
Before You Go to Market: What to Fix First

Most owners focus first on what the business might be worth. Buyers eventually ask a different question: what can they trust, transfer, and verify?

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Preparation-first business brokerage for owner-led companies.

Most owners think about selling in terms of timing and value. Those questions matter, but they are rarely the first issues that shape a serious buyer's confidence.

Before a business goes to market, buyers will eventually want to understand whether the financial story is clear, whether the business can operate beyond the owner, whether key documents are organized, and whether diligence is likely to confirm or weaken the opportunity.

The goal is not to make the business perfect before beginning a sale process. Most privately held businesses have risks, dependencies, and unfinished work. The goal is to understand what matters most before buyers are involved, so the owner is not reacting to predictable questions under pressure. Where this work fits in the overall process is covered in [The Five Stages of a Business Exit](#).

The first three areas below line up with the three pillars of [The Exit Readiness Framework](#): Value Clarity, Buyer Confidence, and Diligence Readiness. Working through them produces a Readiness Action Plan: what to address first, based on the owner's timeline and the likely buyer audience.

Start with the financial story.

Buyers do not only look at revenue. They look at how revenue turns into earnings, how consistent those earnings are, and whether the financial information supports the story being presented.

That means owners should understand trends, add-backs, margin changes, customer concentration, recurring work, one-time events, and any disconnects between tax reporting, internal records, and the actual economics of the business.

A financial story does not need to be complicated. It needs to be clear, supportable, and explainable to a careful outside reviewer.

Clarify the owner's role.

Owner dependence is one of the issues buyers weigh most heavily in an owner-led business.

Buyers want to know what the owner does every day, which relationships depend on the owner personally, who makes key decisions, and whether employees, customers, vendors, and systems can continue after a transition.

If the business depends heavily on the owner, that does not automatically prevent a sale. But it needs to be understood early. Transition planning, management depth, documentation, and buyer expectations all become more important when the owner is central to the operation.

Organize the documents buyers will eventually request.

Diligence becomes more difficult when documents are scattered, incomplete, or assembled only after a buyer is already at the table.

Buyers may eventually request financial statements, tax returns, payroll information, lease documents, customer data, vendor information, equipment lists, insurance materials, licenses, contracts (including expired key-employee agreements), lien and UCC filing releases, and operational records.

The purpose of organizing information early is not to overwhelm buyers with documents at the beginning. It is to make sure the seller understands what exists, what is missing, and what may require explanation before diligence becomes urgent.

Check whether the business can be financed.

Many Main Street buyers rely on outside financing, often SBA-backed. That makes a second question as important as value: can the business be financed at a realistic price?

A lender looks at whether the earnings support the debt and whether the numbers hold up under its own review. Under current SBA rules, the lender verifies the seller's tax returns against IRS transcripts, and larger deals can require a quality of earnings review that ties bank deposits to the income statement and tax returns.

A business that cannot be financed at a realistic price has a smaller pool of buyers. That is far better learned before going to market than after a buyer has signed a letter of intent. Books that reconcile cleanly to bank deposits and tax returns are one of the most practical things an owner can prepare.

Review lease, licensing, and contract issues early.

Some closing problems are not financial. They are practical.

Lease assignment, landlord consent, a lease term shorter than the likely loan term, license transferability, franchise approval, customer contract assignment, vendor relationships, and key employee issues can all affect whether a transaction moves smoothly.

These issues are often easier to understand before a buyer is involved. Once a letter of intent is signed, timelines compress and small gaps can become larger obstacles.

Think about confidentiality before outreach begins.

Confidentiality is not simply a promise. It has to be designed into the process. [How Confidentiality Works When Selling a Business](#) explains how.

That may include blind profiles, buyer screening, NDA requirements, staged disclosure, seller approval before sensitive information is released, and planning for how to respond if rumors surface before the owner is ready.

A confidential process should protect employees, customers, vendors, lenders, landlords, and the business itself while still giving qualified buyers the information they need at the appropriate stage.

What owners often miss

A common mistake is assuming preparation means fixing everything.

It does not.

Preparation means knowing what a serious buyer is likely to notice, what can be addressed before market exposure, what needs to be explained clearly, and what may affect timing, value, structure, or closing certainty.

Owners who start earlier usually have more room to think. They can address issues before buyers are involved, organize information before diligence begins, and approach the process with a clearer understanding of what the market may require.

Start before the process becomes urgent.

A business sale does not have to begin with a public listing or immediate buyer outreach.

For many owners, the better first step is a private readiness conversation: where things stand today, what buyers are likely to care about, what should be organized, and what a thoughtful path forward may look like. That is what the [Confidential Exit Readiness Assessment](#) is for.

The earlier those questions are addressed, the more prepared the owner can be before the business is placed in front of qualified buyers.

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Business sales involve legal, financial, operational, and personal considerations that vary by situation. You should consult your attorney, accountant, tax advisor, financial advisor, lender, and other appropriate professional advisors before making transaction decisions.

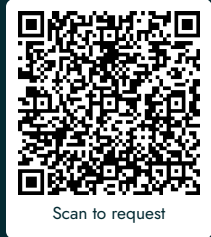
START WITH READINESS

Understand where your business stands.

A Confidential Exit Readiness Assessment is a private first conversation about where your business sits in the process, what buyers are likely to care about, and what a prepared path forward may look like. Preparation does not obligate you to go to market.

REQUEST A CONFIDENTIAL EXIT READINESS ASSESSMENT

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The Exit Library is designed to help owners understand the business-sale process before they are in the middle of it.

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