

Your future starts here. Complete this confidential worksheet to guide your path towards a rewarding exit. If you find some of the questions challenging, we're here to help - reach out to us today at info@samsonpartnersgroup.com and we'll be happy to walk you through every step of the way.

Section 1: General Information

What does your company do and what industry do you compete in?

How long have you owned / operated the business?

How long has the business been in operation?

Why are you considering a sale to a third party versus transferring/selling the business to family or to your employees?

What is your annual revenue, based on most recent three years? (in millions of US dollars)

High: _____ Low: _____ Average: _____



Section 2: Goals

Primary Goal (Select 1, 2, or 3)

1. Sell 100% of the business and leave immediately post sale
2. Take a step back from the business while retaining a small ownership stake for legacy and potential future value (say 5-15%)
3. Diversify wealth while staying involved in the business and rolling over a significant amount (up to 40%)

Investment Post Sale (Select 1, 2, and 3)

1. Exit fully upon sale
2. Take a step back from the business while retaining a small ownership stake for legacy and potential future value (say 5-15%)
3. Diversify wealth while staying involved in the business and rolling over a significant amount (up to 40%)

Financial Priority (Select 1 or 2)

1. Sell 80%-100% of the business for financial security and retirement
2. Reduce personal financial risk and access growth capital

Vision for the Business (Select 1, 2 or 3)

1. Find a capable partner to carry the business forward and protect its legacy
2. Partner with someone to accelerate growth and build value
3. I want to remain actively involved in running the business

Timing (Select from list below)

The earliest from now you would give up control of the business and sell is:

Now 3 mos. 6 mos. 9 mos. 1 year 1.5 yrs. 3 years 5 years

The "no later than date" that you don't want to be operating in the business is in:

Now 3 mos. 6 mos. 9 mos. 1 year 1.5 yrs. 3 years 5 years

Risk Tolerance (Select 1, 2 or 3)

1. Low: Prefers limited ongoing involvement and financial risk
2. Moderate: Willing to share future risks and rewards with a partner
3. High: Want to maintain up to 49% and grow with a partner

Baseline Knowledge (Select from list below)

Do you have knowledge of people that have sold their business that are of the same size as yours and operate in the same industry and have a similar business mix to you? Yes No

If Yes: How has that informed your view of the type of valuation and deal structure that you are expecting in a transaction?



Quality of Revenue and EBITDA Margin (20% of Score)

How do you think your EBITDA margin compares to your peers?

1. 10%+ below peers
2. 5-10% below peers
3. In-line with peers
4. Above peers

How quickly can you report trusted financials with clean add-backs and, inclusive of all executive compensation? (Keep in mind that the faster you can close your books, under GAAP rules and fit for investor consumption, the more attractive you are to PE)

1. 6+ months – not fit for investors but good enough for tax reporting
2. 2-3 months with some clean up needed
3. Within a few weeks and close to investor-grade
4. Within 5-10 days of the month end and fit for investor consumption and inclusive of managerial comments

How effectively do you manage cash? Effective cash management makes it easier for a buyer to forecast future performance and supports post-acquisition investment plans)

1. Erratic monthly cash flows & difficulty meeting obligations
2. Occasional liquidity issues
3. Stable & predictable monthly cash flows

How would you describe your company's working capital needs? (A business that requires significant cash to fund its growth is less attractive than one that generates cash ahead of its expenses.

1. Capital Intensive: Requires significant ongoing cash infusions to fund growth in inventory and AR
2. High Working Capital: Lengthy cash conversion cycles and less accessible than industry peers
3. Normal Working Capital: Typical cash conversion cycle without too many issues
4. Capital Efficient: Low working capital needs to industry peers and a short cash conversion cycle



Quality of Revenue (20% of Score)

How much of your revenue comes from your top customers? (The more diversified your customer base, the more attractive you are to a PE firm)

1. Top 10 customers provide >50% of revenue
2. Top 10 customers provide 20-50% of revenue
3. Top 10 customers provide <20% of revenue

What is your average annual rate of customer retention? (Lower turnover shows loyal customers and stable revenue, making your business more predictable and attractive to PE firms. High turnover indicates risk and potential instability)

1. Annual customer retention <60%
2. Annual customer retention 60-80%
3. Annual customer retention 80%+

What percentage of your revenue is recurring on an annual basis? (High recurring revenue ensures stable, predictable cash flow, which PE firms value. Low recurring revenue increases volatility and risk)

