



If this list looks overwhelming, you're not alone. Preparing your business for a sale that will draw a premium valuation is an involved process, but we can confidently say it will all be worth it come closing day. Whether you are looking to sell now or 5+ years down the road, our team at Class VI will work with you to develop and execute a personalized market preparation roadmap to ensure you're in the driver's seat when it comes time to sell. For more information, please email chris@classvipartners.com.

Business Preparation

- Identify and prioritize the risks in your business
- Develop and execute risk-reduction plan to drive increased value ahead of a sale
- Benchmark financial and operational performance against peer companies to identify potential areas of concern and opportunity for investors
- Perform a preliminary valuation of your company
- Transaction Project Planning
- Develop a transaction timeline and start date to achieve desired closing date - this will determine your go-to-market project plan
- Develop communication plan (for management team, employees, customers, suppliers, press, etc.) - what will get communicated and when
- Develop confidentiality contingency plan, and a communication plan in the event there is a confidentiality breach
- Set up electronic data room for due diligence materials to match typical buyer due diligence request lists

Due Diligence Preparation

- Identify and prepare for HR diligence issues (coordinating with your outside advisors)
- Identify and prepare for IT diligence issues (coordinating with your outside advisors)
- Identify and prepare for Finance diligence issues (coordinating with your outside advisors)
- Identify and prepare for IP diligence issues (coordinating with your outside advisors)
- Identify and prepare for Legal diligence issues (coordinating with your outside advisors)
- Assess need for Quality of Earnings review (and engage third party if appropriate)

Financial Modeling

- Perform a detailed financial analysis to identify specific line items (by month) that will be concerning to investors
- Develop detailed, supportable growth plan and financial forecast – including LBO and DCF models
- Test and confirm all major model assumptions
- Prepare a working capital analysis and determine best positioning strategy prior to going to market – identify any opportunities to maximize prior to going to market



Bidder Pool Preparation

- Identify likely bidder pools from industry and surrounding industries
- Develop plan to “soft” condition the market when it is appropriate
- Evaluate likely strategic buyers and potential issues/needs they might have
- Evaluate likely private equity interest and potential issues/needs they might have

Story and Book Preparation

- Determine quantitative information required for the CIM – which standard metrics should be included and assess capabilities of capturing required data
- Perform a “why do customers buy from you” exercise
- Develop key investment considerations
- For each investment consideration, determine and develop required data support
- Identify likely objections from the market, and responses to each
- Determine outline for appropriate sections to include in the CIM

Management Team Preparation

- Prepare for mock management meetings – ensure management team understands the preparation they will need to do prior to these meetings
- Educate management team about all aspects of the upcoming process

Personal Preparation

- Develop a post-closing financial plan
- Develop tax mitigation strategies with your accountant
- Develop tax efficient investment plan to replace income that used to come from salary and distributions from the company
- Develop estate planning and other opportunities with an attorney
- Develop a plan for educating children about wealth, investment management, financial planning, and the importance of savings
- Assess your current liability protections
- Review any key person or buy-sell life insurance policies owned by the company
- Develop a “what if” emergency plan for your spouse and family if something were ever to happen to them
- Develop charitable giving strategies