

What a Sale Process *Really* Looks Like

And Why Early CFO Led Exit Preparation Changes Everything

Most owners believe selling a business is about finding a buyer and agreeing on a price.

In reality, it is about proving, quickly and convincingly, that your business is:

- Predictable
- Defensible
- Transferable

That proof happens during diligence. And diligence determines:

- Valuation
- Deal structure
- Speed and certainty of closing

The difference between a smooth, premium outcome and a discounted, difficult process almost always comes down to preparation before going to market.



Financial vs. Strategic Buyers

Financial buyers, such as private equity groups, focus on predictable earnings, scalability, and return on investment. Strategic buyers focus on synergies and integration opportunities.

Both, ultimately, price risk. Both require confidence in your financials, operations, and story.

What the Sale Process Looks Like

1. Preparation
2. Marketing and Buyer Outreach
3. Indications of Interest (IOIs)
4. Management Presentations
5. Letters of Intent (LOIs)
6. Due Diligence
7. Closing

Preparation is the most important phase and the most overlooked. Diligence is where outcomes are decided.

The Role of an Exit Focused CFO

Many companies bring in financial expertise after launching a sale process.

That is too late.

An exit-focused CFO brought in early is responsible for transforming the business into something that can withstand scrutiny and command a premium.

What Actually Needs to Be Done

1. Organize Contracts and Legal Documents

Buyers will request:

- Customer contracts
- Vendor agreements
- Employment agreements
- Leases and debt documents

Common Issue: Documents are incomplete, inconsistent, or scattered.

When done right:

- Clean, organized data room
- Reduced legal friction
- Faster diligence

2. Fully Reconcile the Balance Sheet

Every account will be tested:

- Cash
- Receivables
- Inventory
- Payables
- Accruals

Common Issue: Unsupported or stale balances

When done right:

- Credible financials
- No surprises during diligence
- Stronger working capital position

3. Build Defensible Forward-Looking Financials

Buyers are purchasing future performance, not just history.

They expect:

- Logical forecasts
- Clear assumptions
- Direct linkage to operational drivers

When done right:

- Higher confidence
- Better valuation
- Stronger negotiating position

4. Control the Narrative Around Financial Variability

Every business has:

- A weak quarter
- Customer loss
- Margin fluctuation

If you do not explain it, the buyer will assume it is recurring.

When done right:

- Clear separation of one-time and ongoing items
- Strong quality of earnings story
- Reduced valuation pressure

5. Normalize and Defend EBITDA

Buyers will challenge:

- Adjustments
- Owner expenses
- One-time items

When done right:

- Credible, maximized EBITDA
- Fewer disputes
- Stronger pricing

6. Implement Structured Reporting and Controls

Buyers expect:

- Consistent monthly reporting
- KPI visibility
- Financial discipline

When done right:

- Increased buyer confidence
- Faster diligence
- Perception of operational maturity

7. Build a Fully Prepared Data Room Everything must be:

- Complete
- Organized
- Easy to navigate

When done right:

- Reduced disruption
- Faster process
- Fewer follow-up requests

Where Simonson CFO Fits In

Simonson CFO is not an investment bank.

It plays a different role, often the most critical one:

- Preparing the business before it goes to market
- Structuring financials and operations for scrutiny
- Managing the process alongside the owner

This includes:

- Cleaning and organizing financials
- Reconciling the balance sheet
- Building forecasts and models
- Preparing the data room
- Supporting diligence requests
- Acting as a buffer between buyers and management

Why This Matters

A sale process is disruptive.

Without the right support:

- Leadership is pulled into constant requests
- Operations lose focus
- Performance declines during the process

With the right CFO:

- The process is managed externally
- Leadership stays focused on running the business
- Performance remains strong, which directly impacts valuation



What Happens Without Preparation

- Deals are repriced
- Earnouts increase
- Diligence timelines extend
- Buyer confidence declines
- Transactions fall apart

What "Good" Looks Like

You are prepared when:

- Financials are clean and defensible
- Balance sheet is fully reconciled
- Contracts are organized and accessible
- Forecasts are credible
- The narrative is clear and proactive
- The data room is complete before diligence begins

The Bigger Picture

A sale process is not just a transaction. It is a stress test.

Companies that prepare early:

- Control the narrative
- Reduce risk
- Move faster
- Command stronger valuations

Bottom Line

The best time to prepare for a sale is 12 to 24 months before going to market.