1. No recurring revenue – everything is project based on a one time sale
2. 5-10% recurring/reoccurring/subsription based
3. 10-25% recurring/reoccurring/subsription based
4. 25%+ recurring/reoccurring/subsription based

How strong is your organic growth/Are you growing at market pace? (Strong organic growth indicates that the company has a solid foundation, with efficient processes and loyal customers)

1. Below market growth rate
2. Slightly higher than market growth rate
3. Higher than market growth rate



Operations Overview (20% of Score)

How strong is your company's competitive advantage/edge? (Sustainable competitive edge can protect market share and prospective buyers pay a premium for businesses with a strong moat)

1. Primarily competes on price and limited differentiation
2. Strong reputation and relationships with limited IP or exclusive contracts
3. Strong edge with IP and exclusive contracts with sticky clients

How strong is your ability to forecast financial, revenue and operational performance?

(Reliable financial controls improve transparency and help the company maintain stable operations, reducing post-acquisition risks)

1. We do not have a forecasting function
2. 10%+ EBITDA variance from forecast over a 12-month period
3. 5-10% EBITDA variance from forecast over a 12-month period
4. <5% EBITDA variance from forecast over a 12-month period

How dependent are you on key suppliers and vendors? (Do you heavily rely on certain providers to deliver your products/services to your clients? In such cases, if there are issues with delivery of goods, are you at risk of losing potential revenue?)

1. Highly dependent on a few key vendors suppliers for business operations
2. We have decent redundancy in suppliers and vendors, and have diversified our spending across categories effectively
3. We have no concentration risk in vendors and suppliers, and can have zero risk of business continuity related to this category
4. 25%+ recurring/reoccurring/subscription based

Can your company retain strength if you decide to pursue a sale of the company? (Many hours will be spent away from running the business for talks with buyers, bankers, and lawyers, etc. It is vital that you continue to hit on all key metrics, and the business maintains strong positive performance)

1. Currently flat to declining going into a deal process // Risk of declining on a trailing twelve month basis
2. Maintaining and achieving plans/goals going into a deal process
3. Currently growing over expectation should we go through a deal process



Team Structure and Human Capital (20% of Score)

How founder or owner dependent is your business? (A well-prepared succession plan indicates stability of the business and reduces the perceived risk associated with the transition of leadership after the acquisition)

1. I am involved in everything
2. I make all the critical decisions
3. I have a successor that I am grooming and strong leaders in place but still am a key member of the team
4. I have fully replaced myself with a successor, have a strong leadership team, and am now just an owner/investor

Do you have a robust sales and marketing organization or function? Does the majority of your revenue come through a sales and marketing organization and channels or from you and a few key people? (Private equity investors look for companies that have a strong organic sales motion that is not dependent on a few people)

1. Most of the of the sales flow through me
2. Most of the sales flow through a few key people including me
3. I have started to build out the sales and marketing function and less than 50% of the sales flow through me or other key leaders
4. More than 80% of the revenue is generated by the organization, not by the founders or key leaders

What is your employee retention rate? (PE firms prioritize company culture because a strong, positive culture contributes to employee satisfaction, performance, and retention, all of which affect the company's value and future growth)

1. Employee retention rate < 75% annually
2. Employee retention rate 75-90% annually
3. Employee retention rate 90%+ annually

What is the strength of your leadership team in terms of tenure? What is the average experience of your senior leadership team? (PE firms prioritize capable leadership to manage growth, mitigate risks, and ensure long-term success)

1. < 4 year average tenure
2. 4-7 year average tenure
3. 7+ year average tenure



Vision and Strategy (10% of Score)

Over the next 12 months, please rate your confidence in various levels of growth thinking of the following statement: “I will meet or exceed growth from the last 12 months while maintaining or growing my margins.”

1. More likely will not
2. Not sure
3. Somewhat confident
4. Extremely confident

How often do you have a performance review to ensure benchmarks are hit and culture is sustained?
(Providing guidance for key personnel is critical for sustaining growth and ensuring the team is bought in.)

1. We do not meet for performance reviews
2. We meet occasionally on a one-off basis to assess benchmarks and goals
3. We meet on an annual schedule to assess benchmarks and goals
4. We meet on a quarterly/semi-annually schedule to assess benchmarks and goals

How exposed is your business to regulatory or environmental change? (Business, Political or Climate Exposure, etc) Consider your business's exposure to imports/exports, legislation and broad uncontrollable changes.

