

Business Sale Readiness Checklist

Preparing Your Business for a Successful Exit

Financial Documentation

- 3-5 years of audited or reviewed financial statements
- Monthly financial reports for the current year
- Tax returns for the past 3-5 years
- Detailed accounts receivable and payable aging reports
- Capital expenditure schedule and depreciation records
- Bank statements and credit line documentation
- Quality of earnings adjustments identified

Operational Excellence

- Documented standard operating procedures (SOPs)
- Employee handbook and HR policies in place
- Key employee contracts and non-competes
- Management team that can operate without owner
- Customer contracts and service agreements organized
- Vendor/supplier agreements documented
- Licenses and permits current and transferable

Legal & Compliance

- Corporate documents (articles, bylaws, minutes)
- Intellectual property registrations and patents
- Environmental compliance records
- Pending litigation disclosed and resolved
- Insurance policies adequate and current
- Real estate leases reviewed for assignment clauses

Strategic Positioning

- Clear value proposition and competitive advantages
- Customer concentration below 20% per customer
- Recurring revenue streams identified
- Growth opportunities documented
- Industry trends and market position understood