Ampleo HR

HR Due Diligence Checklist

Top 5 Things to Evaluate Before You Sign

Most due diligence checklists are written for people who've already done this a dozen times. This one isn't. It's a plain-language guide to the five HR-related things most worth evaluating before you sign, not just after, built by HR leaders who've sat on the other side of these calls.



1. People-function health check

What it is	An honest look at whether the target company has a real HR/people function, or whether one person is informally holding all of it together.
Why it matters	If that person leaves during or after the deal, you may be inheriting a function that doesn't actually exist yet.
The risk	You find out the hard way, mid-integration, instead of before you agree to a price.

2. Compliance and multi-state nexus exposure

What it is	A review of I-9 documentation, worker classification, wage-and-hour practices, and state-specific requirements everywhere the target company operates.
Why it matters	These liabilities transfer with the deal, whether or not anyone flagged them during diligence.
The risk	Misclassification and compliance gaps that were the seller's problem become yours at close.

3. Agreements, non-competes, and change-of-control

What it is	A review of what's actually written into existing employment contracts, especially anything triggered by the sale itself.
Why it matters	Some obligations, like accelerated vesting or severance triggers, only activate because the deal happens.
Why it's missed	They're easy to skim past when you're focused on the target's financials, not its people contracts.

4. Retention risk on key employees

What it is	Identifying which employees are most likely to leave, and whether they need a retention agreement or bonus built into the deal terms.
Why it matters	The people who made the company worth buying are often the ones with the most options elsewhere.
The risk	Losing them in the first 90 days, after you've already paid for the value they represented.

5. Culture and systems compatibility

What it is	A realistic assessment of how much of what you're inheriting runs on informal process, spreadsheets, or systems that won't scale.
Why it matters	This is real integration cost, and it belongs in your offer, not just your post-close budget.
The risk	Discovering the true cost of integration only after you've already agreed to a price.

Why HR belongs in the room

Because due diligence guidance varies depending on who you ask. Someone who has structured acquisitions before can tell you which of those disagreements actually matter, how to evaluate the people function honestly, and where the biggest red flags tend to hide.

Talk to an HR Expert before your next acquisition

hr.ampleo.com/contact