Exit Readiness Guideline

Sadana Consulting | Guiding SME Owners Through Growth, Exit & Transformation

1. Personal & Strategic Objectives

• Clarify your reasons for selling (retirement, new venture, investor exit).

• Set your ideal timeline: 6, 12, or 24 months.

• Decide if you want a full or phased exit.

• Define financial and lifestyle goals post-sale.

2. Business Valuation & Growth Drivers

• Assess current valuation (EBITDA multiples, market comparables).

• Boost value: increase recurring revenues, reduce customer concentration, improve margins.

• Formalise contracts with clients/suppliers.

• Benchmark valuation against peers.

3. Financial Readiness

• Ensure accounts are accurate, complete, and audit-ready.

• Maintain clear monthly management accounts.

• Prepare forecasts and budgets.

• Separate personal and business expenses.

• Resolve tax, debt, or compliance issues.

4. Operational Readiness

• Document processes and systems.

• Strengthen management team autonomy.

• Ensure IT and reporting systems are modern and scalable.

• Guarantee consistent service delivery.

5. Legal & Compliance

• Update contracts, shareholder agreements, and leases.

• Protect intellectual property (trademarks, patents).

• Ensure employee contracts and HR policies are compliant.

• Resolve litigation or disputes.

6. Buyer Positioning

• Craft a growth story to attract buyers.

• Identify potential buyers (trade, PE, family office).

• Prepare exit documentation (Information Memorandum, forecasts, pitch deck).

7. Deal Readiness

• Define preferred deal structure (100% sale, earn-out, partial exit).

• Complete tax planning (e.g., Business Asset Disposal Relief).

• Appoint advisors (corporate finance, legal, tax).