



A FREE REFLECTION · 20 MINUTES · PEN & PAPER

# THE TRANSITION READINESS CHECK

Twelve questions for owners who are starting to think about what comes next — selling, stepping back, handing off, or just building something that doesn't depend on you being there every day.

# THE BEST TIME TO START IS BEFORE YOU NEED TO.

Most owners think about transition the way most people think about estate planning: someday, but not yet. By the time "someday" arrives, the window for getting full value out of the business has often closed.

The businesses that sell well, transfer cleanly, or simply run without their founder — they didn't get that way in the last six months. They got that way because someone started thinking about it years before they needed to. The work isn't dramatic. It's documentation, clean financials, transferable client relationships, and a team that knows what to do when you're not in the room.

This Health Check isn't a sale-prep kit. It's a starting point. It's twelve questions designed to surface what would need to be true for your business to be valuable to someone else — whether that someone else is a buyer, a successor, a partner, or just a future version of you who'd like a real vacation.

## Who this is for.

- Owners thinking about selling in the next 1-7 years (sooner = more urgent).
- Owners thinking about stepping back to a board / advisory role.
- Owners building a business they want to hand to a partner, child, or successor.
- Owners who don't plan to leave at all — but want to find out what would happen if they had to.

*A note on framing. The questions ahead are the ones a buyer's diligence team would ask, written in plainer language. If they make you uncomfortable, that's useful information. The goal is to find what's missing while there's still time to build it.*



**01** THE FOUNDER DEPENDENCY

*How much of the business actually lives in you?*

Q1. If you disappeared for a month with no warning, which of the following would happen? *(check all that apply)*

- Revenue would slow or stop because new business comes through me.
- Existing clients would still get served, but the experience would degrade.
- My team or contractors wouldn't know what to prioritize without me.
- Vendor or partner relationships would go stale because I'm the contact.
- Bills and admin would slip because I'm the one who pays them.
- Honestly, very little — the business runs without me for short periods already.

Q2. What percentage of new revenue comes from a relationship that exists with you personally, not with the business?



*1 = almost none · 5 = nearly all of it*

Q3. If a buyer asked you "what's the first 90 days look like for whoever runs this after you?" — could you answer in concrete terms, or would you have to make it up on the spot?

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## 02 THE DILIGENCE VIEW

*What would a buyer or successor actually see if they looked at the books and the systems today?*

Q4. Could you produce, this week, a clean profit-and-loss statement for the past three years that you'd be willing to show a stranger?

1 2 3 4 5

1 = definitely not · 5 = yes, this week

Q5. Are personal expenses cleanly separated from business expenses, or are they mingled in a way that would have to be untangled before a sale?

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Q6. Which of these are documented well enough that someone else could pick them up tomorrow? *(check what's true)*

- Client onboarding process
- Invoicing and collections
- How leads come in and how they're qualified
- The actual delivery of your service or product
- Vendor and supplier relationships
- Hiring and contractor onboarding
- None of these are documented in a way someone else could follow.

Q7. Are there any contracts, IP, licenses, or agreements that are in your name personally rather than the business's?

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### 03 WHAT YOU ACTUALLY WANT

*Transition isn't only about valuation. It's about what you want the next decade to look like.*

Q8. What's your honest timeline? When would you ideally want to be out of the daily operations of this business?

- Within the next year.
- 1-3 years.
- 3-7 years.
- I don't have a fixed timeline, but I want to be able to step back when I choose.
- Never — this is the work I want to be doing.

Q9. What does "transition" actually mean to you? Sale, succession, advisory role, sabbatical, or something else?

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Q10. If you sold the business for fair market value tomorrow, would the price be enough to fund the life you want next? If not, what's the gap?

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Q11. Who else is affected by this decision — family, partners, employees, key clients — and have you talked to them about it?

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Q12. What's the one thing you'd most want to have figured out before any of this is real?

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## WHAT YOU MIGHT BE LOOKING AT.

There's no score. But here's how I'd read these answers if you handed them to me — with the caveat that I'm not a broker, an appraiser, or an attorney. I'm an operations partner. The questions ahead are mine; the legal and financial ones are theirs.

### IF YOU CHECKED MANY BOXES IN Q1 AND Q6 CAME BACK MOSTLY EMPTY

#### THE BUSINESS IS MORE "YOU" THAN "COMPANY" RIGHT NOW.

That's not a verdict — most small businesses start this way. But every box checked in Q1, and every empty option in Q6, is a place where the business loses value to a buyer (or stalls when handed to a successor). The work is to take what's in your head and put it somewhere else: documents, systems, trained people, repeatable processes. Two to three years of clean operations work usually closes the gap.

### IF Q4 AND Q5 ARE WEAK

#### THE FINANCIALS NEED A TUNE-UP BEFORE ANY CONVERSATION WITH A BUYER.

Buyers don't pay a premium for messy books. They discount for them. Three years of clean, separated financials — with personal expenses cleanly removed — is the table-stakes minimum for a real conversation. This isn't operations work; it's bookkeeping and accounting work. But operations and bookkeeping touch each other, and getting one clean usually surfaces issues in the other.

### IF YOUR TIMELINE (Q8) IS "WITHIN THE NEXT YEAR"

#### YOU PROBABLY NEED A BROKER MORE THAN YOU NEED ME.

One year is a tight runway. At that timeline, the priority shifts from building value to packaging what's there for a buyer. A business broker or M&A advisor is the right partner. I'm useful in parallel — cleaning up operations and documentation to support diligence — but I'm not the primary lead. I'm happy to point you toward people I trust.

### IF YOUR TIMELINE IS 1-7 YEARS — OR "I JUST WANT THE OPTION"

#### THIS IS THE RIGHT WINDOW TO DO THE OPERATIONS WORK.

Every year you spend now — documenting, systematizing, building a team that runs without you — compounds into real valuation difference at exit. A business that can show three to five years of clean operations under a non-founder typically commands meaningfully better terms than one that can't. This is what The Operations Partnership is built for.



## THE SECTION 3 ANSWERS ARE THE MOST IMPORTANT

**WHAT YOU WANT MATTERS MORE THAN WHAT'S POSSIBLE.**

Q9 (what "transition" means to you), Q10 (whether the number is enough), Q11 (who else is in this with you), and Q12 (the one thing you'd want figured out) — these shape every other decision. There's no operations work, no bookkeeping work, and no broker conversation that's useful until you know what you actually want. If you only answered three pages of this Health Check, make it page five.

**WANT TO TALK ABOUT WHAT CAME UP?**

Book a free 30-minute call. Bring your answers, or don't. We'll talk about what's loudest, where you actually are on the runway, and whether what I do is what you need right now — or whether someone else is.

[BOOK A FREE 30-MINUTE CALL](#)

