

COMPLETE GUIDE TO

Selling Your Business in Oklahoma

A practical resource for Oklahoma business owners considering selling their company

FIRST TURN CAPITAL

FINRA-Registered Investment Bank & M&A Advisory

Oklahoma City • Amarillo • Dallas

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Introduction

Oklahoma business owners are asking a straightforward question: Is now the right time to sell? The answer depends on your specific situation, but the market conditions tell an interesting story.

Private equity firms have raised record amounts of capital and need to deploy it. Strategic buyers are looking to grow through acquisition rather than building from scratch. Interest rates, while higher than the near-zero environment of recent years, remain manageable for most transactions. These factors combine to create real opportunities for business owners who've built something valuable.

This guide covers the practical aspects of selling a business in Oklahoma. We'll walk through valuation methods, the M&A process from start to finish, what different types of buyers are looking for, and how Oklahoma's specific industries and regulations affect transactions. We'll also explain the difference between working with a business broker and an M&A advisor, and why that distinction matters for your outcome.

We wrote this for owners of middle-market companies with \$5 million to \$50 million in annual revenue. If you own an oilfield services company in the Permian Basin, a construction firm in Oklahoma City, a trucking operation based out of Tulsa, or a manufacturing business anywhere in the state, this information applies directly to your situation.

First Turn Capital is based in Oklahoma City. Our team has closed transactions across the industries that drive our state's economy. We understand the relationships, the regulatory environment, and the buyer networks specific to this market. This guide reflects what we've learned from working with Oklahoma business owners over many years.

Is Now the Right Time to Sell?

Timing a business sale involves two categories of factors: market conditions and personal readiness. Both matter, but they don't always align perfectly.

Market Conditions in Oklahoma

Oklahoma's economy runs on energy, construction, transportation, and manufacturing. Each sector has its own dynamics that affect business valuations.

Energy prices have stabilized after several volatile years. Oil and gas service companies with consistent revenue and diversified customer bases are attracting serious buyer interest. The Permian Basin continues to drive activity, and Oklahoma-based companies with operations in the region benefit from this demand.

Construction activity in Oklahoma City and Tulsa remains strong. Population growth, commercial development, and infrastructure projects have kept concrete, HVAC, and general contractors busy. Buyers recognize that these companies often have established relationships and equipment that would be expensive to replicate.

Trucking and logistics companies face a mixed picture. Driver shortages persist, but companies that have solved their recruitment and retention challenges command premium valuations. The proximity to major distribution corridors makes Oklahoma logistics companies attractive to national buyers.

Private Equity Activity

Private equity firms have accumulated significant capital that they need to invest. This creates competition for quality businesses, which benefits sellers. Many PE firms now look at companies that historically would have been too small for their attention. A business with \$2 million in EBITDA that once would have only attracted individual buyers now might receive interest from PE platforms looking to add on to existing investments.

Personal Readiness Factors

Market conditions only matter if you're personally ready. Consider whether your business has shown consistent profitability over the past three or more years. A single strong year doesn't establish a pattern that buyers can rely on.

Think about your own involvement in daily operations. If the business depends heavily on you for sales, customer relationships, or technical expertise, you'll need time to reduce that dependency before a sale. Buyers discount companies where the owner is irreplaceable.

Your financial records need to be in order. Cash-basis accounting, commingled personal expenses, and incomplete documentation all create problems during due diligence.

These issues don't make a sale impossible, but they slow the process and give buyers negotiating leverage.

Understanding Your Business Value

Business valuation isn't a single number. It's a range that depends on who's buying, why they're buying, and what they're willing to pay for your specific situation. That said, there are standard methods that most buyers use as starting points.

The EBITDA Multiple Approach

Most middle-market transactions use EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) as the baseline metric. The buyer then applies a multiple to determine value. For companies in the \$5 million to \$50 million revenue range, multiples typically fall between 4x and 7x EBITDA, though exceptional situations can push higher.

Several factors influence where your company falls within that range:

- Revenue and EBITDA trends over the past three to five years
- Customer concentration (heavy reliance on a few customers reduces value)
- Owner dependency (businesses that run without the owner command higher prices)
- Recurring revenue or long-term contracts
- Quality of management team and employees
- Growth potential in current and adjacent markets

Industry-Specific Considerations

Different industries trade at different multiples, and Oklahoma's key sectors each have their own valuation dynamics.

Oil and Gas Services: Valuations in this sector correlate with commodity prices and the stability of customer relationships. Companies with long-term contracts or work with major operators tend to trade higher than those dependent on spot work. Equipment values matter significantly in this space.

Construction and Concrete: Buyers look closely at backlog, bonding capacity, and the quality of estimating. A strong backlog provides visibility into future revenue. Bonding relationships that transfer with the company add value.

Trucking and Logistics: Fleet age and condition directly affect value. So does driver retention. Companies with stable driver pools and modern equipment trade at premiums to those with old trucks and high turnover.

Manufacturing: Buyers evaluate equipment, facility condition, customer contracts, and proprietary processes. Companies with intellectual property or specialized capabilities that create barriers to entry command higher multiples.

