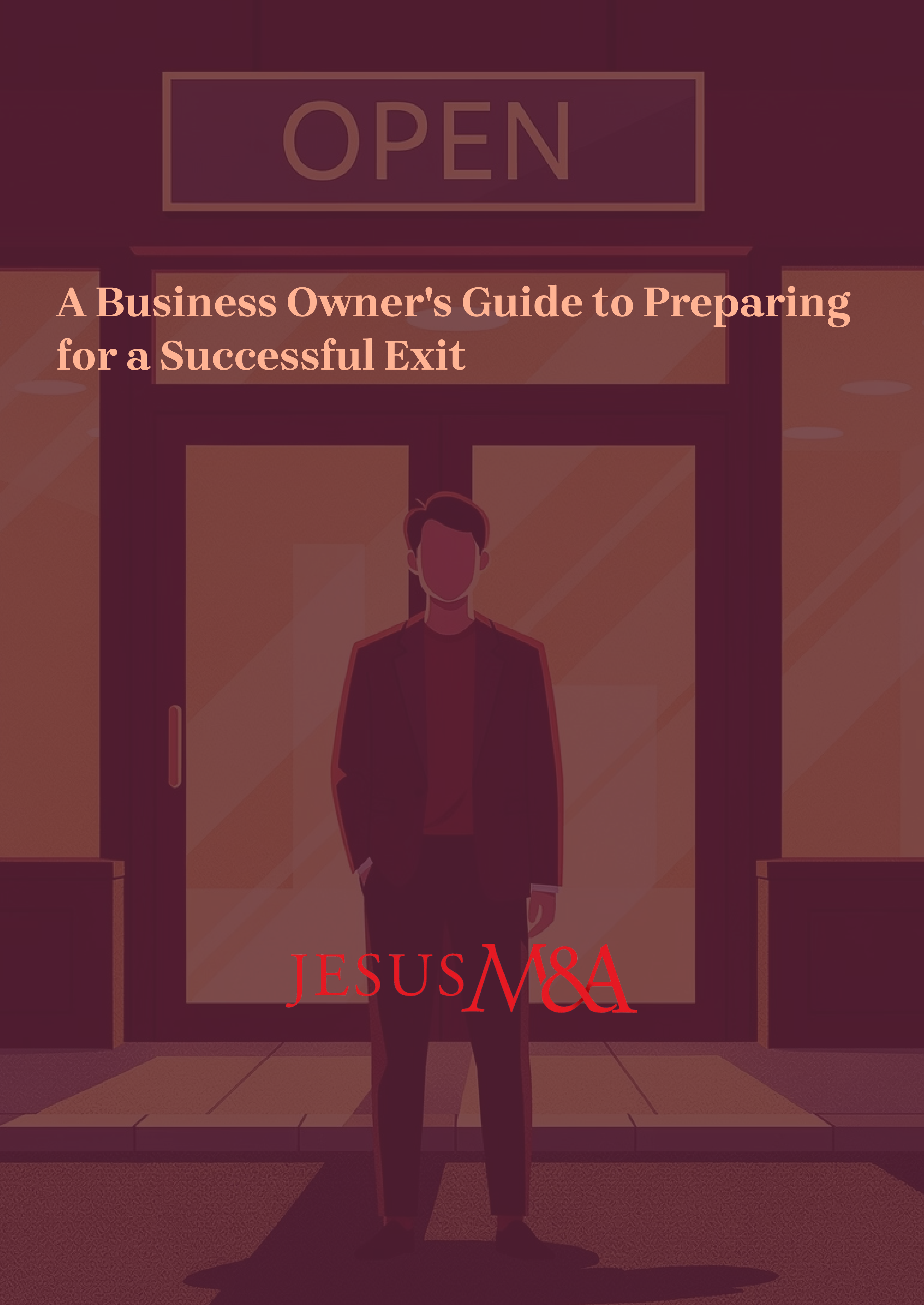
A Business Owner's Guide to Preparing for a Successful Exit



