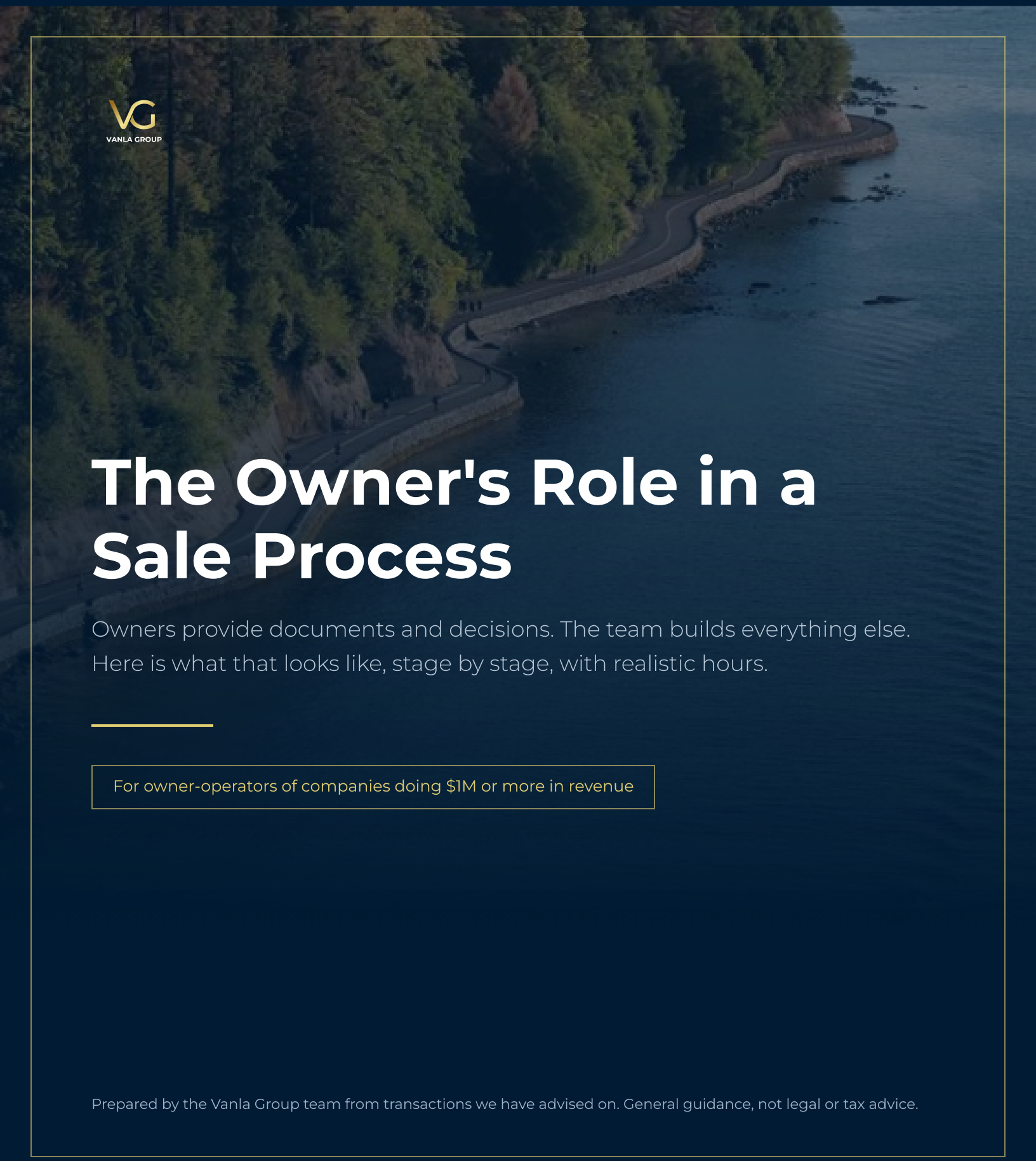


VANLA GROUP

The Owner's Role in a Sale Process

Owners provide documents and decisions. The team builds everything else. Here is what that looks like, stage by stage, with realistic hours.

For owner-operators of companies doing $1M or more in revenue

Prepared by the Vanla Group team from transactions we have advised on. General guidance, not legal or tax advice.

The most common reason owners delay a sale is not price. It is the expectation that selling will take over their working life for a year, at exactly the moment the business most needs them. A well run process does not work that way. Owners provide documents and decisions. Our team builds everything else. This guide walks through each stage of a sale, what you provide, what our advisors handle, and the hours it typically asks of you, so you can judge the commitment honestly before you make it.

Preparation: documents, valuation and materials

Everything in a sale is built from a set of documents you already have, or can assemble in a few weeks. Gathering them is the single largest block of owner time in the whole process, and it comes at the start, when nothing is public yet.

What you provide

- Three years of financial statements and tax returns, plus year to date figures
- A general ledger or accounting file export, so the recast can be built line by line
- Customer revenue by account for the last three years
- An organization chart with roles, tenure and compensation
- Leases, major customer and supplier contracts, loan agreements, licenses
- An equipment or asset list with age and condition
- An hour or two of conversation about how the business actually works: where customers come from, who makes which decisions, what you would fix with more capital

What our team handles

From those documents our advisors build the recast of earnings, the valuation and the buyer materials: a blind profile that describes the business without identifying it, and a confidential information memorandum, the full document a qualified buyer receives under NDA. We draft the growth story, assemble the financial exhibits, build the buyer list from our network of 8,100+ buyers and prepare the marketplace listings. You review and correct. You do not write.