Add-Backs and Adjustments

Your financial statements likely don't show the true economic profit of your business. Business owners routinely run personal expenses through the company, pay themselves above or below market rate, and make discretionary spending decisions that a new owner might make differently.

The process of identifying and documenting these adjustments produces "adjusted EBITDA." Common add-backs include:

- Owner compensation above market replacement cost
- Family member salaries for employees who won't continue
- Personal vehicles, travel, or other perks
- One-time expenses (legal settlements, major repairs, etc.)
- Above-market rent on owner-held real estate

Buyers will scrutinize every add-back. Having documentation and reasonable justifications matters. Aggressive add-backs that don't hold up under diligence can damage your credibility and give buyers leverage to renegotiate price.

Preparing Your Business for Sale

The work you do before going to market directly affects your outcome. Businesses that are well-prepared sell faster, at higher prices, with fewer deal-killing surprises. Plan on six to twelve months of preparation before actively marketing your company.

Financial Records

Buyers want to see at least three years of financial statements. If your books are on a cash basis, consider converting to accrual accounting. Cash-basis statements can misrepresent your actual economic performance, especially if you have significant receivables or payables.

Monthly financials matter. Annual statements don't show seasonality or recent trends. Buyers will ask for monthly data to understand your business cycle and verify that recent performance supports your projections.

Separate business and personal expenses completely. If you've been running a boat or a hunting lease through the company, stop now. Clean books make the sales process smoother and give buyers confidence in what they're purchasing.

Operations Documentation

Document your key processes and procedures. If critical knowledge exists only in your head or your key employees' heads, that's a risk that buyers will price into their offers. Written procedures for sales, operations, customer service, and financial processes increase confidence in a smooth transition.

Organize your contracts. Customer agreements, vendor relationships, equipment leases, employment arrangements, and any other material contracts should be collected, reviewed for assignability, and ready for buyer review.

Reducing Owner Dependency

This is often the hardest preparation step. If customers call you directly for problems, if you handle all the sales relationships, if you sign off on every decision, your business depends on you. Buyers see that dependency as risk.

Start delegating. Build a management team that can run operations without you. Introduce customers to other team members. Create systems that don't require your daily involvement. The goal is to demonstrate that the business generates its earnings independent of your specific participation.

Legal and Compliance Cleanup

Address any outstanding legal, regulatory, or compliance issues before going to market. Open litigation, environmental problems, tax disputes, or licensing issues don't have to

be deal-killers, but they're much easier to handle on your timeline than during a pressured due diligence period.

Confirm that all required licenses and permits are current. For Oklahoma businesses, this might include DOT authority for trucking, ODEQ permits for operations with environmental impact, contractor licenses, or industry-specific certifications.

The M&A Process: Step by Step

A typical middle-market transaction follows a structured process. Understanding each step helps you prepare and sets realistic expectations for timeline and effort required.

Step 1: Business Valuation

The process begins with understanding what your company is worth. This involves analyzing your financial performance, market position, and growth prospects. A professional valuation establishes realistic expectations and provides a foundation for pricing discussions with buyers.

Step 2: Selecting Your Advisory Team

You'll need an M&A advisor to run the process, a transaction attorney to handle legal matters, and a tax advisor to structure the deal efficiently. Some sellers also engage a wealth manager to plan for life after the sale. These professionals work together, with the M&A advisor typically coordinating the overall process.

Step 3: Preparing Marketing Materials

Your advisor creates a Confidential Information Memorandum (CIM), a detailed document presenting your company to potential buyers. This covers your history, operations, financial performance, market position, growth opportunities, and management team. A well-crafted CIM tells your company's story and addresses buyer questions proactively.

Step 4: Identifying Buyers

Your advisor develops a target list of potential buyers, including strategic acquirers (companies in your industry or adjacent markets), private equity firms, and qualified individual buyers. The list balances casting a wide net with maintaining confidentiality by excluding parties who pose competitive risks.

Step 5: Confidential Marketing

Potential buyers receive a "teaser" that describes your company without identifying it. Interested parties sign a Non-Disclosure Agreement before receiving the full CIM. This protects your business from competitors learning sensitive information and from employees, customers, or vendors hearing rumors about a potential sale.

Step 6: Letter of Intent (LOI)

Interested buyers submit Letters of Intent outlining their proposed terms: purchase price, deal structure, financing approach, and timeline. The LOI isn't binding on price, but it typically includes an exclusivity period during which you agree not to negotiate

with other buyers. Your advisor helps you evaluate offers on both price and probability of closing.

Step 7: Due Diligence

Once you sign an LOI, the buyer conducts detailed due diligence. They verify your financial statements, review contracts, assess operations, evaluate legal and compliance matters, and interview management. This phase typically takes 60 to 90 days and requires significant time from you and your team.

Step 8: Quality of Earnings

Most buyers commission a Quality of Earnings (QofE) report from an independent accounting firm. This analysis verifies your adjusted EBITDA, examines revenue quality, evaluates working capital, and identifies potential issues. The QofE often becomes a basis for final price negotiations.

