

LINK Northland

How Ready is Your Business to Sell?



The authority on selling businesses

1. Market Factors						Not applicable or Don't know
Business operates in a well-established, stable industry	Definitely	Probably	No – Will change slightly	No- Will change moderately	No – will change significantly	
The industry / market is growing	Definitely at a good rate	At a steady rate	Slowly	Marginally/ Not really	No – it's contracting	
Future industry trends will positively affect the business	Definitely	Probably	Possibly	No – slightly negative	No – significantly negative	
Does Government legislation protect the supplies/services you provide?	Totally	Somewhat	Moderately	Slightly	NA or not at all	
How reliant is the business on its major suppliers	Not at all – can substitute suppliers easily	To a small degree	In between	In quite a few areas	Totally	
Existing competitors are aggressive	Not really	Some are but not in our market	Somewhat but so are we	Moderately	Yes	
Other barriers to entry exist for new competitors	Yes – prohibitive to many	Yes	In between	Moderately	Not at all	
Competitors have access to greater resources than you	Not at all	To a small degree	In between	Moderately	Yes	
Strong market demand exists for products/ services	Yes	Moderately	In between	To a small degree	Not at all	
Substitutes exist for your products/ services	Not at all	To a small degree	In between	Moderately	Yes	
Product/ services threatened by new technology, IT or web	Not at all	Slightly	Moderately	In between	Significantly	

2. Business Factors/Risks						Not applicable or Don't know
How many years profitable trading does the business have?	> 10	6 to 10	3 to 5	1 to 2	< 1	
Current year increase in sales	> 20%	11 – 20%	6 – 10%	1 – 5%	Either NA or 0%	
Current year increase in adjusted EBIT	> 20%	11 – 20%	6 – 10%	1 - 5%	Either NA or 0%	
Degree of customer loyalty	Very high	High	Medium	Low	Very low	
Key staff experience and industry knowledge	Excellent	Good	Fairly good	OK	Poor	
Business Planning: Business Plans exist and are actively managed	Excellent	Good	Fairly Good	Ok	Poor	

3. Business Growth Factors						Not applicable or Don't know
Opportunities for business growth exist – existing markets worked harder (and are able and practical to be pursued)	Excellent	Good	Fairly good	OK	Poor	
Opportunities for business growth exist – new products/ services (and are able and practical to be pursued)	Excellent	Good	Fairly good	OK	Poor	

Opportunities for business growth exist – new geographical locations (and are able and practical to be pursued)	Excellent	Good	Fairly good	OK	Poor	
Business infrastructure ability to support growth	Yes	Moderately	Somewhat or "Growth is not influenced by infrastructure"	Slightly	Not at all	

4. Buyer Risk						Not applicable or Don't know
Degree of principal/ owner reliance	None	Low	Medium	High	Very high	
Top 10 Customers: % of Total Income	< 10%	10 – 20%	21 – 30%	31 – 40%	> 40%	
Business achieving key industry benchmark standards (profit, liquidity etc.)	Well above	Slightly above	Average	Slightly below	NA, unknown or well below	
Business is easy to sell	Yes	With some modifications	Moderately	Difficult	No	
Business is easy to finance	Definitely	Probably	Possibly	No – slightly negative	No – significantly negative	