

Landscaping Business Due Diligence Checklist Template

SUMMARY

Evaluating a landscaping business requires more than generic due diligence—you need industry-specific insight to make confident decisions. This comprehensive template addresses the unique operational, financial, and seasonal challenges that define the landscaping industry.

What you'll accomplish:

- **Identify hidden risks:** Uncover equipment maintenance issues, seasonal cash flow gaps, and contract vulnerabilities that generic templates miss.
- **Spot growth opportunities:** Evaluate expansion potential, service diversification, and operational efficiencies specific to landscaping businesses.
- **Make data-driven decisions:** Gather the right documentation and metrics to support your acquisition, partnership, or investment decisions.
- **Negotiate from strength:** Armed with comprehensive insights, you'll be positioned to negotiate better terms and structure deals that protect your interests.

How to use this template: This checklist is organized into 10 key evaluation areas, each with specific items to investigate and documentation to request. Work through each section systematically, checking off completed items and noting any concerns. The red flags checklist helps you quickly identify deal-breakers, while the summary assessment provides a framework for your final recommendation.

Time investment: Plan 20-40 hours for a thorough evaluation, depending on business complexity and documentation availability.

Best results: Use this template alongside financial and legal professionals familiar with the landscaping industry for the most comprehensive evaluation.



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Due diligence summary

This due diligence summary should be prepared after completing the full due diligence checklist and reviewed by key stakeholders before making final decisions.

Company: [Company Name]

Evaluation date: [Date]

Evaluator(s): [Name(s)]

Transaction type:

- Acquisition
- Partnership
- Merger
- Internal Audit

Business Overview

Brief description: [2-3 sentences describing the company, services, and market position]

Key metrics:

- Annual Revenue: \$[Amount] (Last 12 months)
- Number of Employees: [Full-time/Part-time/Seasonal]
- Years in Operation: [Number]
- Service Territory: [Geographic area]
- Customer Base: [Number] active customers



Financial Highlights

- **Revenue growth:** [X%] over past [period]
- **Profit margins:** Gross: [X%], Net: [X%]
- **Cash flow:** [Positive/Negative/Seasonal patterns noted]
- **Debt-to-equity ratio:** [Ratio]
- **Working capital:** \$[Amount]

Strategic Assessment

Key strengths:

- [Most significant competitive advantage]
- [Strong operational or financial metric]
- [Market position or customer loyalty factor]

Primary concerns:

- [Most significant risk or weakness]
- [Operational or financial concern]
- [Market or competitive threat]

Growth opportunities:

- [Highest potential expansion area]
- [Service diversification opportunity]
- [Operational efficiency improvement]



Industry-specific findings

Seasonal performance:

- Peak season revenue: [Months and percentage of annual revenue]
- Cash flow management during off-season: [Assessment]

Equipment and assets:

- Total asset value: \$[Amount]
- Equipment condition: [Excellent/Good/Fair/Poor]
- Required capital investment (next 2 years): \$[Amount]

Customer contracts:

- Recurring revenue percentage: [X%]
- Average contract length: [period]
- Customer retention rate: [X%]

Valuation summary

- **Asking price/current valuation:** \$[Amount]
- **Revenue multiple:** [X.X]x
- **EBITDA multiple:** [X.X]x
- **Asset-based valuation:** \$[Amount]
- **Market comparables range:** \$[Amount] – \$[Amount]



Risk assessment

Risk level: Low Moderate High

Critical risk factors:

- [Most significant risk requiring immediate attention]
- [Secondary risk that could impact operations]
- [Long-term strategic risk]

Recommendation

- PROCEED:** Strong acquisition/partnership candidate with minimal conditions
- PROCEED WITH CONDITIONS:** Viable opportunity requiring specific terms/improvements
- NEGOTIATE:** Potential exists but price/terms need significant adjustment
- DECLINE:** Risks outweigh benefits or fundamental issues identified

Recommended next steps:

1. [Immediate action required]
2. [Additional due diligence needed in specific area]
3. [Negotiation point or condition to address]

Deal structure considerations:

- [Payment terms or financing structure recommendations]
- [Key contract terms or warranties required]
- [Post-acquisition integration priorities]

Timeline: Target closing date of [Date] is Realistic Aggressive Conservative



1. Company overview and ownership

- *Check off completed items as you gather information.*
- *Request supporting documentation for all claims.*
- *Note any red flags or areas requiring deeper investigation.*
- *Customize sections based on your specific evaluation needs.*

Basic information

- Company legal name and DBA (doing business as) names
- Business address and service territories
- Years in operation and ownership history
- Current business structure (LLC, corporation, partnership, etc.)
- Key management team and their backgrounds
- Number of employees (full-time, part-time, seasonal)
- Services offered (maintenance, installation, design, etc.)