JESUS M&A

Why Selling is Different Than Running

You have poured years—perhaps decades—of blood, sweat, and tears into building your business. You know how to run it, how to keep your customers happy, and how to make a living from it. But **selling a business requires a completely different set of skills than running one.** When you run a business, your focus is on daily operations and maximizing your take-home pay. When you sell a business, you have to shift your mindset from **"how much money I make"** to **"how much risk a buyer takes."**

The Buyer's Lens

To get top dollar for your life's work, we need to look at your business through the eyes of a skeptical buyer. Buyers of Main Street businesses (typically valued under $2 million) are not just buying your equipment or your brand name. They are buying a **future stream of cash flow**, and they are terrified that this cash flow will dry up the moment you hand over the keys.

Buyers Pay a Premium For...

- Certainty
- Clean systems
- Reliable staff

Buyers Are Terrified Of...

- Cash flow drying up
- Owner dependency
- Personal relationship risk

This Guide Is...

- Your roadmap
- To creating certainty
- For commanding top dollar

PART 1

Getting Your Business Ready: The Owner's Homework

The best time to start preparing your business for sale is **12 to 24 months before you actually want to leave.** Here are the foundational steps you need to take to ensure you command a premium price.

1. Making Yourself Obsolete (The Hardest but Most Important Step)

> If your business cannot run for a month without you, you don't own a business—you own a demanding job. And buyers don't want to buy a job; they want an investment.

Delegate Daily Operations

Start passing your daily tasks to your team. If you are the only one who knows how to run the payroll, order inventory, or close a big sale, we need to change that.

Document Your "Secret Sauce"

Get the knowledge out of your head and onto paper. Create Standard Operating Procedures (SOPs) for everything from opening the shop to handling customer complaints. A business with a "how-to" manual is infinitely more valuable than one relying on the owner's memory.

2. Financial Spring Cleaning

For years, your accountant's job has likely been to **minimize your tax bill** by writing off every allowable expense. Now, we need to do the exact opposite.

Transition to Profit-Maximization

We need to show the true earning power of the business. This means pausing personal expenses run through the business (like cars, travel, or family phone bills) so the bottom line looks as healthy as possible.

Clean and Transparent Books

Buyers and their accountants will scrutinize your financials. **Messy books kill deals.** Get your accountant on board early to ensure your Profit & Loss statements and balance sheets are spotless and easy to explain.


arterly Report

Date	Description	Debit	Credit	Balar
123455.607	$5.000	$5,0.00	$5.80	$
1123 45,550	$1,000	1,40.00	$2.00	$
2023.63.671	$1,000	$5,0.00	$3.00	$
2013 45.208	$1,000	$1,0.00	$0.00	$
2013.37.360	$1,000	$2,5.00	$8.00	$
2013.20.740	$4.500	$5,9.00	$0.00	$
2019.66.777	$6,800	30,3.00	$6.00	$
2019.20.200	$46.00	41,0.00	$3.00	$
2018.28.900	$3.345	$3,9.00	$0.00	$
2018.25,000	$47.00	47,3.00	$1.00	$,
2013.25,000	$99.00	15,3.50	$1.00	$,
2018.75,000	$24.00	$4,5.20	$2.00	$,
2018.25,007	$36.00	$3,0.00	$3.00	$,
2016.25,008	$62.00	$1,0.00	$5.00	$,
2018.11,048	$58.00	$1,6.70	$4.00	$,
2013.27,180	$62.00	$23.00	$8.00	$,
2016.17,008	$18.00	$1,6.00	$5.00	$,
2019.21,768	$10.00	$1,0.00	$1.00	$,
2013.17.208	$40.00	40.8.00	$5.00	$,
2018.35.548	$17.00	$3,9.20	$7.00	$,
2018.43.000	$44.00	$7,6.00	$6.00	$,
2019.37.700	$54.00	$3,6.00	$5.00	$,
2017.20.807	$66.00	$0,3.00	$3.00	$,

3. Securing Your Key Assets & Contracts

A buyer wants to know that the **foundation of the business won't crumble after the sale.**

Lock in the Team

If you have key employees who are vital to the business, consider how you can ensure they stay through the transition.

