

Approach to Bespoke M&A Target List Building

Agathon Research Partners

A. Overview of the Types of Target Lists I Build

I generally build three types of M&A target lists, depending on the end market, scope, and constraints of the engagement.

Category 1: Niche Lists

These are built for narrower, more specialized end markets such as software, vertical SaaS, and tech-enabled services. These lists typically include fewer than 500 companies but are significantly more complex in nature. Each company requires deeper qualitative analysis, often involving:

- Offerings and product nuance
- End markets and ICPs
- Ownership structure and nuance
- Competitive positioning and business model differentiation

Category 2: Non-Niche Lists

These are built for broader, highly fragmented markets such as HVAC, plumbing, roofing, dental practices, and similar services businesses. In these markets, it is relatively easy to surface hundreds of relevant operators within a single geography, but the depth of data captured per company is generally lower than in niche markets. The emphasis is on:

- Identifying the right operating universe
- Validating private ownership
- Ensuring outreach data is accurate and usable

Category 3: Outlier Lists

These are engagements with special constraints or atypical inputs, such as client-supplied datasets containing thousands of pre-existing records. In these cases, the work often involves manually vetting each record, eliminating misfits, rebuilding the dataset from the ground up, and only then layering in analysis and enrichment.

B. Typical Timelines and Research Process

For Category 1 and Category 2 lists, a typical engagement requires approximately **150 hours over 12–15 working days**.

The process generally follows three phases:

- **Initial scoping and universe definition (Days 1–7):**
Running searches, surfacing an initial universe, and sharing early research observations with the deal team to pressure-test assumptions and narrow scope.
- **Deep research and enrichment (Days 8–14):**
Manually validating ownership, sourcing and verifying contact details, and filling in agreed-upon data points.
- **Final review and delivery:**
Quality control and preparation of a clean, usable dataset.

For outlier lists, timelines can extend materially longer, but the process remains the same. In my experience, more time upfront leads to better list outcomes.

C. Coverage Philosophy in Fragmented End Markets

Coverage expectations differ meaningfully between niche and non-niche markets.

For **niche lists**, I aim to be highly exhaustive. I use creative and varied search strings and typically work through all relevant search results until I reach diminishing returns, which gives me confidence that the space has been meaningfully canvassed.

For **non-niche lists**, true 100% coverage is not realistically achievable. These markets often contain hundreds of cities and thousands of operators within a single state. In these cases, I:

- Run consistent search strings across major population centers
- Vary geography rather than keyword structure
- Focus on building a representative, high-quality universe rather than chasing theoretical completeness

In practice, this approach aligns well with how PE firms actually deploy lists in sourcing workflows.

D. Operating Model and Approach to Scale

Agathon Research Partners is intentionally designed as a **one-person, capacity-constrained operation**. Based on prior experience supporting scaled research operations, I've found that M&A target list building is difficult to scale without encountering quality issues, even with training, process documentation, and dedicated QC layers. The highest-quality outcomes tend to come from having full control over the research process end-to-end.

At Agathon, I personally handle:

- Scoping and search strategy
- Company identification and vetting
- Ownership validation
- Contact sourcing and verification
- Final review and delivery

This model limits volume but ensures consistency, accountability, and adaptability.

E. Scoping, Data Point Design, and Analytical Input

In addition to executing against a defined spec, I proactively suggest additional data points where they may enhance sourcing or diligence outcomes.

Examples of supplementary data points may include:

- Service/product breakdowns or end markets
- Employee count or growth indicators
- Service area or geographic footprint
- Asset proxies such as fleet or vehicle count (where relevant)

Each additional data point increases research effort materially, as it must be sourced and validated across the entire list. However, when used selectively, these fields can meaningfully improve outreach prioritization and diligence efficiency.

F. Experience and Track Record

I have been building bespoke M&A target lists for over **five years** and have done this work for a range of private equity firms, including:

- Audax Private Equity
- Morgan Stanley Capital Partners
- Trivest Partners
- Alpine Investors

These engagements involved building qualitative, manually researched target lists tailored to each firm's investment strategy and sourcing objectives. While these firms were/are not clients of Agathon Research Partners, the work reflects the same research standards and process I apply today.

G. Commercial Terms and Operating Credibility

My commercial terms are straightforward:

- No payment is required upfront
- Invoicing occurs only upon delivery
- Each invoice is accompanied by a W-8BEN form (the equivalent of a W-9 for contractors based outside of the United States)

This structure is designed to minimize friction and simplify internal processing.

H. Competitive Landscape and How Agathon Fits

There are several ways PE firms can approach bespoke target list building, each with trade-offs.

- **Investment banks, consulting firms, and market research firms** have the capability but are typically expensive and not structurally optimized for bespoke list-building.
- **Buy-side brokers** often involve retainers, milestone fees, or success fees, even when deals do not close.
- **In-house efforts** require expensive databases, analyst time, and opportunity cost.
- **Databases and AI-driven sourcing platforms** provide scale but are generic and widely used.
- **Freelancers** can help, but consistency and quality are difficult to assess upfront.

Agathon sits between these options. The research is manual, bespoke, and adaptable to evolving observations. The primary limitation is volume: I can support approximately **1,000–2,000 companies per month**.