7 Questions to Answer Before You Sell Your Small Business

An Enduring Equity Guide

Selling your business might be the biggest financial and emotional decision you ever make.

It's not just a transaction. It's years of your life, your team, your reputation, and your next chapter, all tied together in a single choice.

This guide won't turn you into an M&A professional overnight. It will give you seven honest questions to answer before you start talking to buyers, brokers, or banks—so you can approach a sale with clarity instead of pressure.

Use it as a mirror. If you sit with these questions now, the actual process will be calmer, cleaner, and far less likely to surprise you.

Question 1: Why do I really want to sell—and why now?

Before numbers, before structures, before buyers, there is this.

Are you driven by:

- Burnout or health concerns?
- A pull toward a new chapter—retirement, another business, family?
- A desire to de-risk and take chips off the table while things are still good?
- A sense that the business needs more than you want to give it in the next season?

None of these is wrong. But each one leads to different decisions about timing, price, structure, and your role after closing.

If you skip this, you risk either selling for the wrong reasons—or holding on long after you're done.

Checklist for Question 1

- I can clearly state *why* I want to sell in one or two sentences.
- I've discussed this openly with my spouse/partner or key family members.
- I know whether my main driver is relief, opportunity, impact, or legacy.
- I've considered what would happen if I **don't** sell in the next 1–3 years.

Question 2: What does a “good outcome” look like—for me, my family, and my team?

Price is important. It’s just not the whole story.

A “good outcome” usually has several layers:

- **For you personally**
  - Minimum amount you need to walk away with (after debt and taxes).
  - How quickly do you want to step back from day-to-day involvement?
  - How would you like to spend the next 3–5 years of your life?
- **For your family**
  - Stability and clarity about finances.
  - Time and attention you can give once you’re not running the business.
- **For your team and customers**
  - The kind of buyer you’re comfortable handing the keys to.
  - What happens to key employees, benefits, and culture?
  - Continuity for your customers and community.

If you don’t define this up front, you risk chasing the “highest number” and discovering later that the deal cost you more than it paid.

Checklist for Question 2

- I know my **financial floor** (the minimum net proceeds that make a sale worth it).
- I have at least a rough idea of how long I’m willing to stay involved after closing.
- I’ve thought about what “protecting my people and my legacy” means in practice.
- I can describe, in plain language, what a great outcome would look like in 3–5 years.

Question 3: Is my business actually ready to be seen by buyers?

Most businesses are not “ready to sell” the day the owner decides they’re tired.

Buyers will look at:

- **Financial clarity**
  - Clean, consistent P&Ls and tax returns (typically 3+ years).
  - A believable picture of owner earnings (SDE/EBITDA), not just add-back wish lists.
- **Owner dependence**
  - What breaks if you disappear for 60 days?

    - Are relationships, decisions, and know-how concentrated in your head?
- **Operational basics**
    - Key processes, contracts, and responsibilities documented—or at least explainable.
    - A team that can run the core business without you doing everything.
- **Risk factors**
    - Customer concentration, key-person risk, regulatory changes, supplier risk, etc.

You don't need perfection. You do need to know where the cracks are—so you can either fix them or price them honestly.

Checklist for Question 3

- I can produce 3 years of financials and tax returns without scrambling.
- I have a reasonable, defensible calculation of owner earnings.
- I know which parts of the business depend heavily on me.
- I can name 2–3 obvious "red flags" a buyer will see—and what, if anything, I'm doing about them.

Question 4: What is my business likely worth—and can I live with that range?

Most deals fall apart not because buyers are unfair, but because owner expectations and market reality never meet.

Valuation is part math, part risk, and part market. It usually depends on:

- Normalized, defensible earnings (SDE/EBITDA)
- Industry and business model (essential vs fad, recurring vs one-off)
- Size, growth, and stability of cash flows
- Risk profile (customer mix, key people, regulatory environment)
- Deal structure (cash at close vs seller financing vs earn-out)

You don't need a full formal appraisal to start thinking clearly. But you need to account for the **likely range**, not just the number in your head.

Checklist for Question 4

- I have at least a rough idea of normalized annual earnings for the last 2–3 years.
- I've had at least one **honest** conversation (with an advisor, accountant, or experienced operator) about realistic multiples in my space.
- I understand that terms (how I get paid) matter as much as headline price.

- I have asked myself, "If the real offers came in at this range, would I sell—or would I rather keep owning?"

Question 5: Who do I want to sell to—and what kind of deal do I actually want?

