



Exit Plan Checklist

A simple, step-by-step list to help you get ready to sell your business. Tick each box as you go. Take it at your own pace.

Please note: this checklist is general information, not legal, tax or financial advice. Please talk with your own lawyer and accountant before you decide anything.

1. Your goals and timing

- ☐ Decide roughly when you would like to step away.
- ☐ Write down the price range you hope for, and the lowest you would accept.
- ☐ Decide whether you're willing to stay on for a while to train the new owner.
- ☐ Talk with your family about your plans.

2. Your team

- ☐ Choose a lawyer who has helped with business sales.
- ☐ Talk with your accountant about taxes on a sale, including whether an asset sale or a share sale suits you.
- ☐ Consider a business valuator if you'd like a professional value.

3. Your paperwork

- ☐ Last 3 years of financial statements.
- ☐ Last 3 years of business tax returns.
- ☐ A list of equipment, vehicles and stock, with rough values.
- ☐ Your lease, and whether it can be transferred to a new owner.

- ☐ Key contracts with customers and suppliers.
- ☐ Licences and permits the business needs.
- ☐ A list of staff, their roles and how long they've been with you.

4. Make the business easy to take over

- ☐ Write down how the business runs day to day.
- ☐ Make sure key customers deal with more than just you.
- ☐ Tidy up anything a buyer might worry about, such as old debts or unclear records.

5. Find and check buyers

- ☐ Get a rough value (try the free estimate on our website).
- ☐ List your business privately and free at sellmybusinessdirect.com.
- ☐ Have buyers sign a confidentiality agreement (NDA) before you share details.
- ☐ Ask serious buyers for proof of funds or a financing letter.

6. Agree and close

- ☐ Put the main points in a letter of intent, and have your lawyer review it.
- ☐ Help the buyer with their checks (due diligence).
- ☐ Have your lawyer prepare or review the purchase agreement. If land or a building is included, the lawyers handle that part.
- ☐ Plan the handover: keys, passwords, customers, suppliers and training.

My notes

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Prepare-for-Sale Checklist

Practical steps to get your business ready, ideally 1 to 3 years before you sell. Tick each one as you go.

Please note: this is general information, not legal, tax or financial advice. Please talk with your own lawyer and accountant before you decide anything.

Your books

- ☐ 3 years of financial statements ready
- ☐ 3 years of business tax returns ready
- ☐ Personal expenses separated from business expenses
- ☐ Bookkeeping up to date every month

Run without you

- ☐ Daily jobs written down step by step
- ☐ A trusted person or team trained on key tasks
- ☐ Key customers deal with more than just you

Paperwork

- ☐ Lease reviewed, and transfer terms checked
- ☐ Contracts reviewed and up to date
- ☐ Licences and permits current

First impressions

- ☐ Equipment repaired and maintained
- ☐ Premises clean and tidy
- ☐ Old stock cleared

Risks

- ☐ No single customer is too large a share of sales, or a plan for it
- ☐ No unresolved legal or staff issues

Your team

- ☐ Met with your accountant
- ☐ Met with a lawyer who handles business sales
- ☐ Rough value done (free estimate at sellmybusinessdirect.com/valuation)

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Document Checklist

What buyers usually ask to see. Gather copies in one folder before you talk with serious buyers. Only share private documents after a confidentiality agreement (NDA) is signed.

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Money

- ☐ Financial statements, last 3 years
- ☐ Business tax returns, last 3 years
- ☐ This year's figures to date
- ☐ GST/HST filings
- ☐ Bank statements (recent months)
- ☐ List of debts and loans

What the business owns

- ☐ Equipment and vehicle list with rough values
- ☐ Stock (inventory) list
- ☐ Business name, website and social accounts
- ☐ Customer and supplier lists (share only late, with an NDA)

Agreements

- ☐ Lease and any amendments

☐ Key customer and supplier contracts

☐ Licences and permits

☐ Insurance policies

☐ Franchise agreement, if any

People

☐ Staff list: roles, years of service, pay (names can be left out at first)

☐ Any employment contracts

Company records (for a share sale)

☐ Articles of incorporation

☐ Minute book and share register

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Simple Worth Worksheet

A rough, do-it-yourself way to think about value. Fill in your own numbers.

Please note: this worksheet gives a rough **estimate only**. It is not an appraisal or professional valuation. Please confirm any value with your accountant or a qualified valuator.

Step 1: Your yearly earnings

Yearly profit before tax (\$)	_____
Add back: your own pay or draws (\$)	_____
Add back: personal costs run through the business (\$)	_____
Add back: one-time costs this year (\$)	_____
Add back: interest and depreciation (\$)	_____
= SDE: what the business earns for one working owner (\$)	_____

Step 2: Apply a rough multiple

Small owner-run businesses often sell for a modest multiple of SDE. BDC says small to medium-sized businesses often range between 3 and 6 times EBITDA, depending on industry and market. Smaller, owner-dependent businesses are often lower.

SDE × low multiple _____ = (\$)	_____
SDE × high multiple _____ = (\$)	_____

Step 3: What could move it up or down?

- ☐ Steady or growing profits (up)

- ☐ Loyal customers who don't rely only on you (up)

- ☐ A long, transferable lease (up)

- ☐ One very large customer (down)

- ☐ Old equipment needing replacement (down)

Step 4: Check it

Compare with our free online estimate, then ask your accountant or a Chartered Business Valuator for a firm figure.