Step 9: Final Negotiations

Due diligence findings lead to negotiation of final terms. Issues discovered during diligence may result in price adjustments or changes to deal structure. Your attorney negotiates the definitive purchase agreement, addressing representations and warranties, indemnification, and other legal terms.

Step 10: Closing

At closing, documents are signed, funds transfer, and ownership changes hands. Closing typically occurs 30 to 60 days after completing due diligence. You may have ongoing obligations through a transition period, earnout, or other post-closing arrangements.

M&A Advisors vs. Business Brokers

This distinction matters more than most business owners realize. The type of professional you work with affects your outcome significantly.

What Business Brokers Do

Business brokers typically handle smaller transactions, often under \$2 million in total value. They usually operate on a commission-only basis, earning a percentage (often 10% to 12%) of the final sale price. Most brokers list businesses on databases and wait for buyers to find them.

The commission-only model creates a problem you should understand. A broker who works purely on commission has an incentive to close deals quickly at whatever price buyers offer, rather than maximizing value through a competitive process. If a buyer offers \$3 million and you think the business is worth \$4 million, the broker's commission difference between those prices might be only \$100,000. That's not enough to justify months of additional work from their perspective, even though it's a million dollars to you.

Business brokers also face limitations on what they can do. In most states, advising on the terms and structure of securities transactions requires registration. Brokers who aren't registered can't legally advise you on deal structure, earnouts, seller financing, or equity rollovers. They can only introduce buyers and help with basic negotiation.

What M&A Advisors Do

M&A advisors, sometimes called investment bankers, handle larger and more complex transactions. They run structured processes designed to maximize value through competitive tension among buyers. Their fee structure typically combines an upfront retainer with a success fee at closing.

The retainer model aligns incentives differently. Because the advisor receives compensation for their work regardless of whether a deal closes, they can afford to walk away from a bad offer and continue marketing. They're not pressured to push you toward a quick close at a lower price.

M&A advisors proactively approach potential buyers rather than waiting for inbound interest. They create competitive processes where multiple buyers submit offers, then use that competition to drive up price and improve terms.

Why FINRA Registration Matters

Here's something many business owners don't know: most business transactions technically involve securities. When someone buys your company's stock, or when deal terms include earnouts, seller notes, or equity rollovers, those are securities transactions. Federal law requires anyone receiving transaction-based compensation for

facilitating securities transactions to be registered with FINRA (Financial Industry Regulatory Authority).

FINRA registration means the firm and its representatives have passed qualification exams, maintain continuing education, follow detailed compliance procedures, and submit to regulatory oversight. Client funds are protected by SIPC (Securities Investor Protection Corporation) insurance.

First Turn Securities, LLC, our registered broker-dealer affiliate, handles all securities transactions for First Turn Capital. This registration allows us to legally advise on deal structure, negotiate complex terms, and ensure your transaction meets regulatory requirements.

Check Before You Hire Anyone

Before working with any M&A advisor, check their credentials on FINRA BrokerCheck at brokercheck.finra.org. This free public database shows registration status, regulatory history, and any complaints or disciplinary actions. If a firm receiving transaction-based compensation isn't registered, they may be operating illegally and aren't subject to the same standards and protections.

We encourage every business owner to check BrokerCheck regardless of which firm you choose. It takes two minutes and provides valuable information about who you're trusting with what may be the largest financial transaction of your life.

Quick Comparison

Factor	Business Broker	M&A Advisor
Typical Deal Size	Under \$2M	\$5M and above
Fee Structure	Commission only	Retainer + Success Fee
Buyer Approach	Listing databases	Proactive outreach
FINRA Registered	Rarely	Should be
Deal Structuring	Limited	Full capability

Types of Buyers in Oklahoma

Different types of buyers approach acquisitions with different goals, timelines, and price expectations. Understanding who might buy your company helps you prepare and set realistic expectations.

Strategic Buyers

Strategic buyers are companies in your industry or related industries. They acquire businesses to expand geographically, add capabilities, gain customers, or eliminate competition. A larger oilfield services company might buy your operation to enter the Oklahoma market. A national HVAC consolidator might want your customer base and reputation.

Strategic buyers often pay premium prices because they can realize synergies: cost savings from combining operations, revenue gains from cross-selling, or competitive advantages from increased scale. They typically have the industry knowledge to complete due diligence quickly and the resources to close without financing contingencies.

Private Equity Firms

Private equity firms invest capital from institutional and wealthy individual investors. They typically buy companies, improve operations, and sell for a profit within five to seven years. PE has become increasingly active in Oklahoma, particularly in energy services, construction, and business services.

PE buyers often offer "platform" and "add-on" opportunities. A platform investment becomes the foundation of a larger consolidation strategy. Add-on acquisitions are smaller companies purchased to grow an existing platform. Add-on valuations are sometimes lower than platform valuations, but they may offer opportunity for sellers to participate in future growth through rollover equity.

Individual Buyers

Individuals looking to own and operate a business represent another buyer category. These range from executives leaving corporate careers to entrepreneurs looking for established cash flow rather than startup risk. Individual buyers typically use SBA loans, which limits their purchasing power to smaller transactions but provides attractive terms.