Formalize Agreements

Handshake deals with suppliers or long-term customers are great for everyday business, but they terrify buyers. Get those relationships formalized into **written, transferable contracts** whenever possible.

4. The Premises: Getting Ahead of the Lease

Your physical location is **deeply tied to the buyer's sense of security.** If a buyer purchases your business but the landlord kicks them out six months later, their investment is ruined.

- **Inform Your Landlord Early:** This is a critical step. We need to approach your landlord to discuss lease assignments, options for extension, or any potential hurdles before a buyer enters the picture. Knowing the landlord is on board gives buyers **immense peace of mind.**

5. Curb Appeal & Structuring for the Sale

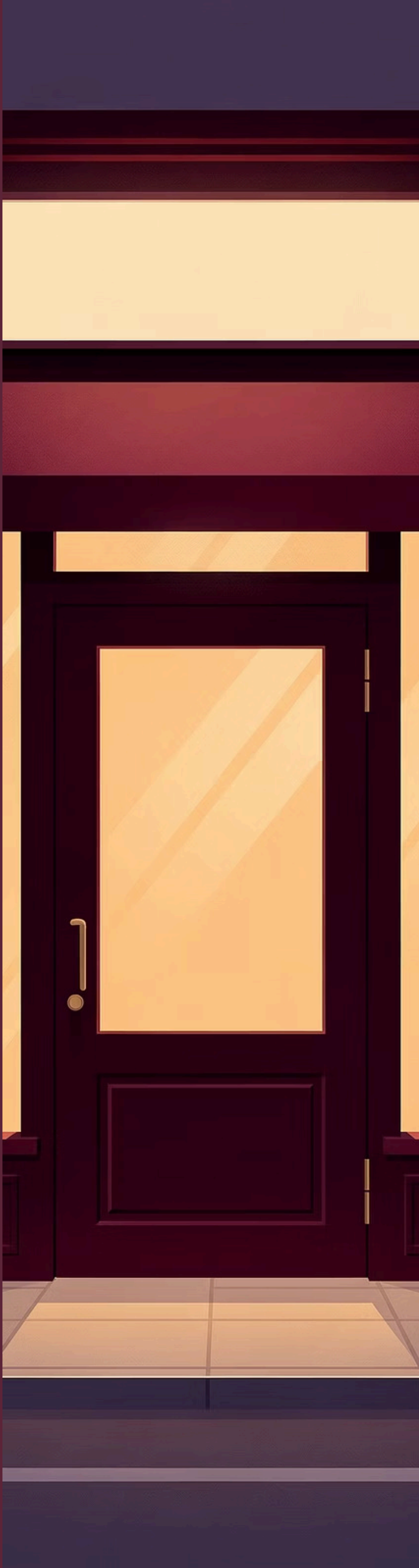
First impressions matter, both physically and financially.

Fix the Leaks

Repair deferred maintenance, update that old piece of equipment, and give the physical (or digital) storefront a deep clean. If a buyer sees a messy shop, they will assume the financials are messy, too.

Understand Deal Structures

Very few Main Street businesses sell for 100% cash upfront. By preparing yourself to discuss **debtor financing and seller financing options** early on, you will significantly expand your pool of qualified buyers and dramatically increase the chances of getting the deal across the line.



PART 2

The Path to Sold: The Broker's Campaign

Once your business is optimized and you are mentally ready to exit, it is time to go to market. From this point forward, my job as your broker is to **handle the heavy lifting, protect your confidentiality, and guide the transaction across the finish line.**

6. The Appraisal (Finding the True Value)

Before we list your business, we need a realistic, defendable asking price. **Overpricing kills momentum, and underpricing leaves your hard-earned money on the table.**

What Happens

I will deeply analyze your financials, your assets, and your position in the market. We will look at comparable sales and industry multiples.

