens Strategic Fit for LinkedIn

Productivity ecosystem fit, not standalone financials

Microsoft's announcement frames LinkedIn as a strategic capability layer for its core productivity and business software stack, explicitly citing integration with Office 365 and Dynamics and keeping LinkedIn's brand and independence to preserve what makes it valuable. The logic is classic strategic fit: fill a capability gap (professional network + data), strengthen competitive positioning in productivity/CRM workflows, and create revenue synergies through tighter product integration rather than purely chasing near-term financial returns.

👉 Write three strategic-fit tests before valuing any target.

[Source: Microsoft to acquire LinkedIn \(Microsoft News Center\)](#)

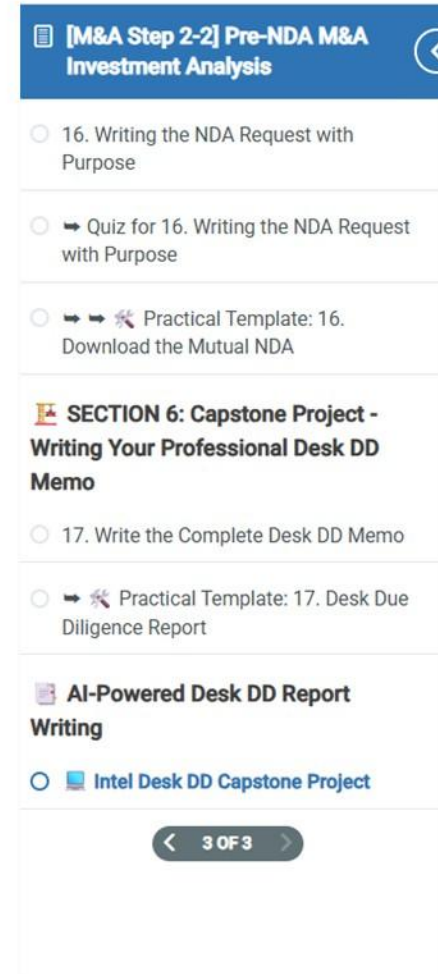
The AI Report Capstone and What You Walk Away With

AI Report Writing Capstone: Intel Desk DD

- Target: Intel Corporation (INTC)
- Scenario: MD needs your desk DD memo by end of day: GO / STOP / PARK, backed by numbers
- You are tested not on recall, but on judgment under pressure:
 - Transform public financial data → board-ready investment recommendation
 - Support your call with specific margins, valuation gaps, and deal-breaker logic
 - Avoid vague phrases: write "gross margins compressed X% YoY due to..." not "Intel is struggling"
 - Submit memo → instant AI feedback on analytical rigor, recommendation clarity, and feasibility

What You Walk Away With

- Screen any target using only public information before NDA
- Identify red flags that kill deals before resources are wasted
- Build a defensible valuation range at the desk stage
- Deliver GO / STOP / PARK recommendations your leadership can trust
- These skills protect capital, protect team bandwidth, and add real judgment to the process.



The screenshot shows a sidebar menu for the 'AI Report Writing Capstone'. The menu is titled '[M&A Step 2-2] Pre-NDA M&A Investment Analysis'. It lists several steps: '16. Writing the NDA Request with Purpose', 'Quiz for 16. Writing the NDA Request with Purpose', 'Practical Template: 16. Download the Mutual NDA', 'SECTION 6: Capstone Project - Writing Your Professional Desk DD Memo', '17. Write the Complete Desk DD Memo', 'Practical Template: 17. Desk Due Diligence Report', 'AI-Powered Desk DD Report Writing', and 'Intel Desk DD Capstone Project'. The 'Intel Desk DD Capstone Project' is highlighted with a blue circle. At the bottom of the sidebar, there is a button that says '3 OF 3'.

Intel Desk DD Capstone Project

[M&A Step 2-2] Pre-NDA M&A Investment Analysis > Intel Desk DD Capstone Project **IN PROGRESS**

Capstone Project: Writing Your Professional Desk DD Memo

[Download this Word template.](#)

Project Nexus: Evaluating Intel Corporation

Role: Senior Associate, Corporate Development Team

Firm: JCinus Partners (Private Equity / Strategic Buyer)

Target: Intel Corporation (Ticker: INTC)

 The Scenario