

Exit Readiness Diagnostic Checklist

This scored checklist is designed to give you a clear, honest snapshot of how prepared your business is for a high-value exit, from a buyer's perspective.

Each statement reflects an area that serious buyers typically evaluate when assessing a potential acquisition, including financial clarity, operational systems, team structure, market position, and owner dependence.

This is not a test, it's a tool to spark insight. Your results will help identify strengths to leverage and gaps to close as you move through the program.

*If your business has multiple owners, assess each item based on the business's ability to operate without **any one** or **all** owners being involved, depending on context. The goal is to highlight business independence — not shared dependency.*

Scoring Guide

Rate each statement based on where your business stands today:

0 = Not at all / No

1 = Somewhat / In progress

2 = Fully in place / Confident



Area	Statement	0	1	2
Owner Independence	My business can operate without me for at least 30 consecutive days.			
	I have a second-in-command or reliable management team.			
	I am not the sole contact for key customers or suppliers.			
Financial Clarity	My financials are accurate, current, and reviewed regularly.			
	I understand and track monthly our key financial metrics: revenue, gross margin, net profit, etc			
	I can provide clean, verifiable financials for the last 2–3 years.			
	Our financial data is audit-ready and has been reviewed by an external accountant / CFO			
Operational Systems	We have documented processes and procedures (SOPs) for all core business functions.			
	I know and track our key operational metrics (e.g. revenue per employee, inventory turnover, turnaround time, etc).			
	We use systems (CRM, job management, etc.) to track performance.			



Pricing	Our pricing model(s) is documented, logical, and understood by the team.
	We review pricing regularly to maintain margin and market fit.
	Key team members can quote and apply pricing without owner involvement.
Sales & Marketing	We have a consistent documented process for generating and converting <i>new business</i>
	We have a consistent documented <i>organic sales</i> strategy for existing clients
	I track our sales metrics (conversion rates, cost per lead, etc.).
	Client acquisition is not dependent on the owner or ad-hoc referral networks.
Future Planning	We maintain a rolling 12–24 month forecast with revenue, margin, and cash flow projections tied to known inputs.
	Our business plan identifies specific growth levers (e.g. pricing, channels, products) and includes milestone targets.
Customer / Supplier Base Quality & Diversity	No more than 15% of our revenue comes from any single customer.
	No more than 25% - 30% of our products comes from any single supplier.



	We have long-term contracts or recurring revenue from our key clients
Team & Key Staff	Key staff have signed employment agreements and are likely to stay post-exit
	The business would retain operational capability if I stepped back fully
Market Position & Competitive Advantage	We have a clear value proposition that differentiates us from competitors.'
	We monitor market trends and competitors regularly to adjust strategy.'
Legal & Compliance	All required licences, contracts, and legal documents are current and in order.
	We have clear ownership of all IP and brand assets (logos, content, etc.)
	We have no unresolved legal disputes, liabilities, insurance or workers compensation claims, or compliance issues.
Your Score	

 Total Readiness Score: / 58

 **Exit Readiness Score Interpretation (see below)**



+ How to Calculate Your Score

1. Count how many items you selected under each column (0, 1, or 2).
2. Multiply the number of ticks by their value (e.g., 5 ticks in column 2 = 10 points).

Add the results to get your **total readiness score**.

Exit Readiness Score Interpretation (out of 58)

Score Range	Readiness Level	What It Means
0–25	 Needs Attention	Significant gaps. Business may be difficult to sell or risky in current form.
26–40	 Foundation in Progress	Key elements are underway, but more work is needed to build buyer confidence.
41–50	 Solid Position	Business is well-prepared. Focus can shift to sharpening positioning and value.
51–58	 Exit-Ready & Attractive	High-value, buyer-ready business. Likely to attract strong interest and terms.