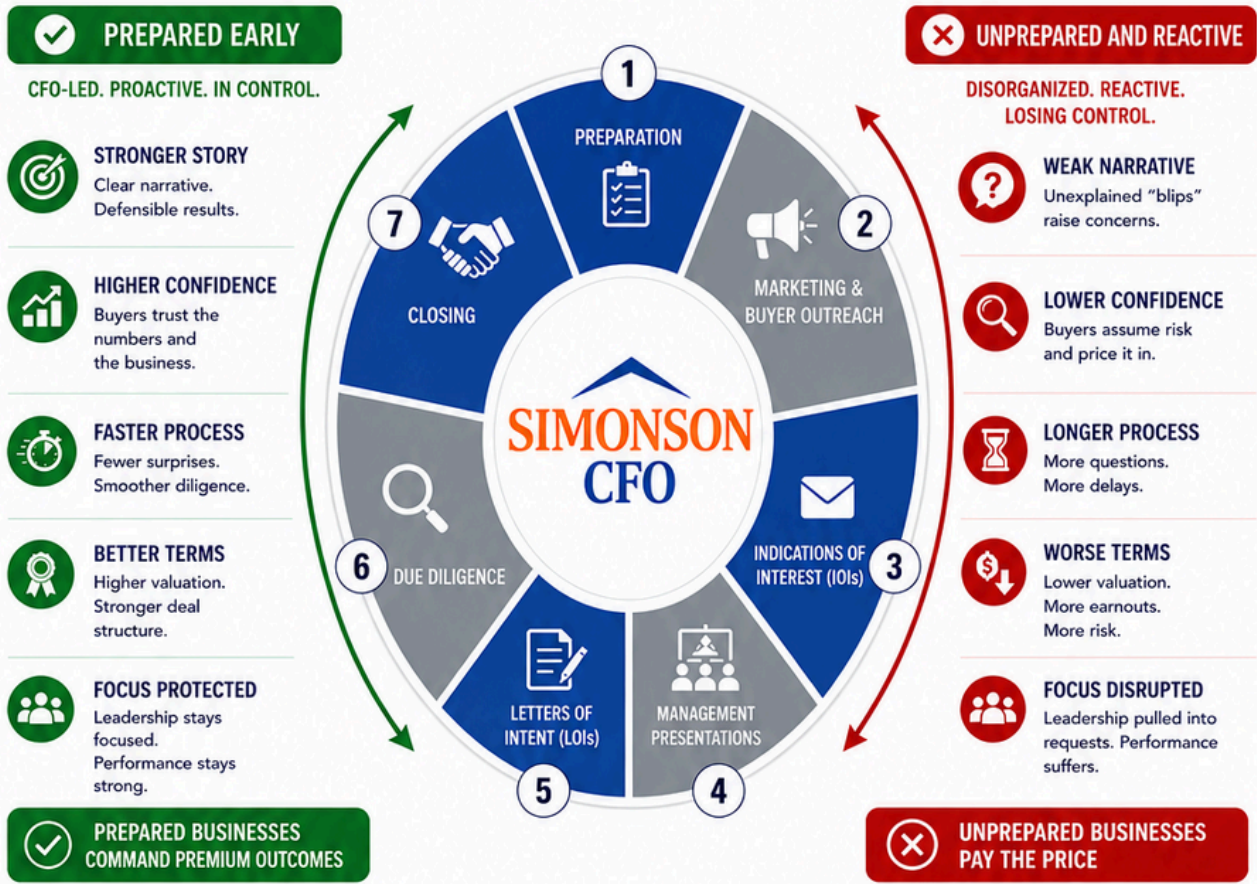
The right CFO does more than prepare you. They help you:

- Reduce disruption
- Maintain performance during the process
- Maximize value at exit

Whether you sell or not, that level of discipline improves the business.

PREPARATION CHANGES EVERYTHING

Two businesses. Same goal. Very different outcomes.



WHAT ACTUALLY NEEDS TO BE DONE	WHAT HAPPENS WITHOUT PREPARATION	WHAT "GOOD" LOOKS LIKE	THE BIGGER PICTURE	WHERE SIMONSON CFO FITS IN
<p>7 critical areas to prepare, clean, and organize. (See reverse for details)</p>	<ul style="list-style-type: none"> ✗ Deals get repriced ✗ Earnouts increase ✗ Diligence drags out ✗ Buyers lose confidence ✗ Transactions fall apart 	<ul style="list-style-type: none"> ✓ Clean, defensible financials ✓ Fully reconciled ✓ Credible forecasts ✓ Clear narrative ✓ Data room complete before diligence 	<ul style="list-style-type: none"> ✓ Control the narrative ✓ Reduce risk ✓ Move faster ✓ Command a higher valuation 	<p>We prepare, organize, and defend your business—then manage the process on your behalf.</p> <p>So you can stay focused on running it.</p>

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WITH THE RIGHT CFO

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THE RIGHT CFO HELPS YOU:

THE BOTTOM LINE:

The best time to prepare for a sale is 12–24 months before going to market.

REDUCE DISRUPTION

Keep the business running smoothly.

MAINTAIN PERFORMANCE

Strong performance during the process drives higher value.

MAXIMIZE VALUE

Preparation creates leverage, confidence, and a premium outcome.

Whether you sell or not, that level of discipline makes your business better.