

## Getting Your Business Ready to Sell Checklist



This is a detail-oriented process and starting early is the best strategy. These lists are not meant to be all inclusive but should give a general idea of what enhances value and what documents to organize when getting your business ready to sell. Ensuring these items are in order now can help you maximize the efficiency of the sale process and the value of your business when you do sell.

### VALUE ENHANCERS

#### Strong Management Teams

- How deep and talented is your leadership team?
- What are their intentions?
- Will they rollover equity?

#### Correct Deal Structure

- Do you want to sell a majority or minority stake?
- Will you rollover equity after a sale?
- What are deal breakers for you (e.g. asset deal)?

#### Growth Opportunities

- Are acquisitions or mergers on your horizon?
- Do you have the cash to take advantage of opportunities?
- What would be your top 2-3 growth priorities?

#### Financial Performance

- Are the trends and trajectories positive?
- Do you have a forecasting process?
- If so, are you hitting projections?

#### Revenue Dynamics

- Do you have recurring revenue?
- How many industries are you selling into?
- How diverse is your product/service offering?

#### Customer Dynamics

- How diverse is your customer base?
- What is the quality of your contracts?

#### Quality of Earnings

- What percent of earnings are adjusted vs unadjusted?
- How clean are your financial statements?
- How well are you complying with GAAP?
- Do you prepare financial statements monthly on a consistent basis?

### DOCUMENTS TO ORGANIZE

#### Finance

*(provide the last two fiscal years and year-to-date)*

- Audited/reviewed/internal financial statements
- Monthly income statement and balance sheet
- Schedule of one-time, non-recurring, or other adjustments identified with support
- Sales and profitability detail
- Payroll registers
- AR and AP aging detail for each period
- Schedule of accruals and liabilities w/methodology
- Financial statement forecasts for next 3 years

#### Taxes *(provide the last 3 years)*

- Income tax returns (local/state/federal)
- Sales, intangible, franchise, property, excise, and other tax filings
- Correspondence with tax authorities

#### Legal

- Articles of incorporation
- Ownership/equity documents
- List of officers and directors
- Litigation pending/threatened/concluded (5 years)
- Insurance policies
- Patents/trademarks/copyrights/intellectual property
- Partner agreements
- Any formal contracts with customers or vendors

#### IT

- Engineering/R&D budget vs actuals
- Product development pipeline
- Hardware (servers, desktops, etc.)
- Software license lists and contracts
- E-commerce provider and contract
- Security reports