The Goal

To establish a price that honors the value you have built while still making mathematical sense to a serious buyer and their bank.

7. Preparation & Partnering Up

Selling a business requires a **tight partnership.** This stage is about getting organized before a buyer ever looks at your company.

What Happens

We sign an agency agreement so I can officially represent you. Then, we start building a secure **"data room"**—a digital vault containing your financial documents, lease agreements, and operational data.

The Goal

To anticipate the tough questions so that when a buyer asks, we instantly have the answers ready. **Preparedness projects confidence.**

8. Market Preparation (Packaging the Opportunity)

We do not just put a "For Sale" sign on the door. Doing so would **panic your staff and tip off your competitors.**

What Happens

I will create two highly strategic documents:

- **Teaser Summary:** A blind profile that highlights your business's financial strengths and location radius without revealing your actual name.
- **Confidential Information Memorandum (CIM):** The comprehensive, deep-dive "sales brochure" for your business.

The Goal

To make your business **incredibly attractive to the market** while **fiercely protecting your confidentiality.**

9. Go-To-Market (GTM) & Buyer Enquiries

This is where the marketing campaign goes live and **my role as your shield begins.**

What Happens

As inquiries roll in, I vet the buyers. I weed out the tire-kickers and competitors just looking for free information. No one gets to see your CIM or know your identity until they have passed my screening and signed a strict **Non-Disclosure Agreement (NDA).**

The Goal

To ensure you only spend your valuable time meeting with buyers who have the actual **capital, experience, and genuine intent** to close the deal.

10. Offers & The Letter of Intent (LOI)

When a buyer is ready to move forward, the **formal negotiation begins.**

What Happens

Interested buyers will submit their offers. I will work with you to negotiate the price, terms, and deal structure. Once we reach an agreement you are happy with, we sign a **Letter of Intent (LOI).**

The Goal

The LOI outlines the main terms of the deal in writing and typically grants the buyer a **limited period of exclusivity** to do their final checks.

11. Due Diligence (Looking Under the Hood)

This is often the **most stressful part for a seller**, but because of the work we did in Part 1, you will be ready.

What Happens

The buyer (usually alongside their accountant) will verify that everything we claimed in the CIM is true. They will review **tax returns, bank statements, employee contracts, and supplier agreements.**

The Goal

Moving through this phase smoothly requires **complete transparency and organization.** My job is to manage the flow of information and keep the buyer focused and moving forward.

12. The Sale Agreement (Making it Legal)

Once due diligence is cleared, the **attorneys take the stage** to formalize the transaction.

What Happens

Your commercial lawyers and the buyer's lawyers will draft and negotiate the final, legally binding **Business Sale Agreement.**

The Goal

To **protect you from post-sale liabilities**, outline exactly what is being transferred, and ensure the funds move securely on settlement day.

13. Handover & Training (Passing the Baton)

The deal is funded, the papers are signed, but **your job isn't quite over yet.**

What Happens

The keys, bank accounts, and daily operations officially change hands. You will typically stay on for an agreed-upon period—**usually two to four weeks**—to train the new owner, introduce them to key clients and staff, and ensure a smooth transition.

The Goal

Setting the new owner up for long-term success so you can confidently step away into your **retirement or onto your next great adventure.**

Your Roadmap to a Successful Exit

Owner's Homework

Make yourself obsolete; secure assets

Financial Cleanup

Spring clean finances and leases

Broker's Campaign

Appraisal, prep, market packaging, GTM

Offers & DD

Receive offers and complete due diligence

Agreement & Handover

Finalize sale agreement and transfer

From the first step of making yourself obsolete to the final handover of the keys, every stage of this process is designed to **maximize the value of your life's work and ensure a smooth, confident exit.** The best time to start is now.

Get In Touch

Shane Degen

M&A Advisor

Aus: +61 405 812 060

USA: +1 469 588 2030

www.jesusgroup.co