

**IS YOUR COMPANY READY TO SELL?**

*This document outlines the type of information your advisor will ask for during your initial meetings. It is a good place to* ***start your thinking*** *about the process.*

*You will be asked to provide this information in increasingly detailed form as you go through the sales process. Ultimately, when you accept an offer via Indication of Interest Letter or a Letter of Intent, the Buyer will ask for these and more details for formal due diligence. Ideal Sellers know their businesses well and are prepared with consistent, well-reasoned responses.*

**QUESTIONNAIRE FOR BUSINESS OWNER CONSIDERING A SALE:**

1. Why are you selling?
2. Are your books and records in good order, complete, and correct?
   1. Do the tax returns agree with internal books?
   2. Are financial statements for past 3 years available for review?
   3. Do you have a schedule of all existing bank loans or other debt instruments?
   4. What is the make-up of your revenue? What percentage of revenues are recurring without having to be “resold” every year?
   5. Are your Cost of Goods Sold and Operating Expenses well documented?
   6. Do you have all the permits, licenses, leases, etc. that you need to run the business up-to-date and in compliance? Do you own real estate related to the business? Do you want to sell it?
   7. Do you have copies of all insurance policies (business, health, workers’ comp, auto, professional liability, etc.) that are up-to-date and adequate for the business’ needs.
   8. Do you have a three-year history of claims and status for worker’s compensation?

claims?

* 1. Have you had any actions or legal proceedings in the past 3 years?
  2. Have you had any environmental audits, or any issues related to same?

1. Who is your second in command or General Manager and how would the business run without you? Without that person? How strong is your management team?
2. Do you have a Strategic Plan for the next 2-3 years?
   1. What is your business strategy? Are you changing/adding new products and services?
   2. Where are you in the business life cycle? For each service, are you in Growth, Maturity? Decline?
   3. How do you measure up to your top competitors? What are their major advantages and disadvantages?
   4. Do you have any true competitive advantages to differentiate your company?
   5. Do you have contingency plans in the event of a pandemic or other crisis (loss of key employees due to accident, etc.)
3. Do you have a Business Plan and budgets for the next fiscal period?
   1. Do you have projections for future periods and reports and/or a dashboard comparing goals to actual results?
   2. How do you deal with gaps or overages from plan?
4. Do you have a Sales & Marketing plan?
   1. If yes, how do you measure ROI on marketing?
   2. Do you have detailed sales records available by month?
   3. What are your pricing policies and discount structures?
   4. Are sales or other commissions paid to salespersons or others?
   5. Do you have a digital marketing program, website, social media, outreach?
5. How long have your customers been with you?
   1. Do you have a database of customers with their correct and complete details?
   2. Do you have copies of all of customer contracts (with associated attachments)? Are they written on your form or theirs?
   3. What are the types of properties you are servicing for customers and how does the revenue and gross profit track for each type?
   4. Do you have a customer satisfaction survey or other type of customer assessment?
   5. Can you explain how and why you have lost customers for the past 3 years?
6. Do you have proper and complete records for each employee including correct I-9s, attendance, wages, date of last increases, benefits and any promises made about future compensation or advancement?
   1. Do you have a Standard Operating Procedure Manual? Does it include personnel policies, vacation and sick leave policies, employee benefits program descriptions and other policies?
   2. Do you have copies of all arrangements with independent contractors, management, or consulting agreements with third parties?
   3. If you are a union shop, do you have all appropriate related documents?
   4. Do you have special bonus or other programs with any employees?
7. Do you have workflow processes documented for each type of service provided?
   1. Are there quality policies and reports in use?
   2. Do you use management reports to assess operations efficiency?
8. What kind of computing systems do you use? Do you have copies of the agreements for all the major systems you are using?
9. Have you had any governmental or regulatory reports with local state or federal agencies within the past 3 years? Any environmental claims or issues?
10. Do you have any intellectual property, trademark, or service mark registrations?