

Business Exit Planning Checklist

Use this checklist to prepare your business for a successful transition or sale. This structured approach helps uncover potential risks, align your operations with buyer expectations, and maximize value.

1. Personal Readiness

- Clarify personal goals for the sale (timeline, financial needs, post-sale involvement).
- Assess emotional readiness to step away from the business.
- Determine future lifestyle plans post-exit.

2. Business Valuation & Financial Health

- Conduct a professional business valuation.
- Review and organize 3–5 years of financial statements.
- Normalize financials to reflect true owner benefit (adjusted EBITDA).
- Identify and resolve outstanding debts, liabilities, or financial irregularities.

3. Legal & Structural Readiness

- Ensure legal structure and ownership documentation are current.
- Confirm business licenses, registrations, and permits are up to date.
- Review intellectual property protections (trademarks, patents, copyrights).
- Evaluate any outstanding legal disputes or risks.

4. Operational Readiness

- Document key business processes and workflows.
- Establish or review organizational chart and role responsibilities.
- Assess technology systems and data management practices.
- Identify areas of operational risk or bottlenecks.

5. Team & Succession Planning

- Assess strength and stability of leadership team.
- Ensure employment agreements and key roles are clearly defined.
- Create succession plan for owner and key managers.
- Develop employee retention strategies for transition period.

6. Customer, Vendor & Market Position

- Review customer concentration and diversity.
- Document major vendor/supplier relationships and contracts.
- Analyze competitive positioning and market differentiation.
- Evaluate customer satisfaction and reputation metrics.

7. Exit Strategy & Deal Readiness

- Decide on desired exit type (sale, merger, family transfer, etc.).
- Develop transition timeline and roadmap.
- Assemble a team of advisors (CPA, attorney, broker, COO).
- Prepare confidential information memorandum (CIM) or company overview.

8. Post-Sale Planning

- Outline transition support and communication plans.
- Define expectations for post-sale involvement (consulting, employment, etc.).
- Plan for tax and estate implications of the sale.
- Align investment and wealth strategy with sale proceeds.