

# Client Assessment — Preparation Checklist

Share with your client before their session. Prepared clients produce better, higher-value reports.

Estimated session time: 20–35 min | Broker fills on client's behalf or sends via invite link | Estimates are acceptable

## MINIMUM REQUIRED — Start Here

22 essential items | Have these ready before the session begins

- **Legal business name & entity type (LLC, S-Corp, etc.)**  
Business Basics
- **Industry / type of business**  
Business Basics
- **Year founded or acquired**  
Business Basics
- **City and state of primary operations**  
Business Basics
- **Number of locations**  
Business Basics
- **Annual gross revenue — 2023, 2024, 2025**  
Financials
- **Net profit / owner's net income — 2023, 2024, 2025**  
Financials
- **Owner W-2 salary or total draw — 2023, 2024, 2025**  
Financials
- **Owner health insurance premiums paid by business (annual)**  
Financials
- **Depreciation & amortization from P&L; or tax return**  
Financials
- **Total outstanding business debt (loans + lines of credit)**  
Financials
- **Monthly rent/lease payment and lease expiration date**  
Financials
- **Total employee count (full-time and part-time)**  
Operations
- **Does a manager exist who can run without the owner? Y/N**  
Operations
- **Owner hours worked per week**  
Operations
- **Does any customer represent more than 20% of revenue? Y/N**  
Customers
- **Revenue type: recurring contracts or one-time transactions?**  
Customers
- **Primary reason for considering a sale**  
Deal Context
- **Desired timeline to close**  
Deal Context
- **Open to seller financing or earnout? Y/N**  
Deal Context
- **Is real estate included in the sale? Y/N**  
Deal Context
- **Non-compete — willing to sign? Y/N + proposed terms**  
Deal Context

These 22 items are the minimum needed for an accurate valuation. Missing items will be flagged in your report. Turn to pages 2–3 for the full checklist with all recommended and optional fields.

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■ **REQUIRED** Must have — report accuracy depends on this

■ **RECOMMENDED** Should have — improves report depth

■ **OPTIONAL** Nice to have — adds detail

## 1 — BUSINESS BASICS

- Legal business name ■ **REQUIRED**
- DBA / trade name (if different) ■ **RECOMMENDED**
- Business entity type (LLC, S-Corp, Sole Proprietor, Partnership, etc.) ■ **REQUIRED**
- Industry / type of business (e.g. HVAC, dental, SaaS, retail) ■ **REQUIRED**
- Year the business was founded or acquired ■ **REQUIRED**
- City and state of primary operations ■ **REQUIRED**
- Number of locations — if multiple, revenue and lease status per location ■ **REQUIRED**
- Business website URL (if applicable) ■ **RECOMMENDED**
- Operating hours and days open per week — include 24/7 if applicable ■ **RECOMMENDED**
- Is this an online or e-commerce business? (if applicable — platform, % of revenue online) ■ **RECOMMENDED**
- Is this a franchise or licensed concept? (if yes — see Section 8) ■ **RECOMMENDED**

*Multi-location businesses: have lease terms and revenue contribution per location ready. Online/e-commerce: note platform (Shopify, Amazon, etc.) and approximate % of revenue from online sales.*

## 2 — FINANCIAL INFORMATION

Have last 2–3 years of financials available. Estimates acceptable.

- Annual gross revenue — 2023, 2024, 2025 ■ **REQUIRED**
- Net profit / owner's net income — 2023, 2024, 2025 ■ **REQUIRED**
- Owner W-2 salary or total draw — 2023, 2024, 2025 (each year separately) ■ **REQUIRED**
- Owner health insurance premiums paid by the business (annual total) ■ **REQUIRED**
- Personal vehicle expenses run through the business (fuel, insurance, lease) ■ **RECOMMENDED**
- Depreciation & amortization (D&A); from P&L; or tax return ■ **REQUIRED**
- One-time or non-recurring expenses (legal fees, write-offs, settlements) — amount + description ■ **RECOMMENDED**
- Other personal expenses run through the business — itemized ■ **RECOMMENDED**
- Family members on payroll — name, role, compensation, and market-rate comparison ■ **RECOMMENDED**
- Total outstanding business debt — all loans and lines of credit ■ **REQUIRED**
- Monthly lease/rent payment and lease expiration date ■ **REQUIRED**
- Any planned or pending capital expenditures ■ **OPTIONAL**

*SDE = Net profit + owner salary + add-backs. Common missed add-backs: family payroll excess, personal cell phone, club memberships, owner life insurance premiums. Every legitimate add-back increases the valuation.*

## 3 — PHYSICAL ASSETS

Skip if pure service/knowledge business with minimal equipment.

