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M&A Process Readiness Assessment



Personal & Financial

Readiness Assessment

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This assessment evaluates personal and financial preparedness for an active investment banking transaction process. Rate each statement from 1 (Not Ready) to 5 (Fully Prepared) based on current readiness.

Personal Readiness

1.	I feel ready to transition day-to-day decision-making to new ownership when the time comes	1	2	3	4	5
2.	I know my spouse/partner and key family members are aware of my thinking around specific plans and timeline of a potential sale	1	2	3	4	5
3.	I have a clearly articulated post-transaction plan to spend my time both professionally and personally	1	2	3	4	5
4.	I am comfortable with supporting the six-to-nine-month M&A process while remaining engaged in managing the business throughout the transaction	1	2	3	4	5
5.	I feel good about how my customer and supplier relationships would hold up if my day-to-day role changed	1	2	3	4	5

Financial Readiness

1.	I understand my personal net worth including liquid assets, illiquid holdings, and liabilities	1	2	3	4	5
2.	I'm comfortable weighing deal structure options on earnouts, seller notes, and equity rollover terms	1	2	3	4	5
3.	I've thought about which personal expenses currently run through the business that I'd need to plan for post-close	1	2	3	4	5
4.	I have engaged or plan to engage a wealth advisor to build a post-transaction personal financial plan prior to sale	1	2	3	4	5
5.	I have a recent valuation from an M&A professional regarding how after-tax transaction proceeds align with my long-term personal financial goals and needs	1	2	3	4	5

1 = Not Ready ——————————— *5 = Fully Prepared*

Business

Readiness Assessment

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This section evaluates business readiness across key value drivers that directly influence how buyers perceive and price your company, including EBITDA, revenue, growth trajectory, scalability, customer concentration, revenue visibility, management, financial documentation, operating systems, and company history.

	1	2	3	4	5
1. EBITDA Trend	10%+ annual decline trend	<5% annual decline trend	Flat or <5% annual growth	5-15% annual growth rate	15%+ annual growth rate
2. Revenue Trend	Declining revenue	Flat or minimal growth	Moderate growth (5-10%)	Strong growth (10-20%)	Exceptional growth (20%+)
3. Supplier Relationships	Single-source, owner-dependent	Few suppliers, owner-run	Diversified, team involved	Multiple suppliers, team-managed	Fully diversified, institutional
4. Scalable Business Model	Entirely owner-dependent	Some delegation, few systems	Defined processes, some risk	Scalable ops, minimal risk	Fully scalable, replicable
5. Customer Concentration	Highly dependent, few clients	Client(s) 20%+ of revenue	No client over 15% of revenue	No client over 10% of revenue	No client over 5% of revenue
6. Revenue Visibility	Unpredictable, project-based	Low predictability, few contracts	Moderate recurring rev	Strong recurring rev base	Highly predictable, diverse (long term)
7. Management & Employees	Owner only, no mgmt team	Owner + some key staff	Key staff in each dept	Mgrs with 5+ yrs tenure	Mgrs with 10+ yrs tenure
8. Financial Docs & Systems	Owner reports, no systems	Accountant prep, basic software	CPA + ops manual	Reviewed + software in place	Audited + integrated tech
9. Operational Processes & SOPs	No documented processes	Informal processes	Some SOPs, not broadly followed	Well-documented, regularly followed	Fully systemized, scalable SOPs
10. Company History	Startup (<3 years)	3-5 years in operation	6-10 years, established	11-19 years, proven track	20+ years, strong legacy

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Score Interpretation

Readiness Assessment

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Add your scores across both categories (Personal + Financial + Business). Total possible score: 20–100 points. Your composite score indicates overall transaction readiness.

80–100 : Deal-Ready

The business, owner, and financial position are well-prepared for an active transaction process. All key readiness dimensions are at or near optimal levels. Engagement with an investment bank can likely proceed with confidence, and the company is well positioned to achieve strong valuation outcomes.

60–79 : Advancing Readiness

Meaningful progress has been made across readiness dimensions. Some areas may require additional development—such as financial documentation, management bench depth, or stakeholder alignment—but the foundation is solid.

40–59 : Building Foundation

Important groundwork is being laid, though significant preparation remains. Key gaps likely exist in financial reporting quality, operational independence, or personal clarity on post-transaction objectives.

20–39 : Early Stage

Transaction readiness is in its earliest phase. This is a valuable point of self-awareness—identifying gaps now provides maximum runway for systematic preparation. Focus on foundational elements: strong financial reporting, management development, personal planning, and business documentation.

Personal Score: _____ / 25 Financial Score: _____ / 25 Business Score: _____ / 50

Total Composite Score: _____ / 100