PREVAIL
TRANSACTION PARTNERS

SELLER'S TOOLKIT

The Business *Sale Workbook*

A guided workbook for thinking clearly about your goals, timing, and value — so you can prepare for a successful exit, on your terms.

WELCOME

This is the start of selling on your terms.

Selling your business is one of the most significant decisions you will ever make. It is not just a transaction — it is the culmination of years of work, risk, sacrifice, and commitment.

Whether you are years away from a sale or actively exploring your options, this workbook is designed to help you think clearly about what matters most before engaging an advisor. Most owners have never sold a business before, and the process can feel overwhelming and easy to postpone. Our goal is to give you clarity around your goals, timing, financial needs, and the factors that influence value — so you can make informed decisions with confidence.

> You don't need to complete this all at once. Take your time, and be honest with yourself. There are no wrong answers — only insights that help you choose the right path.

SECTION 01

Your personal goals

Before thinking about price, timing, or buyers, it's worth understanding what success looks like for you personally. This isn't only about money — it's about lifestyle, legacy, and what comes next.

Why are you considering selling?

- *What is motivating you to explore a sale now?*
- *Are you looking to retire, reduce stress, pursue a new opportunity, or simply gain clarity on value?*
- *Do you have a specific timeline in mind, or are you flexible?*
- *What would make you feel confident that selling was the right decision?*

What does life after the sale look like?

- *Do you plan to retire, start something new, travel, or stay involved part-time?*
- *How important is preserving company culture and taking care of employees?*
- *What does financial security mean for you and your family?*

SECTION 02

Your financial goals

The sale of your business will likely be the largest financial event of your life. Understanding what you need from a transaction is essential.

What do you need from the sale?

- *How much do you need to support your lifestyle after a sale?*
- *Have you identified your personal number with a financial advisor?*
- *What are your ongoing monthly or annual expenses?*
- *Do you have other income sources or retirement savings?*
- *Are there upcoming major expenses you need to plan for?*

Understanding deal structure

Not all deals are created equal — price is only one part of the outcome. Consider how you feel about:

- *Cash at closing versus future payments*
- *Seller financing*
- *Earnouts based on performance*
- *Staying on for a transition or consulting period*

> KEY INSIGHT
>
> Buyers pay more when they are confident in your business. Clean financials, transferable operations, and reduced owner dependence directly impact value.

SECTION 03

Timing your exit

This section helps you assess timing from three perspectives — the business, the market, and you personally. The goal isn't a single correct answer, but understanding whether selling now, preparing first, or waiting makes the most sense for you. Strong outcomes happen when personal readiness and business readiness align within reasonable market conditions.

Business readiness

- *Are your financials clean, accurate, and up to date?*
- *Can the business operate without your daily involvement?*
- *Do you have strong leadership or key employees in place?*
- *Are core operations documented and transferable?*
- *Is revenue stable or trending positively?*

Lower readiness doesn't mean you shouldn't sell. It simply shows where preparation may improve outcomes.

Market considerations

- *Is your industry experiencing growth, consolidation, or contraction?*
- *Are valuation multiples currently favorable?*
- *Are strategic or financial buyers active in your space?*
- *What competitive advantages does your business have today?*

Personal readiness

- *Are you emotionally ready to let go of the business?*
- *Have you discussed this decision with family or partners?*
- *Do you have clarity on what comes next after a sale?*
- *Are there personal factors that make this the right — or wrong — time?*

SECTION 04

What makes your business valuable

Buyers don't simply buy revenue or profit. They evaluate future potential, competitive advantage, and risk. Understanding these drivers helps you highlight strengths and address gaps before a sale. You don't need perfect answers here — the goal is awareness.

Financial performance

- *Are revenue and cash flow consistent or trending upward?*
- *How stable are margins compared to industry norms?*
- *Do you have recurring revenue or contracted work?*
- *Are financials clear, accurate, and verifiable?*

Customer base & revenue quality

- *How diversified is your customer base?*
- *What percentage of revenue comes from a small number of customers?*
- *Do you have long-term relationships or contracts?*
- *How predictable is customer retention?*

Operations & scalability

- *Are key processes documented and repeatable?*
- *Can the business operate effectively without your daily involvement?*
- *Is there room to grow without significant capital investment?*

Team & leadership

- *Do you have a management team or key employees who could remain post-sale?*
- *Are roles and responsibilities clearly defined?*
- *How reliant is the business on you personally?*

Competitive position

- *What differentiates your business from competitors?*
- *Do you have a niche focus, proprietary capabilities, or intellectual property?*
- *What barriers to entry protect your position?*

SECTION 05

Identifying risk factors

Every business has risks. Buyers don't expect perfection, but they do expect transparency, awareness, and a plan. When risks are understood early, they can often be mitigated, explained, or reflected in pricing and terms — rather than becoming surprises late in the process.

Common areas buyers evaluate closely

- **Customer concentration** — reliance on a few customers or contracts (watch for one customer above 15–20% of revenue, or three customers above 40–50%)
- **Owner dependency** — revenue, relationships, or decisions that rely heavily on you
- **Legal or regulatory exposure** — licensing, permits, contracts, or unresolved disputes
- **Financial or accounting complexity** — inconsistent reporting or unexplained adjustments
- **Deferred maintenance** — underinvestment or aging equipment
- **Outstanding obligations** — debt, liens, or commitments tied to the business

SECTION 06

Creating your exit timeline

Selling a business rarely happens overnight. The strongest outcomes come from intentional planning, realistic timing, and disciplined execution — most successful exits span 6 to 18 months of preparation and active sale effort combined.

Your ideal timeline

- *When would you ideally like to exit the business?*
- *What personal or financial milestones should be met before selling?*
- *Are there seasonal, industry, or business-specific factors that influence timing?*
- *Would additional preparation materially improve value or reduce risk?*

Preparation phase

Positioning the business so buyers feel confident:

- Cleaning and normalizing financials
- Reducing owner dependence
- Documenting operations and processes
- Addressing legal or compliance issues
- Stabilizing or growing revenue

Sale process

Once the business is ready to go to market:

- Valuation and positioning
- Confidential marketing and buyer outreach
- Reviewing offers and negotiating terms
- Buyer due diligence
- Closing and transition

SECTION 07

Your next steps

By working through this workbook, you've taken an important step toward clarity. Understanding where you stand gives you control over what happens next.

Where are you today?

- [ ] Ready to sell now
- [ ] Ready after some preparation
- [ ] Not ready yet — and that is okay

There is no wrong answer. Many owners benefit from preparation before going to market, even if a sale is years away.

Ways to move forward

- Obtain a confidential estimate of your business value to establish a baseline
- Schedule a no-pressure conversation to discuss goals, timing, and options
- Begin targeted preparation to improve value, reduce risk, and increase flexibility

Even if you decide not to sell, the work you do to prepare often strengthens the business and improves your quality of life as an owner.

How Prevail helps

Prevail Transaction Partners works with owners navigating transitions with clarity, discretion, and intention. We understand that selling a business is not just a financial event — it's a personal transition that affects your identity, your family, your employees, and your future. We focus on:

- Objective, owner-first guidance
- Value-focused preparation and positioning
- Thoughtful buyer selection aligned with your goals
- A calm, confidential, and disciplined process

Whether you're seeking clarity on timing, price, or next steps, the best place to start is a conversation. Visit prevailprtnrs.com.