

The Exit Planning Roadmap: 5 Things to Do Before You L

Owners Who Prepare Sell Faster, at Higher Multiples, with Fewer Surprises

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The owners who get the best outcomes don't list and pray. They spend 12–18 months preparing — and then they go to market with confidence.

Business brokers consistently report the same finding: sellers who prepare 12–18 months in advance of listing sell faster, at higher purchase price multiples, and with fewer deal blow-ups than sellers who list unprepared.

This five-step roadmap gives you a clear, sequenced plan. Start at the beginning. Work through each step. By the time you go to market, you will be the seller that every broker and buyer wants to work with.

1

Get a Realistic Valuation

You cannot plan an exit without knowing your starting number. Most business owners are operating on assumptions — 'I figure it's worth about 3x what I make.' A formal valuation or broker opinion of value gives you the real number, the real multiple, and the gaps between where you are and where you could be.

- Commission a Broker Opinion of Value (BOV) from a licensed business broker
- Alternatively, hire a Certified Business Appraiser (CBA) for a formal valuation
- Recast your SDE using the past 3 years of tax returns
- Benchmark your multiple against current industry comps

2

Clean Up Your Financials

Buyers and SBA lenders need 3 years of clean, verifiable financials. If your books are messy, your deal will be messy. Start here.

- Engage a CPA to prepare or review the last 3 years of P&Ls;
- Ensure tax returns and P&Ls; are consistent

- Document and categorize all owner add-backs
- Eliminate personal expenses that can't be clearly justified as business expenses
- Audit accounts receivable — collect anything overdue

3

Build Systems and Reduce Owner Dependency

The single biggest discount applied to business purchase prices is owner dependency. If the business needs you to function, buyers will either walk away or dramatically lower their offer.

- Document all core operational processes in written SOPs
- Delegate at least 3 of your current daily responsibilities to existing team members
- Ensure at least one other person can serve customers if you're unavailable
- Consider hiring or promoting a general manager or operations lead
- Build a customer relationship system that the team owns — not just you

4

Diversify and Strengthen Your Customer Base

No single customer should represent more than 20% of your revenue. High concentration scares buyers and lenders. Start transitioning toward a more diversified base now.

- Analyze revenue by customer — identify any over 20% concentration
- Develop new accounts in target segments
- Pursue longer-term contracts with existing top customers
- Document customer satisfaction (NPS scores, testimonials, renewal rates)
- Expand into adjacent markets or offerings to diversify revenue streams

5

Prepare Your Legal and Administrative House

Late-stage due diligence is not the time to discover that a key customer contract is not assignable, or that a permit expired. Get ahead of it now.

- Review all customer and supplier contracts for assignability
- Ensure all licenses, permits, and certifications are current
- Review your commercial lease — understand renewal terms and landlord consent
- Update your corporate structure documents (Operating Agreement, etc.)
- Confirm all intellectual property (trademarks, domain, software) is properly owned by the business
- Work with an M&A; attorney to identify and resolve potential deal-blockers

Rule of thumb: For every month of preparation, you gain \$10,000–\$50,000 in exit value — depending on the size and condition of your business.

Book your free Exit Planning Discovery Call at CoreyParchman.com