Family Offices

Family offices manage wealth for high-net-worth families. Some make direct investments in operating businesses, particularly those that align with the family's industry experience or interests. Oklahoma has numerous family offices with roots in energy, ranching, and other industries who actively consider acquisitions.

Management Buyouts

Your existing management team may want to buy the company. Management buyouts (MBOs) offer continuity for employees and customers. They typically require creative financing since managers rarely have the capital to fund a full acquisition. PE firms often partner with management teams, providing capital while allowing managers to run operations.

Deal Structure Options

How a deal is structured affects your net proceeds, tax liability, risk, and ongoing involvement. Understanding these options helps you evaluate offers.

Asset Sale vs. Stock Sale

In an asset sale, the buyer purchases specific assets: equipment, inventory, contracts, goodwill. Your company continues to exist but owns only the cash from the sale. In a stock sale, the buyer purchases your ownership interest in the company. They get everything, including any liabilities you didn't know about.

Buyers usually prefer asset sales because they can step up the tax basis of the assets and avoid inheriting unknown liabilities. Sellers of C corporations often prefer stock sales for tax reasons. S corporation and LLC owners have more flexibility. The final structure becomes a negotiation point, often with price adjustments reflecting the tax impact on each side.

Cash at Close

The simplest structure: you receive a fixed amount of cash when the deal closes. This provides certainty and eliminates future risk. However, buyers paying entirely in cash at closing typically offer lower prices than those proposing structures with deferred components.

Earnouts

An earnout makes part of your payment contingent on future performance. If the company hits certain revenue or profit targets after closing, you receive additional compensation. Earnouts bridge valuation gaps when buyers and sellers disagree on future potential.

Earnouts carry real risks. You no longer control the business, but your payment depends on how the buyer operates it. Disputes over earnout calculations are common. If you agree to an earnout, detailed definitions and measurement procedures in the purchase agreement are essential.

Seller Financing

Some deals include a seller note: you essentially lend part of the purchase price to the buyer, receiving principal and interest payments over time. This is common when buyers can't access sufficient bank financing. Seller notes typically carry interest rates between 5% and 8% and terms of three to seven years.

Seller financing gives you ongoing exposure to the business. If the buyer fails, you may not collect. However, notes are often secured by the business assets, giving you recovery options.

Rollover Equity

PE buyers often ask sellers to "roll" a portion of their proceeds into equity in the acquiring company. You receive cash for most of your ownership but retain a stake (typically 10% to 30%) in the go-forward business. When the PE firm later sells, you participate in that gain.

Rollover equity can produce significant returns if the buyer successfully grows the business and sells at a higher multiple. It also defers taxes on the rolled portion until the second sale. The risk is that your investment is illiquid and concentrated in a single company.

Due Diligence: What to Expect

Due diligence is the buyer's opportunity to verify everything you've told them and discover anything you haven't. It's thorough, time-consuming, and often uncomfortable. Preparation makes a significant difference in how smoothly this phase proceeds.

Financial Due Diligence

Buyers examine your financial statements in detail. They trace revenue to invoices and contracts. They verify expenses match actual payments. They analyze trends, seasonality, and customer concentration. If you've claimed add-backs to EBITDA, expect intense scrutiny of each adjustment.

The Quality of Earnings (QofE) analysis is typically the centerpiece of financial diligence. A third-party accounting firm reviews your financials and produces a report on the quality and sustainability of your earnings. QofE findings frequently lead to purchase price adjustments.

Legal Due Diligence

Lawyers review your contracts, looking for change-of-control provisions that might require customer or vendor consent for the transaction. They examine your corporate records, intellectual property, employment agreements, and any pending or threatened litigation. Title and lien searches verify ownership of real estate and major equipment.

Operational Due Diligence

Buyers want to understand how your business actually operates. They'll tour facilities, interview managers, review key customer and vendor relationships, and assess your technology and systems. Strategic buyers look for integration challenges and synergy opportunities. PE buyers evaluate whether the business can grow under new ownership.

Environmental Due Diligence

For Oklahoma businesses in oil and gas, construction, or manufacturing, environmental review is particularly important. Phase I assessments identify potential contamination issues. Phase II assessments involve actual testing. Environmental problems can kill deals or result in significant price adjustments and indemnification requirements.

Managing the Process

Due diligence typically takes 60 to 90 days. During this period, you'll respond to hundreds of document requests, answer detailed questions, and make key employees available for interviews. All while continuing to run your business.

Organization matters. A virtual data room with well-organized documents speeds the process and demonstrates professionalism. Incomplete or delayed responses extend timelines and create concern about what might be hidden.

Legal and Regulatory Considerations

Oklahoma business transactions involve federal and state regulatory requirements. Understanding these helps you prepare and avoid surprises.

Industry-Specific Licenses

Many Oklahoma businesses require licenses that don't automatically transfer in a sale. Construction contractors need licenses from the Construction Industries Board. Trucking companies operate under DOT authority. Oilfield services companies may hold various permits from the Corporation Commission.

