



VANLA GROUP

EXIT-READINESS CHECKLIST

The difference between an average sale and a premium exit often comes down to preparation. Our Exit Readiness Checklist helps you identify gaps before buyers do.

Use this checklist to determine how prepared your business is for a successful and profitable exit:

Financial Readiness

- Last 3 years of profit & loss statements are accurate and organized
- Balance sheets are current
- Tax returns match financial statements
- Clear breakdown of add-backs (owner salary, personal expenses, one-time costs)
- Revenue and gross margin trends are stable or improving
- Accounts receivable and payable are clean
- Inventory is current and properly valued
- No major unresolved financial disputes

Goal: Clean, defensible numbers that buyers and lenders trust.

Earnings Quality

- Seller's Discretionary Earnings (SDE) or EBITDA is clearly calculated
- Customer concentration below 20–25% per client
- Recurring or repeat revenue is identifiable
- Gross margins are consistent
- Major expenses are documented and justifiable

Goal: Predictable, transferable cash flow.

Operational Independence

- Business does not rely entirely on the owner
- Management team or key employees in place
- Documented SOPs and processes
- Employees have clear roles and job descriptions
- Owner responsibilities can be transitioned

Goal: A business that runs without you.

Legal & Structural Preparedness

- Lease is transferable or renewable
- Key contracts are assignable
- No pending lawsuits
- Corporate records are organized
- Licenses and permits are current
- Shareholder/partner agreements are updated

Goal: No legal surprises during due diligence.

Risk Reduction

- Diversified customer base
- Diversified supplier base
- Long-term contracts where possible
- Strong online reputation
- Clear competitive advantages
- Minimal regulatory exposure

Goal: Lower perceived risk = higher valuation multiple.

Growth Story

- Identifiable growth opportunities
- Untapped markets or channels
- Expansion potential (geographic, product line, service offering)
- Capital investment opportunities that increase revenue
- Clear narrative explaining why the business will continue to grow

Goal: Buyers pay for future potential, not just past performance.

Personal Exit Planning

- Clear timeline for exit (0–12 months, 1–3 years, 3–5 years)
- Defined financial goal
- Post-sale plans identified
- Willingness to stay for transition period
- Emotional readiness to sell

Goal: Alignment between financial and personal objectives.

Scoring Guide

- ✓ **32-40 checks** = Strong
- ✓ **20-31 checks** = Needs optimization
- ✓ **Below 20** = Preparation required before market