CONSUMER BRAND ACQUISITION SCREEN · ILLUSTRATIVE SAMPLE

Should a small acquirer move to a letter of intent? A five-day screen of a founder-led snack brand

Sample scope for a hypothetical better-for-you snack brand. It shows what the screen covers and how it reads a target. It contains no market figures.

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THE SCREEN IN ONE PAGE

In five business days the buyer learns whether to move to a letter of intent, and what has to be true

The screen answers one question: Should a small acquirer move to a letter of intent on a founder-led better-for-you snack brand (hypothetical), and what has to be true for that investment case to hold?

1 **One question before scoping.** Has anyone already bought syndicated data for this category (Circana, NielsenIQ, SPINS or a retailer portal)? The answer picks the variant.

2 **Two variants.** A public-data screen, or the same screen run on the syndicated and retailer data the buyer, seller or banker already holds.

3 **Four lenses.** The business, its industry, the price, and a failure story written before the letter, each from a named book (B1 to B4, listed at the back).

4 **A memo, a deck and a model.** Editable, with every number a cited source, a labelled assumption, or a formula over those.

5 **Clear limits.** No financial, tax, legal or food-safety diligence, and no valuation opinion. Each gap becomes a named data room request.

Frameworks: B1, B2, B3, B4 (books, see appendix).

Two variants, picked by one question: has anyone already bought the data?

A. PUBLIC-DATA SCREEN

- **Uses.** No syndicated data. Public primary sources: Census and BLS series, USDA ERS, filings of public peers, deal press releases, and the teaser or CIM.
- **Can say.** Category size and growth read two ways, price versus volume, channel structure, how peers and private label are moving, the shape of comparable deals.
- **Cannot say.** The brand's own velocity, distribution or share in measured retail. Each gap becomes a named data room request on page one of the memo.

B. BRING-YOUR-DATA SCREEN

- **Uses.** Everything in A, plus the syndicated or retailer extracts and the data room.
- **Adds.** Velocity and distribution trend, share and its direction, price and promotion dependence, retailer by retailer, and whether growth comes from new doors or from selling more per store.
- **Checks first.** Which retailers and channels the extract can see, since each data provider covers different stores.

SCREENING LENSES

Four lenses read the target before any valuation work

Each lens is a short set of questions from a named book. Together they decide what the memo must prove.

THE BUSINESS · B1

Simple, consistent, with good prospects

- Can we say in one line how it makes money?
- Has it sold the same products the same way for years?
- Will shoppers still want it once it is on every shelf?

THE INDUSTRY · B2

Its place in the five forces

- Rivalry with the category leader
- Power of retailers and the co-manufacturer
- Private label and the next entrant

THE PRICE · B3

A margin of safety on the price

- Value is a range, not a point
- The case must hold if growth comes in at the low end

THE FAILURE STORY · B4

A pre-mortem before the letter

- Assume the deal has failed and write down why
- Each reason becomes a question for management or a data room request

So what. The lenses are methods, not figures. Every number in the memo still comes from a cited source or a labelled assumption.

Frameworks: B1, B2, B3, B4 (books, see appendix).

Five business days, each closing with something the deal team can read

When	Work	What you can read that evening
Before day 1	Written intake, NDA, data and CIM received, one alignment call.	An agreed question and a map of what each data set can see
Day 1	Define the category and the question. Public pulls. Map what any extract covers.	The category defined and the data coverage written down
Day 2	Category read: size, price versus volume, channels. Brand performance where data allows.	The category read: size, price versus volume, channels
Day 3	Retailer and co-manufacturer concentration, private label, competitive set, comparable deals.	Concentration, private label and competitor read, with comparable deals
Day 4	Draft memo, deck and model. Eric reviews and edits the judgement calls.	Draft memo, deck and model
Day 5	Final memo, deck, model and sources register. Optional readout.	Final memo, deck, model and sources register

The memo answers five questions, from public facts where they exist and the data room where they do not

The memo answers	Evidence the screen uses	If public data cannot answer
Is the category growing in volume, or only in price?	Census and BLS spend and price series, peer filings	Brand velocity by retailer
How concentrated is the brand in a few retailers and in one co-manufacturer?	The teaser or CIM, retailer and co-manufacturer disclosures	Sales by retailer, co-manufacturer contracts and terms
How defensible is the brand against private label and the next entrant?	Peer filings, trade press citing panel data, the five-forces read (B2)	Repeat rate and the price gap to private label
What do comparable deals show, from public facts only?	Deal press releases and company filings	Nothing further. Public facts only
What has to be true for the investment case to hold?	Three to five conditions, each rated red, amber or green	One question for management and one request per condition

Frameworks: B2 (books, see appendix).

Each condition is rated against a test written down before the data arrives

Illustrative tests for a hypothetical brand. In a live screen they are agreed at the alignment call.

Condition	Green if	Amber if	Red if
Growth is volume, not only price	Units grow with distribution	Units flat, price up	Units fall
No single retailer decides the brand's fate	Sales spread across retailers	One retailer is the largest by a wide margin	One retailer could end the brand
Supply is secure	A second qualified co-manufacturer	One co-manufacturer with spare capacity	One co-manufacturer at capacity
The brand survives the next entrant	Repeat purchase holds as stores are added	Repeat untested beyond early stores	Repeat falls as stores are added
The price leaves a margin of safety (B3)	The case holds at the low end	The case needs the base case	The case needs the high case

Frameworks: B3 (books, see appendix).

SCOPE

What the buyer receives, and what the screen leaves to other advisers

DELIVERED

- **Decision memo.** The answer first, then the conditions and how each is rated.
- **Deck and model.** Both editable, so the buyer's team can change an assumption and see the result.
- **Sources register.** Every figure traced to a named source or a labelled assumption.
- **Optional readout.** A walk-through of the memo with the deal team on day five.

OUT OF SCOPE

- **Other diligence.** Financial, tax, legal, quality of earnings and food safety.
- **Valuation opinions.** The screen says what has to be true, never what to pay.
- **Buying data.** The screen uses data the buyer already holds or public sources.
- **Site visits.** The work is done from documents and data.

APPENDIX

Frameworks and books cited

Methods named on these pages and where they come from. They shape how the questions are asked. No figure on these pages comes from them.

ID	Book	Chapter	How this deck uses it
B1	Robert G. Hagstrom. The Warren Buffett Way, Third Edition. John Wiley & Sons, 2014.	Chapter 3, Buying a Business: The Twelve Immutable Tenets	The business lens: simple, consistent, with good long-term prospects
B2	Michael E. Porter. Competitive Strategy. The Free Press, 1980.	Chapter 1, The Structural Analysis of Industries	The industry lens: where the brand sits in its category's structure
B3	Seth A. Klarman. Margin of Safety. HarperBusiness.	Chapter 6, Value Investing: The Importance of a Margin of Safety	The price lens: a margin of safety, so the case holds at the low end
B4	Daniel Kahneman. Thinking, Fast and Slow. 2011.	Chapter 24, The Engine of Capitalism	The failure story written before the letter of intent

NEXT STEP

Have a decision like this to make?

This sample shows the kind of work I do for consumer brands and their buyers. Send a few lines in writing: the decision, the deadline, and who has to be convinced. Scoping questions come back, usually within one business day, and no call is needed to get started.

Send a written brief

ericwpalmer.com/contact