Plan for license transfers or new applications early. The timelines can be long, and having licenses in place before closing may be a condition of the purchase agreement.

Environmental Compliance

Oklahoma Department of Environmental Quality (ODEQ) oversees environmental regulations in the state. If your operations require permits for air emissions, water discharge, or waste handling, buyers will verify compliance and current status. Historical contamination issues, even from prior owners, can become transaction issues.

Employment Considerations

Oklahoma is an at-will employment state, but employment issues still require attention in transactions. Buyers review employment practices, wage and hour compliance, benefit obligations, and any pending claims. Non-compete agreements with key employees may need to be assigned or replaced.

Contract Assignability

Review your key contracts for assignment provisions. Many contracts require consent for assignment, some prohibit it entirely, and others have automatic termination upon change of control. Customer and vendor contracts, leases, and financing agreements all need examination.

Working with Transaction Attorneys

You'll need a lawyer experienced in M&A transactions. This isn't the time for your regular business attorney who handles contracts and employment issues. Transaction lawyers understand purchase agreement terms, know what protections sellers need, and can negotiate effectively with buyer counsel.

Oklahoma has several law firms with active M&A practices. Your M&A advisor can recommend attorneys with relevant experience in your industry and deal size range.

Tax Implications of Selling

Important Notice: *This section provides general information about tax considerations in business sales. It's not tax advice. Tax laws change, individual situations vary, and the stakes are high. Work with a qualified tax advisor before and during your transaction.*

Federal Capital Gains

When you sell a business you've held for more than a year, the gain is generally taxed as long-term capital gain. Current federal rates for long-term capital gains range from 0% to 20%, depending on your income level. High earners also pay an additional 3.8% net investment income tax.

The actual tax calculation is more complex than a single rate. Asset sales involve allocating the purchase price among different asset classes, each with different tax treatments. Some allocations produce ordinary income rather than capital gains. Your tax advisor should be involved in allocation negotiations.

Oklahoma State Tax

Oklahoma taxes capital gains as ordinary income at rates up to 4.75%. Unlike some states, Oklahoma doesn't offer a preferential rate for capital gains. State tax planning, including timing and residency considerations, can affect your net proceeds.

Entity Structure Impact

Your business structure significantly affects taxation. S corporations, LLCs, and partnerships generally pass gains through to owners at individual tax rates. C corporations face potential double taxation: corporate tax on the sale, then shareholder tax on distributions. However, C corps may qualify for Qualified Small Business Stock (QSBS) exclusions under certain conditions.

Installment Sales

Receiving payments over time (through seller financing or earnouts) may allow installment sale treatment, spreading tax liability across the payment period. This can reduce the impact of bracket creep and defer taxes. However, installment treatment involves trade-offs with risk and present value that require careful analysis.

Planning Ahead

Tax planning should begin well before you go to market. Strategies like charitable giving, opportunity zone investments, or estate planning techniques can reduce your tax

burden but often require advance implementation. Your tax advisor should be part of your deal team from the start.

Common Mistakes to Avoid

We've seen transactions succeed and fail. The mistakes that cause problems tend to follow patterns.

Unrealistic Valuation Expectations

Many owners believe their company is worth more than the market will pay. They've built something over decades and assigned emotional value that buyers don't share. They've heard about headline transactions involving companies unlike theirs. Starting with unrealistic expectations wastes time and can sour relationships with potential buyers.

Poor Financial Records

Disorganized or incomplete financial records are red flags that slow deals and reduce value. Buyers who can't verify your numbers discount their offers to account for uncertainty. Clean books project professionalism and give buyers confidence.

Going It Alone

Some owners try to save fees by handling the sale themselves. This almost always backfires. You don't know the market. You don't have buyer relationships. You don't know how to run a competitive process. You're emotionally invested. Professional advisors more than earn their fees through higher sale prices and better terms.

Talking to Competitors First

It's tempting to approach that competitor who's expressed interest over the years. But sharing sensitive information with competitors is risky. If the deal doesn't close, they've learned your customer list, pricing, and margins. Professional advisors know how to approach competitive buyers while protecting your information.

Ignoring Confidentiality

Word gets out. Employees hear rumors and start job hunting. Customers wonder about continuity and consider alternatives. Vendors tighten credit terms. Competitors use the information against you. Maintaining confidentiality throughout the process protects your business if the deal doesn't close.

Accepting the First Offer

First offers are rarely best offers. Running a competitive process creates tension that drives up price and improves terms. Even if you like the first buyer, having alternatives gives you leverage. Many sellers leave significant value on the table by committing too early.

Neglecting Life After the Sale

Running a business provides structure, identity, and purpose. Many owners struggle after selling. Having a plan for your time, your money, and your sense of self matters. Talk with wealth advisors and, honestly, consider your own psychology before committing to a sale.

Industry-Specific Considerations

Oklahoma's economy concentrates in specific industries. Each presents unique considerations when selling.

Oil and Gas Services

The energy sector's cyclical nature creates both opportunity and challenge. Valuations correlate with commodity prices, but sophisticated buyers look beyond current conditions to assess the company's performance across cycles.

