



REDWOOD ADVISORS

Commercial Due Diligence

*Diligence your top acquisition
target(s) to support a rigorous,
informed go/no-go decision*

Commercial Due Diligence: Approach Overview

Key diligence areas	Overview
Market growth & demand drivers	• Assess overall market size, growth trajectory, and the underlying demand drivers shaping future expansion
Competitors & differentiation	• Evaluate key competitors, relative positioning, and the target's core differentiators and comparative advantages
Market share analysis	• Analyze current market share, share stability, and opportunities or risks for gaining/losing share across segments
Customer health & segmentation	• Assess customer base composition, retention/churn, and segmentation by needs, behaviors, and value
Revenue quality	• Evaluate revenue durability (recurring vs. transactional), pricing realization, margin structure, and cost-to-serve economics
Go-to-market effectiveness	• Review sales model, channel strategy, pipeline health, conversion rates, and scalability of the commercial engine
Commercial organization	• Assess structure, talent, incentives, and operational maturity across sales, marketing, and customer success functions
Key risks	• Identify major commercial risks and integration considerations, including synergies, cross-sell opportunities, and execution risks

A commercial due diligence project with RWA focuses on analyzing a potential M&A target based on deal tenets defined with the client

Final project output includes an assessment across the key diligence areas and key insights uncovered during the analysis

