



# Checklist

## Prepare your business for its sale

Preparing a business for sale requires a lot of planning and the help of many advisors. Use this checklist as a reminder of what you can do to increase the value of your business before its sale.

---

### 1 Understand why you're selling

- Meet with a mergers and acquisitions specialist or an exit planning strategist to help you determine the why, what and when of your sale.
- Identify personal events influencing the sale.
- Identify market events influencing the sale.

---

### 2 Determine what you want to achieve by selling

- Identify when you want or need to sell and under what conditions.
- Calculate how much you would like to make from the sale of the business.
- With the help of your M&A specialist, compare your expectations with typical industry norms.

---

### 3 Gather a team of advisors to guide you

- |  |  |
|--|--|
| <input type="checkbox"/> Strategy advisor                    | <input type="checkbox"/> Banker            |
| <input type="checkbox"/> Accountant                          | <input type="checkbox"/> Insurance broker  |
| <input type="checkbox"/> Lawyer                              | <input type="checkbox"/> Family advisor    |
| <input type="checkbox"/> Commercial realtor                  | <input type="checkbox"/> Business broker   |
| <input type="checkbox"/> Estate planner or financial advisor | <input type="checkbox"/> Business valuator |

---

#### 4 Clarify the management structure

- As the owner, evaluate how easy it would be to separate yourself from the day-to-day management of the business.
- Create clear role descriptions and responsibilities for a second tier of management (chief financial officer, general manager, etc.).
- Identify risks in the current management structure and lay out risk mitigation strategies.

---

#### 5 Complete a technology audit

- Question if you have the right technology for the task at hand.
- Determine who owns your technology. Do you rely on subscription-based technology or product licenses? Will you have to transfer it to the new owner?
- Identify how much training is required and at what frequency for employees to use the technology effectively.
- Identify how frequently and at what cost technology requires updating or maintenance.

---

#### 6 Document your human resources and culture

- Describe your company's workplace culture to inform a potential buyer.
- Document any unusual work arrangements (work-from-home policies, time off for appointments, expectations of overtime and vacation).
- Identify the roles and responsibilities of employees and put them in writing.
- Map out the current management structure.
- Review your company's experience with hiring, onboarding and employee retention, and make improvements as necessary.
- Identify any positions that are difficult to fill or where there is high turnover.
- Map out training schedules, employee development programs and other non-financial incentives.
- Note down any promises on raises, promotions, transfers in your team as well as any recent disciplinary incidents and actions.

---

## 7 Analyze your finances, bookkeeping and profitability

- Ensure you have proper processes in place for bookkeeping and accounting that a new owner could use going forward.
- With your accountant, go through the company's books to determine historical trends in costs, revenue, profitability and losses.
- Identify any areas where you may have mixed business and personal finances.
- Identify financial risks that could affect your business.

---

## 8 Review your marketing and sales process

- Clearly set forth your value proposition, competitive advantage and market positioning.
- Identify your main competitors and how you differentiate your business.
- Identify how the market is evolving and create a strategy to respond to changing customer needs.
- Map out and optimize your current sales process.
- Define your key performance indicators to track prospects as they advance through your processes.
- Forecast your future sales based on historical sales and growth plans.

---

## 9 Optimize your operations

- Map out your processes (production, delivery, price setting and creating quotes), establishing the roles and responsibilities of various employees.
- Determine if processes are consistently followed by employees. Create an operations manual, if needed.
- Map out risk management procedures not already identified.
- Itemize any obsolete inventory.

---

## 10 Examine your intellectual property

- Meet with an IP lawyer to itemize your intellectual property, an important part of your company's [intangible assets](#).
- Find out if your brand and associated assets are copyrighted.
- Itemize any patented materials, ideas, products or processes.
- Summarize the details of the patents, including geographical and time limitations.
- Identify any processes, procedures or manuals that are unique to your business.
- List any certifications and licenses associated with your business.
- Determine which of these licenses are transferable as business assets versus those that the new owner will have to apply for on their own.

## Get help to prepare your business for its sale

Our experts can help you take the appropriate steps to increase your business's value and maximize its sale price.

→ **Contact us to learn more**

**1-888-INFO-BDC**  
**(1-888-463-6232)**

**info@bdc.ca**