

Action Item	Priority	Potential Return	Risk	Time Required	Investment Required
Valuation					
Document comparable transactions					
Management					
Build systems & infrastructure					
Build a management team					
Reduce Concentrations of Risk					
Reduce customer concentration					
Reduce staff concentration					
Reduce product concentration					
Reduce distribution channel concentration					
Financial					
Increase revenue					
Increase EBITDA					
Normalize your financials statements					
Minimize the number of adjustments you make to your financials three years prior to a sale					
Prepare backup documentation for adjustments to financial statements					
Increase gross margins					
Improve profitability					
Reduce expenses					
Increase recurring revenue					
Reduce the cash flow cycle					
Reduce working capital					
Reduce capital expenditures					
Organize your financial records					
Hire a third party to conduct pre-sale financial due diligence					
Customers (applies to B2B businesses)					
Establish relationships with large, established B2B customers					
Ensure customer contracts are assignable					
Convert customers to long-term contracts					
Track your customer metrics in a dashboard					
Track your sales pipeline in a CRM					
Build a customer database with detailed information on each customer					
Reduce personal relationships you have with customers					
Minimize customer concentration					
Operations					
Diversify your supplier base if you're dependent on any suppliers					
Make cosmetic improvements to your premises					
Improve online reviews					
Gather customer testimonials and other awards or recognition					
If you own the real estate, move it to a separate entity and pay your business the going market rate					
Negotiate options to renew for your lease and make sure the lease can be transferred on the current terms					
Prepare an inventory and equipment list					
Purge your inventory and equipment, if necessary					
Perform an equipment inspection and repair any broken equipment					
Consider paying off equipment leases					
Perform a UCC search and clear up any liens on your business					
Check to make sure your entity is up to date					
Document your intellectual property					
Create a written training plan for the buyer					
Resolve pending litigation					
Staff					
Reduce your business's dependency on you					
Replace any co-owners or family members that won't stay after the sale					
Pay all owners and family members a salary based on market rates					
Seek the approval of all partners and your spouse to sell the business					
Build out your management team					
Ensure all employee compensation is at current market levels					
Reduce key employee concentration or dependency of any key employees					
Prepare an employee manual or handbook					
Consider whether to inform your employees about the sale					
Create a retention plan and bonus for key staff					
Ask key employees to sign a confidentiality and non-solicitation or non-compete agreement					
Team					
Retain an M&A attorney in advance to help you conduct pre-sale legal due diligence					
Ask your accountant to conduct pre-sale financial due diligence					
Check with your insurance advisor to ensure you are carrying adequate coverage					
Hire a commercial real estate agent to determine an appropriate market rent if you own the property					
Check with your franchisor in advance to ensure their cooperation, if your business is a franchise					
Make sure your franchise is listed on the SBA Franchise Directory, if applicable					
Assemble your professional advisors to perform an annual audit on your business					
Finding Buyers					
Prepare a list of potential buyers who may purchase your company with complete contact information					
Prepare a list of source of potential buyers, such as industry catalogs or other publications					
Compile a list of potential publications to market your business sale in					
Financing					
Think in advance if you are willing to finance the sale					
Get your business pre-qualified for an SBA loan					
Maximize your taxable income two years prior to the sale to improve the buyer's ability to obtain financing					
Due Diligence					

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Compile all documents that buyers typically request during due diligence					
Ask a third party accountant to perform pre-sale due diligence on your company					
Ask your attorney to make sure all your legal ducks are in a row before you begin the process					
Taxes					
Consult with your tax advisor well before the sale to mitigate the tax impact of the sale					
Confidentiality					
Consider informing your employees about the sale -- couple this with an NDA and retention bonus plan					
Consider informing your others involved in your business about the sale, such as your landlord and franchisor					