1. We have significant exposure to regulatory policy or environmental changes that could disrupt 30% or more of our business
2. We have some exposure to regulatory, policy or environmental changes could disrupt 5-15% of our business
3. We have near zero exposure regulatory, policy or environmental changes and would have neither a materially positive nor negative impact on our business



Technology and Data (10% of Score)

Please assess your technology stack based on the anticipated post-acquisition investment required for modernization. (A modern, scalable, and secure technology stack is crucial for both post-acquisition success and for buyer's understanding of the business. This minimizes risk for costly upgrades, cybersecurity breaches, and supports data driven decision making)

1. Significant investment required: \$500k+ (Currently rely on legacy systems)
2. Moderate investment required: \$0 - \$500k (Reliable functionality, but room for modernization)
3. Currently Modern and Scalable: \$0 or negligible cost (Systems are current technology, and ready for integration into new tech)

How is your company's critical business data managed and stored? (A centralized and well-managed data architecture ensures data integrity, supports reliable reporting and is easier to scale and integrate post-acquisition)

1. Data is siloed across disconnected spreadsheets and systems requiring manual effort to consolidate and report
2. Data is stored on a primary CRM/ERP but many teams rely on separate spreadsheets for tracking
3. Company operates with single data repository and is stored in a clean and consistent fashion for entire organization

What is the quality of your operational reporting to drive performance? Do you have capabilities to pull reports on performance? (PE firms value businesses with robust reporting systems because it provides clarity and transparency in financial performance, operations, and key business metrics which allows for better forecasting and goal setting)

1. We have unreliable data
2. We have some delays and inconsistencies with data
3. We have highly accurate data that drives decisions



Have you successfully acquired other companies before?

(PE firms view inorganic growth as an opportunity to scale quickly and gain market share)

Have you successfully acquired other companies before?

1. No
2. You have an M&A pipeline of qualified targets but have not actively pursued this strategy by yourself – you are waiting for the right investor to help you
3. Moderate 1-2 M&A deals in your last 5 years with integration success
4. Completed 2-3 M&A deals in your last 5 years with successful synergies



ANSWERS & SCORING

QUESTIONS	ANSWERS	MAX	SCALING
Quality of Finances - 20%			
EBITDA Margin Against Peers		4	
Reporting Capability and Speed		4	
Cash Management		3	
Working Capital to Peers		4	
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Quality of Revenue and Growth - 20%			
Revenue Concentration		3	
Annual Customer Retention		3	
Annual Recurring Revenue		4	
Organic Growth to Peers		3	
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Operational Overview - 20%			
Competitive Edge		3	
Forecasting Ability		4	
Supplier Dependency		3	
Business Strength During Potential Sale Process		3	
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Team and Human Capital - 20%			
Founder Dependency		4	
Sales and Marketing Team Strength		4	
Employee Retention Rate		3	
Leadership Tenure		3	
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Vision and Strategy - 10%			
Confidence in Growth		4	
Performance Review Frequency		4	
Regulatory Exposure		3	
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Technology Stack - 10%			
Necessary Tech Infrastructure Spend		3	
Data Storage		3	
Reporting Quality		3	
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M&A Experience			
BONUS M & A		4	

		Max	Score
Margin Quality	1	20	
Revenue and Growth Quality	1	20	
Operational Overview	1	20	
Team and Human Capital	1	20	
Vision and Strategy	1	10	
Technology Stack	1	10	
Bonus - M&A	1	1	
TOTAL	1	100	

What does your company do and what industry do you compete in?
Answer:

How long have you owned / operated the business?
Answer:

How long has the business been in operation?
Answer:

Why are you considering a sale to a third party versus transferring/selling the business to family or to your employees?
Answer:

What is your annual revenue, based on most recent three years?
High _____ Million/USD
Med _____ Million/USD
Low _____ Million/USD

GOALS

Primary Goal	
Investment Post Sale	
Financial Priority	
Vision For Business	
Timing Earliest	
Timing Latest	
Risk Tolerance	
Founder Seller Network	
Thoughts on Sale	

SCORE BREAKDOWN

**0%-40%:
Build Value
A sale is not
advised at this
time.**

The primary focus should be on strengthening the business to maximize its value for a future exit.

**40%-70%:
Prepare
for Sale**

The business is a strong candidate for a future sale. A timeline of 6-18 months is recommended for targeted investments and strategic preparation before going to market.

**70%+:
Positioned for Sale
Process within
3-6 months**

The business is well-positioned to consider a sale. Immediate considerations include aligning the sale with the owner's personal goals and analyzing external factors like industry trends and regulatory changes.

