Owner's Guide to the Deal Process: From First Call to Clo

What to Expect at Every Stage — No Surprises

CoreyParchman.com | Don't Build It — Buy It

The sellers who get the best outcomes are the ones who understand what's coming. Surprises slow deals down. Knowledge speeds them up.

Selling a business is a process — not an event. From the moment you decide to list to the day you wire your closing proceeds, a well-run deal typically takes 6–12 months. Here is exactly what to expect at each stage.

Stage 1: Preparation and Listing

Before you engage any buyers, your house must be in order. This includes a current valuation, 3 years of clean financials, a Confidential Information Memorandum (CIM), and a defined deal structure target. Your broker will prepare marketing materials and list the business on appropriate platforms.

> ***Timeline: 4–8 weeks. Key document: CIM (Confidential Information Memorandum)***

Stage 2: Buyer Qualification and NDA

Serious buyers sign a Non-Disclosure Agreement (NDA) before receiving any financial information. Your broker will screen inquiries to identify qualified buyers — those with the financial capacity and background to close. You should not be fielding unscreened inquiries directly.

> ***Timeline: Ongoing. Key document: NDA / Confidentiality Agreement***

Stage 3: Buyer Meetings and Due Diligence Preparation

Qualified buyers receive your CIM and request an initial meeting (often called a 'management meeting' or 'buyer call'). You'll present the business, answer questions, and evaluate whether this buyer is someone you want to work with. Fit matters — especially if you're staying on post-close.

> ***Timeline: 2–4 weeks per serious buyer. Key: Evaluate both price and buyer quality.***

Stage 4: Letter of Intent (LOI)

A Letter of Intent is a non-binding document that outlines the buyer's proposed price and terms. It typically includes: purchase price, payment structure (cash at close, seller note, earnout), transition period length, and exclusivity period for due diligence. Negotiate the LOI carefully — it sets the table for the final agreement.

> ***Timeline: 1–2 weeks of negotiation. Key document: LOI / Term Sheet***

Stage 5: Due Diligence

Once the LOI is signed, the buyer has the right to verify every claim you've made about the business. They will request financials, tax returns, contracts, employee information, legal history, and more. Your job is to provide everything promptly and transparently. Delays and surprises kill deals.

> ***Timeline: 30–60 days. Key: Be responsive. Surprises here end deals.***

Stage 6: SBA Loan Approval (if applicable)

If the buyer is using SBA financing, the lender will conduct their own review of the business. They will order an independent business appraisal, verify financials, and underwrite the loan. SBA approval typically takes 30–45 days from a complete loan submission.

> ***Timeline: 30–45 days. Key document: SBA Authorization / Commitment Letter***

Stage 7: Purchase Agreement and Final Negotiations

The Purchase Agreement (also called the Asset Purchase Agreement or APA) is the binding legal document that governs the transaction. Your M&A; attorney negotiates this on your behalf. Key items: representations and warranties, indemnification, escrow holdbacks, non-compete terms.

> ***Timeline: 2–3 weeks of negotiation and drafting. Key document: APA or SPA***

Stage 8: Closing

Closing day is the finish line — but it's also the beginning of the transition period. Funds transfer via wire. Documents are signed. The business changes hands. You'll likely stay on for a defined period (30 days to 12 months) to transition knowledge, relationships, and operations to the new owner.

> ***Timeline: 1 day. Key document: Closing Statement / Settlement***

Timeline Summary

STAGE	TYPICAL DURATION
Preparation & Listing	4–8 weeks
Buyer Qualification & NDA	Ongoing
Buyer Meetings	2–4 weeks
LOI Negotiation	1–2 weeks
Due Diligence	30–60 days
SBA Loan Approval	30–45 days
Purchase Agreement	2–3 weeks
Closing	1 day
Total Typical Timeline	**6–12 months**

Ready to start the process? Book a free Discovery Call at CoreyParchman.com