Customer concentration matters significantly. A company dependent on one or two major operators carries more risk than one with diversified relationships. Long-term service contracts, while uncommon in this industry, add value when they exist.

Equipment valuation is complex. Specialized oilfield equipment may have substantial book value but limited resale markets. Buyers often commission independent appraisals and discount values accordingly. Well-maintained, modern equipment supports higher valuations.

Geographic footprint matters. Companies with operations in multiple basins (Permian, SCOOP/STACK, Mid-Continent) are more attractive than those limited to a single area. Oklahoma companies with Permian Basin presence particularly interest buyers given that region's activity levels.

Construction and Concrete

Backlog provides visibility into future revenue. A strong backlog of signed contracts supports valuation and reduces buyer risk. However, buyers scrutinize backlog quality: Are the contracts profitable? Are they with creditworthy customers? Are there cost escalation provisions?

Bonding relationships are valuable. Surety relationships that have developed over years represent real assets. Buyers want assurance that bonding capacity will transfer or that the combined entity will maintain adequate capacity.

Equipment condition and age directly affect value. Construction equipment has active resale markets, so values are relatively easy to verify. Fleets that will require significant near-term replacement justify lower enterprise values.

Estimating capability is a key asset. Companies with strong estimating track records command premiums. Buyers evaluate historical bid-to-complete margins to assess whether estimated profits actually materialize.

Trucking and Logistics

Driver retention defines success in trucking. Companies that have solved the driver recruitment and retention challenge stand apart. Buyers examine turnover rates, compensation structures, and company culture as indicators of sustainable operations.

Fleet age and condition matter enormously. Older trucks mean higher maintenance costs and capital requirements. Buyers calculate the true cost of operating and replacing the fleet when evaluating offers.

DOT compliance receives close scrutiny. Safety ratings, inspection histories, hours-of-service compliance, and drug testing programs all factor into buyer evaluation. Compliance problems can kill deals or require significant indemnification.

Customer contract quality varies. Long-term contracts with rate escalation provisions are valuable. Spot market dependence creates volatility. Diversification across customers and freight types reduces risk and supports valuation.

Manufacturing

Facility and equipment are obvious valuation factors. Buyers assess capacity utilization, equipment condition, and facility suitability. Modern, well-maintained operations support premium valuations. Deferred maintenance creates discounts and negotiating points.

Intellectual property can differentiate manufacturing businesses. Proprietary processes, patents, trade secrets, or specialized capabilities that create barriers to entry justify higher multiples. Generic manufacturing with undifferentiated capabilities trades at lower values.

Supply chain relationships matter more after recent disruptions. Companies with secure, diversified supply chains demonstrate operational resilience. Dependence on single-source suppliers represents risk that affects valuation.

Customer concentration concerns apply strongly in manufacturing. Large customers with substantial purchasing power can squeeze margins. Loss of a major customer can devastate the business. Diversified customer bases with reasonable concentration levels support value.

The Oklahoma M&A Market

Oklahoma presents a distinct M&A environment shaped by industry concentration, relationship networks, and regional economics.

Active Industry Sectors

Energy services continue to drive transaction activity. The Permian Basin's production growth creates demand for Oklahoma-based service providers with operations in west Texas and eastern New Mexico. Strategic buyers and PE firms actively pursue platforms in this space.

Construction and related trades see consistent buyer interest. Population growth in Oklahoma City and Tulsa, commercial development, and infrastructure investment maintain demand for contractors, material suppliers, and specialty trades.

Business services, including staffing, facilities management, and professional services, attract buyers seeking geographic expansion. National consolidators look for regional platforms with strong customer relationships.

Regional Dynamics

Oklahoma City has emerged as a genuine metropolitan market. Economic diversification beyond energy, a growing technology sector, and quality of life improvements attract both companies and talent. Businesses in the OKC metro benefit from this broader economic story.

Tulsa maintains strength in energy, aerospace, and manufacturing. Its location along major transportation corridors supports logistics and distribution operations. The American Airlines maintenance hub and aerospace manufacturing create specialized opportunities.

Oklahoma's smaller markets (Lawton, Norman, Edmond, Stillwater) host businesses that serve regional needs and sometimes attract buyers seeking specific capabilities or territories.

Buyer Interest Patterns

National PE firms have increased their Oklahoma activity. Energy sector expertise, combined with more reasonable valuations than coastal markets, makes Oklahoma businesses attractive. Middle-market PE firms with energy and industrial focus particularly target Oklahoma companies.

Strategic buyers from neighboring states (Texas, Kansas, Colorado) look to Oklahoma for geographic expansion. Oklahoma companies with customers or operations in those states often attract interest from regional competitors.

Oklahoma family offices and wealthy individuals represent a meaningful buyer pool for smaller transactions. Multi-generational oil and gas wealth has created capital looking for operating business investments.

How Long Does It Take?

Realistic timeline expectations help you plan. Rushed processes rarely produce optimal outcomes.