- FF&E; total estimated value (furniture, fixtures & equipment) ■ **RECOMMENDED**
- FF&E; owned or leased (all owned / mix / significant portion leased) ■ **RECOMMENDED**
- Vehicles and fleet — make, model, year, owned or leased ■ **RECOMMENDED**
- Equipment list — type, approximate age, estimated value ■ **RECOMMENDED**
- Inventory on hand — estimated current value ■ **RECOMMENDED**
- Intellectual property — patents, trademarks, proprietary software ■ **OPTIONAL**

## 4 — OPERATIONS & TEAM

- Total employees — full-time and part-time separately ■ **REQUIRED**
- Number of contractors or 1099 workers ■ **RECOMMENDED**
- Is there a manager who can run the business without the owner? Y/N ■ **REQUIRED**
- Average hours per week the owner works in the business ■ **REQUIRED**
- Are operations documented with SOPs or training manuals? Y/N ■ **RECOMMENDED**

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- Key software or systems used to run the business day-to-day ■ **RECOMMENDED**
- Any employees who are critical and difficult to replace? ■ **RECOMMENDED**
- Pending HR issues, non-competes, or key employee agreements ■ **RECOMMENDED**

*High owner dependency reduces valuation multiple. If the owner works 60+ hrs/week and no one else can run the business, this is the single highest-impact gap to address before listing.*

## 5 — CUSTOMERS & REVENUE MIX

- Approximate number of active customers or clients ■ **RECOMMENDED**
- Does any single customer represent more than 20% of revenue? Y/N — if yes, what % ■ **REQUIRED**
- Revenue type: recurring (contracts/subscriptions) or transactional (one-time)? ■ **REQUIRED**
- % of revenue from recurring contracts vs. one-time transactions ■ **RECOMMENDED**
- Average transaction value or contract size ■ **RECOMMENDED**
- Customer retention rate or average client tenure (if known) ■ **RECOMMENDED**
- Primary marketing and lead generation channels (referrals, Google, social, outbound) ■ **RECOMMENDED**
- Seasonality — does revenue fluctuate significantly by month or season? ■ **RECOMMENDED**

*Customer concentration above 20% in a single client is a red flag for buyers and lenders. Recurring revenue increases valuation multiple significantly — know your split.*

## 6 — SALE & DEAL CONTEXT

- Primary reason for considering a sale (retirement, burnout, new opportunity, etc.) ■ **REQUIRED**
- Desired timeline to close (6 months / 1 year / 2+ years) ■ **REQUIRED**
- Asking price in mind? Y/N — if yes, the amount ■ **RECOMMENDED**
- Open to seller financing or earnout structure? Y/N ■ **REQUIRED**
- Willing to stay on post-sale for a transition period? Y/N — how long? ■ **REQUIRED**
- Is real estate included in the sale? Y/N — if yes, estimated value and type ■ **REQUIRED**
- Real estate held in a separate entity? Y/N ■ **RECOMMENDED**
- Non-compete — willing to sign? Y/N + proposed duration and geography ■ **REQUIRED**
- Transition/training plan offered to buyer — scope and duration ■ **RECOMMENDED**
- Ideal buyer profile — individual operator, strategic, PE, franchise, etc. ■ **RECOMMENDED**
- Buyer operating capital recommendation (what a buyer needs beyond purchase price) ■ **RECOMMENDED**
- Prior buyer conversations or LOI received? Y/N ■ **RECOMMENDED**
- SBA loan history on this business ■ **RECOMMENDED**
- Known legal, tax, environmental, or operational issues a buyer should know about ■ **RECOMMENDED**
- Pending litigation, liens, or undisclosed liabilities ■ **RECOMMENDED**
- Key contracts that transfer with the sale (supplier, customer, franchise, license) ■ **RECOMMENDED**

*Undisclosed issues discovered in due diligence kill deals. Surface them here — the CIM will frame them appropriately. A disclosed issue is manageable; a discovered one is a deal-breaker.*

## 7 — TECHNOLOGY & AI USE

Powers the AI Integration Roadmap — one of the four delivered reports.

- Software currently used (CRM, accounting, scheduling, POS, project management) ■ **RECOMMENDED**
- Tasks currently automated (invoicing, follow-ups, scheduling, reporting) ■ **RECOMMENDED**
- AI tools currently in use (ChatGPT, Zapier AI, etc.) ■ **RECOMMENDED**
- Biggest operational bottlenecks or time drains each week ■ **RECOMMENDED**
- What would the owner automate first if they could? ■ **OPTIONAL**
- Does the website capture leads automatically, or is follow-up done manually? ■ **OPTIONAL**

## 8 — FRANCHISE / LICENSED CONCEPT

Complete only if this is a franchise or licensed concept.

- Franchisor name ■ **REQUIRED**
- Years remaining on franchise agreement ■ **REQUIRED**

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- Transfer fee required for sale — amount ■ **REQUIRED**
- Franchisor approval required for sale? Y/N ■ **REQUIRED**
- Territory exclusivity — geographic scope ■ **RECOMMENDED**
- Any personal guarantees on the franchise agreement? ■ **RECOMMENDED**

*Your broker will send an invite link or complete this assessment on your behalf. You don't need every answer memorized — the platform guides you through each section. Questions? Contact your broker or reach us at [support@bizvaluefree.com](mailto:support@bizvaluefree.com)*