Termgrid

Bookbuilding process checklist

Series 2: Running the Deal · Episode 2.1

Key steps and considerations when running a private credit bookbuilding process

Section	STEPS	KEY CONSIDERATIONS
1. Timing & preparation	**Start the debt workstream early**	Has the decision been made to include debt in the financing structure? If so, the lender outreach workstream should begin as early as possible in the overall M&A process.
	Assess transaction complexity	Where does this deal sit on the complexity scale? More complex transactions require wider outreach and longer timelines — factor this into the overall process schedule.
	Define the financing structure	Is the total debt quantum, instrument type, and capital structure sufficiently clear to take to lenders? Launching before these are settled creates confusion and undermines credibility.
	Set a realistic timeline	A new direct lending financing typically takes one to six weeks. What is the overall M&A deadline and how does this constrain the debt process?
2. Lender selection	**Define the target lender universe**	Which lenders are active in this sector, deal size, and geography? Mandate fit matters as much as relationship history.
	Determine the right number of lenders	Too few creates execution risk; too many creates confidentiality risk and process noise. What is the minimum number needed to generate competitive tension?
	Consider ticket size constraints	Does the total debt quantum fit within individual lender ticket appetites, or will a club be required? Does any lender have minimum or maximum size constraints?
	Assess relationship history	Which lenders have a track record with this borrower or sponsor? Prior relationships typically produce faster responses and more constructive indications.
	Manage confidentiality risk	Every additional lender in the process is an additional point of potential leakage. How sensitive is the transaction and does this constrain the size of the outreach?

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3. Information pack & NDAs	**Prepare the lender information pack**	Is the pack complete? Key documents include the information memorandum, financial model, FDD, CDD, LDD, and pro forma structure. See the Lender Information Pack Checklist (Primers 1.2).
	Track NDA execution	Which lenders have signed? No information should be shared before the NDA is in place. Is there a clear record of who has signed and when?
	Control document distribution	Are all lenders working from the same version of the information memorandum? Version control across a multi-lender process is a common failure point.
	Set clear information timeline	Have lenders been informed of when outstanding documents will be available? Setting expectations early reduces follow-up pressure and helps lenders plan their diligence.
4. Management presentations & diligence	**Schedule management presentations**	Are 1-on-1 or group calls appropriate given the number of lenders and process dynamics? Lenders are making a relationship decision as much as a credit decision.
	Prepare for lender questions	What are the most likely areas of focus given the transaction complexity, sector, and financial history? Are there known sensitivities that require clear messaging from the outset?
	Manage diligence follow-ups	Is there a clear process for handling lender questions? Who is responsible for responses and within what timeframe?
5. Indications & allocation	**Track indications of interest**	Is there a clear, up-to-date picture of where each lender stands on leverage, pricing, and structure? Dispersion in views across lenders is a signal worth understanding.
	Assess engagement quality	Which lenders are asking detailed, constructive questions? The quality of engagement during diligence is often a better predictor of execution reliability than headline terms.
	Manage timing pressure	Is momentum being maintained? Lenders are aware of the M&A deadline. Responsiveness and clear communication signal that the process is well run.
	Allocate with long-term relationships in mind	Allocation decisions have a long memory in the market. Lenders who engaged early and constructively are typically rewarded. How allocations are handled shapes future processes.

Note: This checklist is intended as a practical reference for anyone involved in a private credit bookbuilding process — whether as borrower, lender, or advisor. It is a guide to the key questions at each stage, not a substitute for experienced legal and financial advice on any specific transaction.