Owners often ask whether the books need to be cleaned up first. Usually not. The recast is where the cleanup happens, on paper, with each adjustment documented. What matters is that the underlying records exist and reconcile. If they do not, we will tell you before going to market, because a buyer will certainly find out during diligence.

Typical owner time: 10 to 20 hours over three to five weeks, most of it gathering documents and answering questions, followed by 3 to 5 hours reviewing the materials before they are final.

Going to market and buyer conversations

Once the materials are approved, the business goes to market under its blind profile, through our buyer network and the major marketplaces. This is the stage owners worry about most and participate in least.

Our team fields every inquiry, screens each buyer for fit and capacity to close, executes NDAs, releases the memorandum and answers the first round of questions. Most of those questions are about the materials, and we answer them from the materials. Questions that only you can answer are batched, so you receive a list every few days rather than a call every hour.

Your role begins when a buyer has read everything and wants to meet. A management meeting is typically a two to three hour conversation, in person or by video, where the buyer hears the business described by the person who built it and you form a view of who they are. We prepare you for each one, sit in, and handle the follow up. Expect three to six such meetings across a process, usually clustered in a two to four week window so that buyers move toward offers on the same timeline.

Typical owner time: 1 to 3 hours a week answering batched questions during the active marketing period, plus 3 to 4 hours per management meeting including preparation. Most of our clients receive a letter of intent within 60 days of going to market.

Offers and the letter of intent

When offers arrive, our advisors put them side by side on the same terms: headline price, cash at close, earnout, seller note, working capital assumptions, your role after closing, exclusivity period and the buyer's financing. A higher headline number with a large earnout and a long exclusivity period may be worth less than a lower number paid in cash by a buyer who can close in 75 days. The comparison is our job. The choice is yours.

We then negotiate the letter of intent with the buyer you select. Here the hours are decisions rather than tasks: which trade offs you will accept on structure, how long you are willing to stay, what matters most to you about the outcome for your employees. Those are conversations with your advisor and, from this point forward, with your attorney and CPA as well.

Typical owner time: 4 to 8 hours across one to two weeks, in conversations and reviewing drafts.

Diligence to closing

Signing the letter of intent is the midpoint of a sale, not the end. Diligence, the 60 to 90 days in which the buyer verifies everything in the memorandum, is the second block of real owner time, and it is where an unmanaged process does the most damage to both the business and the deal.

The buyer's team will send request lists: financial, legal, operational, tax, insurance, human resources. These lists often run to a few hundred items. Our team manages the data room, tracks every request, answers what can be answered from documents already assembled, and schedules the calls that need you. Your bookkeeper or CPA handles the financial reconciliations and the quality of earnings review. Your attorney handles the purchase agreement. You handle the questions that only the owner can answer: why a customer left two years ago, how a particular contract is priced, what happens to a supplier relationship when you step back.

The first two to three weeks are the heaviest. After that, requests narrow to specific follow ups, and your involvement drops to periodic calls while the lawyers draft. Closing itself is a few hours of signatures, usually preceded by a week of final schedules and funds flow arrangements that your attorney and our team coordinate.

Typical owner time: 4 to 8 hours a week for the first three weeks of diligence, then 2 to 4 hours a week until the purchase agreement is final, and 5 to 10 hours in the closing week. Most of our transactions close within 6 to 9 months of engagement.

Keeping the business running while it sells

The table below puts the ranges together. They are typical, not guaranteed; a company with complicated contracts or several entities sits at the top of each range.

Stage	Typical duration	Typical owner hours	When they fall
Preparation and materials	3 to 6 weeks	15 to 25 in total	Front loaded, before anything is public
Marketing and buyer conversations	6 to 10 weeks	1 to 3 a week, plus meetings	Clustered around management meetings
Offers and letter of intent	1 to 3 weeks	4 to 8 in total	Decisions, not tasks
Diligence	8 to 13 weeks	4 to 8 a week early, then 2 to 4	Heaviest in the first three weeks
Closing	1 to 2 weeks	5 to 10 in total	The final week

Across a typical 6 to 9 month engagement, that is roughly the equivalent of two to three working weeks of owner time, spread unevenly. The point of the structure is that the heavy weeks are predictable, so you can plan around them.

Three habits protect the business through the process. First, keep selling. A dip in revenue during the sale is one of the most damaging things that can happen to a price, because buyers read it as the future. Second, do not change anything that is not broken. New hires, new systems and new pricing all create questions in diligence that you then have to spend hours answering. Third, let the batching work. When you give your advisor the questions and documents on the agreed cadence, the buyers get answers on schedule and you get your weeks back.

The owners of the $22M home health agency in Indiana that we closed kept running the agency through the entire sale. That is the standard we build each process toward: the business is in better shape on closing day than it was when the first document was gathered, because the owner's attention stayed where it belonged.

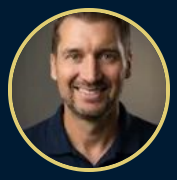
What to do next

See where your company stands before anything goes to market: a price range from up to six sources, the buyers whose stated criteria fit, and closed deals near your size. About a minute.

Get your Exit Readout

The team behind this guide

Vanla Group is an M&A advisory firm and business brokerage for owners selling companies. We are paid a success fee at closing, with no retainer and no upfront fees.



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Cameron Kolb
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David Tracey
M&A Advisor



Voya Cheetham
HR and PR Director



Nik Avendano
Operations Director

$182M+
Closed, US and Canada

8,100+
Buyers in our network

6 to 9
Months to close, typical

Questions about your own business? An advisor will talk them through with you.