

Business Exit Readiness Assessment

A practical owner-focused review of the areas buyers evaluate before a business goes to market — from financial clarity and owner dependence to systems, risk and transferability.



KNOW WHERE YOU STAND

Value is created before the first buyer is called.

Use this assessment to identify where your business is already strong and where additional preparation could improve buyer confidence and transaction readiness.

01 Financial clarity

Quality, consistency and defensibility of earnings.

02 Owner dependence

How well the business can operate without daily owner involvement.

03 Systems & operations

People, processes and operating discipline after a transition.

04 Transferability

Customers, employees, contracts, vendors, licenses and know-how.

Buyers don't just buy earnings. They price risk.

Two businesses with similar revenue and profitability can receive very different reactions depending on the quality of earnings, owner dependence, customer concentration and transferability.

WHAT SOPHISTICATED BUYERS EVALUATE

We think like an owner. We prepare like a buyer.

A strong exit-readiness process means looking at the company through the same lens a buyer will eventually use. The objective is not perfection — it is clarity around strengths, risks and preparation priorities.

01 Quality of Earnings

How sustainable, recurring and defensible are the earnings a buyer will underwrite?

02 Owner Dependence

Can the company perform without the owner making every important decision or managing daily execution?

03 Customer & Revenue Quality

How concentrated, recurring, predictable and transferable is the revenue base?

04 Management & Operations

Are the people, systems and processes strong enough to continue after ownership changes?

05 Growth Opportunity

Can a buyer understand credible future growth pathways and what is required to execute them?

06 Transferability & Buyer Risk

Could customer, employee, contract, license, vendor or operational issues reduce value, alter terms or disrupt a deal?

For each statement, choose the response that best reflects the business today.

This is a presentation-ready self-review, not a formal valuation or diligence report.

☐ **Strong**

☐ **Needs Attention**

☐ **Unsure**

BUSINESS EXIT READINESS REVIEW

Where is the business strong — and where could value be exposed?

Review each statement from the perspective of a buyer preparing for diligence. Mark the response that most closely reflects the current state of the business.

Financial clarity & value assessment	Strong	Needs	Unsure
Financial performance can be clearly explained, normalized and supported by reliable records.	☐	☐	☐
The business understands the drivers behind enterprise value — not only revenue or asking price.	☐	☐	☐
Revenue quality, concentration and recurring income can be discussed with confidence.	☐	☐	☐

Owner dependence & management assessment	Strong	Needs	Unsure
Daily operations can continue without the owner involved in every major decision.	☐	☐	☐
Key responsibilities are distributed across capable leaders or documented processes.	☐	☐	☐
Customers, vendors and employees are connected to the company — not solely to the owner.	☐	☐	☐

Systems, operations & transferability assessment	Strong	Needs	Unsure
Core operating processes are repeatable, organized and understandable to an outside buyer.	☐	☐	☐
Contracts, licenses, vendor relationships and operating know-how can transfer through ownership change.	☐	☐	☐
The business is prepared to organize information and withstand diligence.	☐	☐	☐

Potential strength signals

- Consistent financial performance
- Reduced owner dependence
- Repeatable systems
- Recurring or predictable revenue

Preparation priorities

- Reporting gaps
- Heavy owner reliance
- Customer concentration
- Diligence friction

FROM ASSESSMENT TO ACTION

Preparation creates buyer confidence

Owners do not need to be ready to sell to begin preparing. NorthStar starts by understanding where the business stands today, strengthening areas that may affect value and preparing for a more disciplined process.

01 · UNDERSTAND**Establish the baseline**

Review financial performance, owner objectives, operations, risks and value drivers.

02 · STRENGTHEN**Address value gaps**

Improve financial clarity, reduce owner dependence and resolve buyer concerns where practical.

03 · PREPARE**Transaction readiness**

Organize information, develop the value story and prepare the business for diligence.

04 · EXECUTE**Run the M&A process**

Confidential buyer outreach, buyer management, negotiation and closing.

THE NORTHSTAR DIFFERENCE

Your exit should be managed with the same discipline used to build your business.

NorthStar combines transaction advisory with firsthand experience owning, operating, improving and selling businesses. That operating perspective helps identify where buyers may perceive risk and where the story deserves greater attention.

Use your assessment results to start a focused conversation.

Which issues could weaken buyer confidence? What should be strengthened before going to market? What would a professionally managed process look like?

OWNER-FOCUSED. CONFIDENTIAL.

Know where you stand before you decide where to go.

A confidential conversation can help you understand what your business may be worth, how a buyer is likely to evaluate it and what could strengthen or weaken its value.

**Schedule a
Confidential Consultation**

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