Phase	Typical Duration
Preparation	3 to 12 months
Marketing and Buyer Outreach	2 to 4 months
LOI Negotiation	2 to 4 weeks
Due Diligence	60 to 90 days
Final Negotiation and Closing	30 to 60 days
Total Timeline	6 to 18 months

The preparation phase varies most widely. A business with clean financials, documented processes, and reduced owner dependency can go to market quickly. One requiring significant cleanup takes longer. Rushing preparation to meet an arbitrary timeline usually costs more in final value than the delay would.

Marketing duration depends on buyer interest. Highly desirable businesses in active sectors attract offers quickly. More specialized companies may require broader outreach and longer marketing periods.

Due diligence timelines are somewhat predictable but can extend if issues arise. Problems discovered during diligence require resolution before closing. Clean businesses with organized documentation move faster through this phase.

Protecting Confidentiality

Confidentiality isn't just about protecting your information during the sales process. It protects your business if a sale doesn't happen.

Why It Matters

Rumors of a sale can damage your business in multiple ways. Key employees may start looking for other opportunities. Customers may question whether you'll continue serving them and consider alternatives. Competitors may use the information to approach your customers or recruit your staff. Vendors may tighten credit terms or prioritize other customers.

Oklahoma's business community is tight-knit. Word travels quickly through industry networks, country clubs, and church connections. Managing confidentiality requires deliberate effort.

NDAs and Their Limitations

Non-Disclosure Agreements provide legal protection, but they're imperfect. Proving a breach is difficult. Damages can be hard to quantify. And enforcement takes time and money. NDAs create a deterrent and establish expectations, but they can't prevent all leaks.

Blind Marketing

The "teaser" used to market your company doesn't identify it. Potential buyers see a description of the business (industry, size, location, general characteristics) without knowing the company name. Only after signing an NDA do they receive identifying information.

Sophisticated marketing requires enough specificity to attract appropriate buyers while maintaining anonymity. Your advisor should review the teaser carefully to ensure it doesn't inadvertently identify your company to industry insiders.

When to Tell Employees

Most owners keep the sales process confidential from employees until a deal is imminent. Key managers may need to know earlier, particularly if they'll participate in buyer meetings or due diligence. Bringing key employees into confidence requires careful judgment about their likely reaction and ability to maintain discretion.

Having a retention plan for key employees often makes sense before announcing a sale. Buyers frequently require key employee commitments as a condition of closing.

Life After the Sale

What comes next? It's a question worth serious consideration before you commit to selling.

Transition Period

Most deals require the seller to remain involved for some transition period, typically six months to two years. You may have formal employment with specific responsibilities, or you may provide consulting services as needed. Either way, expect that the new owner will want your help ensuring customer relationships continue, employees remain engaged, and operations proceed smoothly.

The transition experience varies. Some sellers enjoy the reduced responsibility while staying connected. Others find it difficult to watch new owners make decisions they disagree with. Understanding your likely reaction helps you negotiate appropriate transition terms.

Managing Earnouts

If your deal includes an earnout, you'll have ongoing interest in business performance without controlling it. Clear earnout terms in the purchase agreement help, but disputes still arise. Staying engaged during the earnout period, while resisting the urge to second-guess every decision, requires balance.

What to Do with Proceeds

Selling a business often means receiving more liquid wealth at once than you've ever managed. Having a plan for those proceeds before closing helps avoid poor decisions made in the excitement of the moment.

Work with a wealth advisor experienced in sudden liquidity events. They can help you think through investment allocation, tax efficiency, estate planning, and charitable giving. Take time before making major decisions; the money isn't going anywhere.

Identity and Purpose

For many owners, the business has been the central focus of their lives for decades. Selling can create an identity void that surprises people. Who are you if you're not the person who built and runs XYZ Company?

Think about what comes next. Some owners start new ventures. Others engage with community organizations, boards, or mentorship. Some genuinely enjoy retirement. Having activities that provide structure, social connection, and purpose helps the transition.

Working with First Turn Capital

First Turn Capital is an Oklahoma City-based investment bank serving middle-market companies. We've helped owners across Oklahoma's key industries navigate successful transactions.

Our Background

We focus on sell-side advisory work for companies with \$5 million to \$50 million in revenue. Our team brings decades of combined experience in M&A transactions, with particular depth in oil and gas services, construction, trucking, manufacturing, and professional services.

Being based in Oklahoma matters. We understand the business community, the relationship networks, and the regional economics. We know which PE firms are active in our market and which strategic buyers have shown interest in Oklahoma companies. That local knowledge translates into better buyer targeting and more productive conversations.

Our Registration and Why It Matters

First Turn Securities, LLC, our registered broker-dealer affiliate, is a member of FINRA and SIPC. This registration means we operate under regulatory oversight, maintain compliance procedures, and have passed qualification examinations. Your interests are protected by rules governing client relationships and by SIPC insurance covering client assets.

This registration allows us to advise on deal structure, earnouts, seller financing, and equity rollovers. Firms without this registration face legal limitations on the advice they can provide.

Our Process

We begin with a confidential conversation to understand your situation, goals, and timeline. If working together makes sense, we provide a detailed valuation analysis and develop a customized marketing strategy.