Not all buyers are the same. Not all deals are the same.

You might be open to:

- An individual or family buyer who wants to step into your role
- A financial buyer who will install management and hold as an investment
- A strategic buyer (competitor, supplier, or customer) who can plug you into a bigger machine
- A nonprofit or mission-aligned buyer, if impact is central

Each leads to different structures:

- All-cash at close (rare, but simple)
- Mix of bank/SBA debt, buyer equity, and **seller financing**
- Earn-outs or performance-based payments over time
- Your ongoing role as an advisor or part-time leader

If you don't think this through, you'll either accept the wrong kind of buyer—or say no to good offers because you didn't know what you were looking for.

Checklist for Question 5

- I've thought about what type of buyer I'd prefer (and which types I'd avoid).
- I understand that some level of seller financing or transition involvement is common.
- I have a sense of how much risk I'm willing to carry after closing (as opposed to cash at close).
- I know which buyers would likely respect my people and my legacy.

Question 6: How do I want the transition to feel—for me and for the business?

Selling doesn't end when the ink dries. The first 6–12 months after closing are when deals either land smoothly or fall apart.

You'll want to consider:

- **Your identity and role**
    - Who are you when you're not "the owner"?
    - How long are you willing to serve as the bridge between the old and the new?
- **Your team's experience**
    - How and when you'll tell them.
    - What promises can you realistically make (and which you can't)?
- **Customers and community**
    - How key accounts will be handed off.
    - How you'll communicate stability and continuity.

A thoughtful transition plan can be the difference between a sale you're proud of and a story you don't like telling.

Checklist for Question 6

- I'm honest with myself about how ready I am to no longer be "the owner."
- I have a rough idea of how long I'm willing to stay involved post-close.
- I've thought through how and when I'd communicate with employees and key customers.
- I understand that a structured transition protects both the buyer *and* my legacy.

Question 7: Who is on my side throughout this process?

Selling a business alone is possible. It's also risky, distracting, and lonely.

You'll likely need some combination of:

- A CPA or financial advisor who can help you understand the numbers and tax impact
- An attorney who has actually seen business sale contracts, not just generic agreements
- Someone with **operator and deal experience** who can help you prepare, attract the right buyers, and navigate diligence, structure, and transition
- Emotional support—a spouse, peer, or advisor you can be blunt with

The key question:

> Do I want to learn all of this the hard way while trying to run my business—or do I want a partner who does this for a living?

Checklist for Question 7

- I know who I would call today for financial and tax guidance.
- I know who I would call for legal review of any letter of intent or purchase agreement.
- I have (or want) a partner who understands both deals and day-to-day operations.

- I’m not planning to handle negotiations and due diligence entirely on my own.

Where Enduring Equity Fits In

You can absolutely try to figure this out on your own:

- Clean up the books
- Talk to a few brokers
- Field inbound interest
- Negotiate with buyers
- Manage diligence
- Orchestrate the transition

All while still running the business that makes the whole thing valuable.

Or you can decide that your time, attention, and relationships are too important to gamble on a once-in-a-lifetime process.

At Enduring Equity, we exist to:

- Help you get honest about *why* and *when* to sell
- Assess whether your business is truly sale-ready—and what could improve the outcome
- Position the business clearly and honestly for the right types of buyers
- Filter and evaluate offers with you, not for you
- Support negotiations with a conservative, risk-aware operator’s mindset
- Help design and manage the transition so your team, customers, and community are cared for

Our philosophy is simple:

> A good exit is one where the numbers make sense, the people are respected, and you can look back in five years without regret.

Your Next Step

If these questions resonate—and you’re seriously considering selling your business in the next 1–5 years—your next move doesn’t have to be dramatic.

You don’t have to list tomorrow. You don’t have to talk to ten buyers. You don’t even have to decide yet.

You just need clarity.

Here's what to do:

1. Visit: **www.enduringequity.com** (or your seller-focused page).
2. Click: **Start your confidential seller profile.**
3. Complete the short intake form.

You'll get:

- A 20–30 minute conversation focused on *your* goals and timing
- A candid view of whether your business looks sale-ready—or what might need work
- Initial thoughts on likely buyer types and deal shapes
- Clear, honest next steps—whether that's preparing, moving forward, or waiting

No pressure. No hype. Just a grounded conversation about whether, when, and how to sell in a way that serves you, your family, and your community.

If you're ready to explore an exit thoughtfully, not reactively—

Start your confidential seller profile today.