Supporting documentation required

- Articles of incorporation/organization
- Operating agreements or bylaws
- Organizational chart
- Management resumes/backgrounds



2. Financial health and performance

- *Check off completed items as you gather information.*
- *Request supporting documentation for all claims.*
- *Note any red flags or areas requiring deeper investigation.*
- *Customize sections based on your specific evaluation needs.*

Revenue and profitability

- Revenue trends (last 3-5 years)
- Monthly revenue breakdown showing seasonal patterns
- Gross profit margins by service type
- Net profit margins and EBITDA
- Cash flow statements (monthly for past 2 years)
- Accounts receivable aging report
- Outstanding debts and payment terms

Financial controls

- Accounting system and procedures
- Internal financial controls
- Banking relationships and credit facilities
- Tax compliance history
- Any outstanding tax liabilities

Supporting documentation required

- Audited financial statements (3-5 years)
- Monthly P&L statements (past 24 months)
- Cash flow statements
- Tax returns (business and personal if sole proprietorship)
- Bank statements (past 12 months)
- Accounts receivable/payable reports



3. Customer base and contracts

- *Check off completed items as you gather information.*
- *Request supporting documentation for all claims.*
- *Note any red flags or areas requiring deeper investigation.*
- *Customize sections based on your specific evaluation needs.*

Customer analysis

- Total number of active customers
- Customer retention/churn rates
- Top 10 customers by revenue (concentration risk)
- Average customer lifetime value
- Customer acquisition costs and methods
- Geographic distribution of customers
- Mix of residential vs. commercial clients

Service contracts and agreements

- Maintenance contract terms and renewal rates
- Average contract length and values
- Seasonal vs. year-round contract breakdown
- Contract cancellation clauses and history
- Warranty obligations and claims history
- Outstanding customer disputes or complaints
- Payment terms and collection procedures



Supporting documentation required

- Customer list with contact information
- Sample service contracts and agreements
- Contract renewal history
- Customer complaints log
- Warranty claims documentation



4. Field operations and crew management

- *Check off completed items as you gather information.*
- *Request supporting documentation for all claims.*
- *Note any red flags or areas requiring deeper investigation.*
- *Customize sections based on your specific evaluation needs.*

Operational processes

- [] Standard operating procedures (SOPs)
- [] Job scheduling and routing systems
- [] Material procurement processes
- [] Quality control procedures
- [] Safety protocols and training programs
- [] Job costing and tracking methods
- [] Incident reporting procedures

Workforce management

- [] Crew size and skill levels
- [] Employee training programs
- [] Compensation structure and benefits
- [] Worker satisfaction and turnover rates
- [] Seasonal staffing strategies
- [] Subcontractor relationships and agreements
- [] Workers' compensation claims history



Supporting documentation required

- Employee handbook and policies
- Training records and certifications
- Payroll records and compensation plans
- Subcontractor agreements
- Safety incident reports
- Workers' compensation insurance records



5. Equipment and asset inventory

- *Check off completed items as you gather information.*
- *Request supporting documentation for all claims.*
- *Note any red flags or areas requiring deeper investigation.*
- *Customize sections based on your specific evaluation needs.*

Equipment assessment

- Complete inventory of vehicles and equipment
- Age and condition of major assets
- Maintenance schedules and history records
- Equipment utilization rates
- Replacement schedules and capital requirements
- Equipment financing/lease agreements
- Insurance coverage for equipment

Asset valuation

- Original purchase prices and dates
- Current market values
- Depreciation schedules
- Any liens or encumbrances on assets

Supporting documentation required

- Equipment inventory list with serial numbers
- Maintenance records and schedules
- Equipment purchase receipts and warranties
- Lease/financing agreements
- Insurance policies and claims history



6. Technology stack and systems

- *Check off completed items as you gather information.*
- *Request supporting documentation for all claims.*
- *Note any red flags or areas requiring deeper investigation.*
- *Customize sections based on your specific evaluation needs.*