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Sample Letter of Intent (LOI) Outline

The headings a letter of intent usually covers, so you know what to expect. This is an outline only, not a form to fill in.

Please note: this is an outline of headings only, not a legal form. **Take any letter of intent to your own lawyer before you sign.**

Usual headings

1. Parties (buyer and seller)

2. The business being sold

3. Type of sale (asset sale or share sale)

4. Price, or price range

5. Payment terms (cash at closing, vendor take-back, earn-out)

6. What's included and excluded

7. Due diligence period

8. Exclusivity (no-shop) period

9. Conditions (financing, landlord consent)

0. Seller's transition and training role

1. Target closing date

2. Confidentiality

3. Who pays which costs

4. Which parts are binding

5. Governing law

6. When the letter expires

7. Signatures

Usually binding

- ☐ Confidentiality
 - ☐ Exclusivity (no-shop) for the agreed time
 - ☐ Costs, expiry and governing law
-

Usually not binding

- ☐ Price and main deal terms (either side can still walk away)
-

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Sample NDA (Confidentiality Agreement) Outline

The headings a confidentiality agreement usually covers before you share private details with a buyer. Outline only, not a form.

Please note: this is an outline of headings only, not a legal form. **Have your own lawyer prepare or review any NDA before you use it.**

Usual headings

1. Parties

2. Purpose (looking at a possible purchase)

3. What counts as confidential information

4. What is not confidential (already public, already known)

5. How the buyer may use the information (only to assess the purchase)

6. Who the buyer may share it with (their lawyer, accountant, lender)

7. No contact with your staff, customers or suppliers without permission

8. How long the promise lasts

9. Returning or destroying information if the deal doesn't go ahead

10. What happens if the agreement is broken

1. Governing law

2. Signatures

Tips

- ☐ Have it signed before you share your books
 - ☐ Share the most sensitive details, like customer names, last
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Sell-to-an-Employee Planning Sheet

A simple sheet to help you think through selling to a trusted employee or manager.

Please note: this is general information, not legal, tax or financial advice. Please talk with your own lawyer and accountant before you decide anything.

The person

Who might be interested? _____

Have they shown interest in running things? _____

Could they get a loan or put money down? _____

The conversation

- ☐ Choose a quiet, private moment
- ☐ Ask them to keep it confidential
- ☐ Have them sign an NDA before sharing your books
- ☐ Give them time to talk with their family and bank

The price

Rough value range (\$) _____

Firm value from accountant or valuator (\$) _____

Price I'd accept from this person (\$) _____

How they could pay

- ☐ Bank or BDC loan
- ☐ Vendor take-back (you're paid part over time)
- ☐ Earn-out (part tied to future results)
- ☐ Gradual share buy-in over a few years
- ☐ Employee ownership trust (ask your accountant about the federal tax rules)

Handover plan

How long I'll stay to help

Customers and suppliers to introduce

When we'll tell the rest of the team

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Timeline: The Steps to Sell

A typical order of steps for a private sale. Most sales take months, not weeks. Your timing may differ.

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1 to 3 years before

Decide your goals. Tidy your books. Make the business run without you.

6 to 12 months before

Get a value. Meet your accountant and lawyer. Gather documents.

Listing

List privately and free. Answer buyer messages.

First talks

Have serious buyers sign an NDA. Share more details. Ask for proof of funds.

Letter of intent

Agree the main terms in writing. Your lawyer reviews it.

Due diligence (often a few weeks)

The buyer checks your records.

Purchase agreement

Lawyers prepare the final agreement. Any property is handled by lawyers.

Closing

Lawyers prepare a statement of adjustments for prepaid rent, deposits, inventory and similar items. Money and documents are exchanged.

Handover

Train the new owner for the agreed time.



Glossary of Business-Sale Terms

Plain-English meanings of words you may hear when selling a business.

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Asking price

The price you put on your listing. A starting point for talks.

Asset sale

The buyer buys what the business owns: equipment, stock, name.

Share sale

The buyer buys the company itself, including its history and contracts.

Due diligence

The checks a buyer does on your books, leases and contracts before the sale is final.

EBITDA

Roughly yearly profit before interest, taxes, depreciation and amortization.

EBITDA multiple

How many years of EBITDA a buyer is willing to pay.

SDE

Seller's discretionary earnings: what the business earns for one working owner.

Goodwill

The value of your name, reputation and loyal customers beyond equipment and stock.

Working capital

Roughly stock plus money owed to you, minus bills you owe.

Letter of intent (LOI)

A short letter setting out the main agreed terms before the final agreement.

NDA

A confidentiality agreement a buyer signs before seeing private details.

Vendor take-back

You are paid part of the price later, over time, with interest.

Earn-out

Part of the price depends on how the business does after the sale.

Employee ownership trust (EOT)

A trust that buys a business for the benefit of its employees.

Closing

The day money and ownership change hands.

Closing day adjustments

Amounts added to or taken off the price on closing day for items that cross the closing date, like prepaid rent, deposits, inventory and staff vacation pay. Listed on a statement of adjustments.

Statement of adjustments

The sheet, usually prepared by the lawyers, that shows the price, each adjustment, and the amount paid on closing day.

Purchase agreement

The final legal agreement for the sale, prepared by lawyers.