We run competitive processes designed to maximize value. That means identifying the right buyers, creating professional marketing materials, managing confidential outreach, and creating competitive tension that improves your outcome. We guide negotiations, coordinate due diligence, and work with your legal and tax advisors through closing.

Our Fee Structure

We charge a retainer during the engagement period plus a success fee at closing. The retainer reflects our commitment to working actively on your behalf regardless of outcome. The success fee aligns our interests with achieving the highest possible value.

This structure differs from commission-only business brokers. We can afford to walk away from inadequate offers and continue marketing because we're not dependent solely on closing a deal. That independence benefits our clients.

Frequently Asked Questions

How much is my business worth?

Value depends on financial performance, industry, growth prospects, and market conditions. Most middle-market businesses trade at 4x to 7x EBITDA, but your specific situation determines where you fall in that range. A professional valuation provides a realistic assessment.

Should I use a business broker or an M&A advisor?

For businesses with enterprise values above \$5 million, an M&A advisor typically delivers better outcomes. The higher fees are offset by higher sale prices, better terms, and reduced risk of deals falling apart. Check FINRA BrokerCheck to verify registration status before engaging any firm.

How long will the process take?

Plan for six to eighteen months from decision to closing. Preparation takes three to twelve months depending on your readiness. Marketing and buyer outreach typically take two to four months. Due diligence runs sixty to ninety days, followed by one to two months to finalize and close.

What if my financials aren't perfect?

Few businesses have perfect financial records. The question is whether issues can be addressed before marketing or will need to be disclosed and managed during the process. Starting early allows time to clean up records, convert accounting methods, and document adjustments properly.

Can I stay involved after selling?

Most buyers want sellers to remain involved through a transition period. Beyond that, your ongoing role depends on the buyer and deal structure. Some sellers retain consulting roles, board seats, or operational positions. Others prefer a clean break after transition.

What happens to my employees?

Buyers generally want to retain employees, particularly key managers and those with specialized knowledge. Employee concerns are legitimate and worth discussing with potential buyers. Many deals include provisions protecting employee positions and benefits for some period after closing.

How do you find buyers?

M&A advisors maintain relationships with PE firms, strategic buyers, and other acquirers. We proactively reach out to parties likely to have interest in your specific business. This differs from business broker listing services that wait for buyers to come to them.

What are typical advisor fees?

M&A advisor fees vary based on deal size and complexity. The typical structure includes a retainer (often \$5,000 to \$15,000 per month) plus a success fee calculated as a percentage of transaction value (often 3% to 5% for middle-market deals, declining for larger transactions). Business brokers typically charge commission-only fees of 10% to 12%.

Do I need a lawyer?

Yes. A transaction attorney protects your interests in the purchase agreement. The representations, warranties, and indemnification provisions have real financial consequences. This isn't the place for your regular business attorney; you want someone experienced in M&A transactions.

What's the tax impact?

Tax consequences depend on deal structure, your entity type, and your personal situation. Capital gains rates apply to most of the proceeds, but allocation of purchase price among asset categories affects the mix of capital gains and ordinary income. Engage a tax advisor early in the process.

Can I sell part of my business?

Yes. Partial sales to PE firms are increasingly common. You take cash off the table while retaining ownership (typically 10% to 30%) and participating in future growth. This approach lets you diversify your wealth while continuing to be involved in the business.

What if I change my mind?

Until you sign a Letter of Intent with exclusivity provisions, you can withdraw from the process at any time. After signing an LOI, you've made commitments that limit your flexibility. After signing the purchase agreement, walking away has serious legal and financial consequences. Understand each commitment before making it.

Next Steps

If you're considering selling your Oklahoma business, here's how to move forward thoughtfully.

Get a Professional Valuation

Understand what your business is actually worth in the current market. A professional valuation sets realistic expectations and provides a foundation for all subsequent decisions. First Turn Capital provides confidential valuation analyses for business owners considering a sale.

Assess Your Readiness

Review your financial records, documentation, and owner dependency. Identify what needs attention before going to market. Honest assessment now prevents problems later.

Build Your Advisory Team

Assemble the professionals who will guide you through the process: M&A advisor, transaction attorney, and tax advisor at minimum. Coordinating these advisors early prevents gaps and conflicts later.

Plan Your Timeline

Work backward from your target closing date. Allow adequate time for preparation, marketing, and closing. Rushed processes rarely produce optimal outcomes.

Ready to Explore Your Options?

Schedule a confidential conversation with First Turn Capital. We'll discuss your situation, answer questions, and help you understand whether now is the right time to pursue a transaction.

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Important Disclosures

This guide provides general information about selling a business and does not constitute legal, tax, financial, or investment advice. Every business situation is unique, and outcomes depend on specific circumstances that this guide cannot address.

Readers should consult qualified professionals (attorneys, accountants, tax advisors, and financial advisors) before making decisions about selling a business. The information in this guide may not reflect current legal or regulatory requirements, market conditions, or industry practices.

Any examples, case studies, or hypothetical scenarios presented are for illustrative purposes only and do not represent actual transactions or predict future results. Past transaction outcomes do not indicate future results.

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