Current technology

- Field service management software
- Customer relationship management (CRM) system
- Accounting and financial software
- Scheduling and routing tools
- Equipment tracking systems
- Communication tools and mobile apps
- Data backup and security measures

Technology assessment

- System integration capabilities
- Scalability of current platforms
- User adoption rates and training needs
- IT support and maintenance costs
- Data migration requirements
- Cybersecurity measures and policies

Supporting documentation required

- Software licenses and agreements
- System documentation and user manuals
- IT support contracts
- Data backup and recovery procedures



7. Legal, compliance, and licensing

- *Check off completed items as you gather information.*
- *Request supporting documentation for all claims.*
- *Note any red flags or areas requiring deeper investigation.*
- *Customize sections based on your specific evaluation needs.*

Business licenses and permits

- Business license (current and valid)
- Contractor licenses by jurisdiction
- Pesticide application licenses
- Environmental permits
- Zoning compliance
- Professional certifications

Insurance coverage

- General liability insurance
- Workers' compensation insurance
- Commercial auto insurance
- Professional liability/errors and omissions
- Equipment and property insurance
- Cyber liability insurance

Legal issues

- Pending or threatened litigation
- Resolved legal disputes (past five years)
- Environmental violations or citations
- Labor disputes or violations
- Regulatory compliance issues
- Intellectual property matters



Supporting documentation required

- Copies of all licenses and permits
- Insurance policies and certificates
- Legal case files and settlement agreements
- Regulatory correspondence and citations
- Employment law compliance records



8. Market position and growth potential

- *Check off completed items as you gather information.*
- *Request supporting documentation for all claims.*
- *Note any red flags or areas requiring deeper investigation.*
- *Customize sections based on your specific evaluation needs.*

Market analysis

- Service area demographics and growth trends
- Market share and competitive position
- Brand reputation and online presence
- Marketing strategies and effectiveness
- Referral sources and partnerships

Growth opportunities

- Expansion potential in current markets
- New service offerings under consideration
- Commercial account development opportunities
- Geographic expansion possibilities
- Seasonal service diversification options
- Acquisition or partnership opportunities

Supporting documentation required

- Marketing materials and website analytics
- Customer testimonials and reviews
- Competitive analysis reports
- Market research data
- Growth and expansion plans



9. Supplier relationships and procurement

- *Check off completed items as you gather information.*
- *Request supporting documentation for all claims.*
- *Note any red flags or areas requiring deeper investigation.*
- *Customize sections based on your specific evaluation needs.*

Key suppliers

- List of major suppliers and vendors
- Terms and conditions of supplier agreements
- Payment terms and credit arrangements
- Alternative supplier options
- Bulk purchasing agreements
- Seasonal procurement strategies

Material management

- Inventory management systems
- Storage facilities and capacity
- Material cost trends and budgets
- Waste management and disposal procedures

Supporting documentation required

- Supplier contracts and agreements
- Purchase order history
- Inventory reports and procedures
- Material cost analysis



10. Environmental and sustainability considerations

- *Check off completed items as you gather information.*
- *Request supporting documentation for all claims.*
- *Note any red flags or areas requiring deeper investigation.*
- *Customize sections based on your specific evaluation needs.*

Environmental compliance

- Environmental permits and licenses
- Waste disposal procedures and records
- Chemical storage and handling protocols
- Water usage and conservation measures
- Fuel consumption and emissions tracking

Sustainability practices

- Sustainable landscaping practices
- Organic and eco-friendly service options
- Recycling and waste reduction programs
- Energy-efficient equipment and vehicles



Red flags checklist

- *Check off completed items as you gather information.*
- *Request supporting documentation for all claims.*
- *Note any red flags or areas requiring deeper investigation.*
- *Customize sections based on your specific evaluation needs.*

Financial red flags

- Declining revenue trends
- Negative cash flow patterns
- High customer concentration (>20% from single customer)
- Significant accounts receivable aging
- Tax liens or compliance issues

Operational red flags

- High employee turnover
- Poor equipment maintenance records
- Lack of standard operating procedures
- Multiple customer complaints or disputes
- Safety violations or incidents

Legal/compliance red flags

- Expired licenses or permits
- Pending litigation
- Environmental violations
- Workers' compensation claims
- Regulatory citations



Notes and comments

Use this section for additional observations, concerns, or questions that arise during the due diligence process.

