



A FREE WORKING CHECKLIST

The Diligence Checklist

What a buyer will look for in your company, organized the way exit planners organize it, so you can score yourself today rather than finding out during a transaction.

☒	_____
☒	_____
☐	_____
☒	_____
☐	_____
☐	_____

W. Ed Becker, CCSM

Founder, Growth Right Solutions, LLC

September 6, 2026

GrowthRight.Solutions · +1 (307) 288-6880

CONTENTS

What is in this checklist.

	About Growth Right Solutions	3
1	What diligence is actually reading	4
2	How to score yourself	5
3	Human capital	6
4	Structural capital	7
5	Structural capital, continued	8
6	Customer capital	9
7	Social capital	10
8	The file a buyer will ask for	11
9	Your score	12
10	What the score is telling you	13
11	What to fix first, and in what order	14
12	What a stronger score is worth	15
13	Where to start this week	16
	What this checklist cannot do for you	17
	Sources and acknowledgement	18
	Copyright, license, and limits	19

A note on the framework

Sections three through seven follow the four intangible capitals used by the Exit Planning Institute. If you work with a Certified Exit Planning Advisor, this is the vocabulary they use, and your answers here will be useful to them.

About Growth Right Solutions.

Growth Right Solutions places a Chief AI Officer inside owner-led companies that cannot justify hiring one full time.

The work is done with a client's leadership team rather than handed to them. Strategy, governance, and building sit in one accountable seat, instead of a strategist, a builder, and a vendor who each answer for a different part of the result.

Who we work with

Owner-led and family-owned companies, including partnerships, between \$20M and \$40M in revenue with 40 to 250 employees. No private equity, no venture investors, and no outside board.

Specialty contracting, large home services, roll-ups and holding companies, and emerging franchisors.

Where we fit, and where we do not

We are not exit planners, valuation professionals, brokers, or attorneys, and we do not do any of that work. If you are thinking seriously about a transition, a Certified Exit Planning Advisor is the right person to lead it, and this checklist will make that conversation faster.

What we do sits inside one of the four capitals. Structural capital is the systems, the processes, and the documented knowledge that lets a company run without depending on the people who remember how. We write that down and then build it, so it runs whether or not any particular person is at their desk.

Who wrote this

W. Ed Becker spent twenty six years running a managed IT services company, where the average client stayed 17.5 years against an industry norm of three to five. Before that, seventeen years in government technology as Director of the Eastern Zone for the General Services Administration.

SECTION ONE

What diligence is actually reading.

Diligence looks like an inspection of your accounts. Most of it is not.

The financial file matters and a buyer will go through it carefully, but the numbers are usually the part an owner has ready. What takes the time, and what moves the price, is a different question underneath.

The question being asked

How much of what makes this company work would still be here on the Monday after closing?

Why so much of the value sits outside the accounts

The Exit Planning Institute estimates that up to eighty percent of a company's value sits in four intangible capitals rather than on the balance sheet. Its people and management depth. Its systems and documented processes. Its customer base and how concentrated it is. Its culture and reputation.

None of those appear in a profit and loss statement. All four are what a buyer is trying to read, and all four respond to work done in advance.

Which is the good news in this document

Every item in the sections that follow can be improved deliberately, and most of them can be improved without spending much. They are questions of what has been written down, who else can do it, and how well the company knows itself.

An owner who scores these honestly two years before a transaction has time to change nearly all of them. An owner who first sees them during diligence has a conversation about price instead.

SECTION TWO

How to score yourself.

Work through sections three to eight and tick each item where the answer is a clear yes today. Not a yes in principle, and not a yes if somebody spent a weekend on it. A yes you could demonstrate this week.

Score it the way a buyer would

Tick the box only when the evidence exists outside somebody's head. A process everyone follows but nobody has written down is not a tick. A report that would take three days to produce is not a tick.

This is not pessimism. It is the standard the material will be held to later, and scoring generously now only moves the disappointment.

Do it with your leadership team

Alone, you will score the things you personally know about and guess at the rest. With the team in the room, the guessing stops, and the disagreements are where the useful information is.

It takes about ninety minutes. Where a debate breaks out about whether something counts, that item is a no.

Then count

Section nine has a place to record your totals for each capital. The pattern across the four matters more than the number in any one of them, and section ten explains what the shape usually means.

ONE THING WORTH DOING BEFORE YOU START

Note today's date on the score page. This is a document you will want to run again in a year, and the comparison is worth considerably more than either score on its own.

SECTION THREE

Human capital.

WHAT A BUYER IS READING

Whether the company has management depth or a founder with helpers. A buyer is underwriting the team as much as the business, because the team is what still turns up after closing.

- ☐ There is a leadership team, and each member owns a defined area with authority to decide inside it.
- ☐ The business could operate for thirty days without the owner, and somebody other than the owner could say what would happen.
- ☐ At least one person other than the owner could run the company for a quarter.
- ☐ Key roles have a named successor or a documented plan if that person left.
- ☐ Pay and incentives for the leadership team are documented and would survive a change of ownership.
- ☐ The company knows its turnover rate in key roles and can produce the number.
- ☐ New people are trained from written material rather than by watching whoever did the job before.
- ☐ The owner's own working week has been written down, so it is clear which parts are leadership and which are operations.

The one that carries the most weight

The thirty day question. An owner who has actually tested it, rather than reasoned about it, is describing something a buyer can verify. Most owners have never tried.

SECTION FOUR

Structural capital.

WHAT A BUYER IS READING

Whether the way the work gets done exists in the company or in the people. This is the capital that transfers most directly, and it is where the largest avoidable discount lives.

Documented process

- ☐ The core operating processes are written down in a form a competent new person could follow.
- ☐ Somebody could find that documentation today without asking the owner where it is.
- ☐ The documentation was updated within the last twelve months.
- ☐ Pricing rules, including how exceptions are decided, are written down.
- ☐ Quoting, scheduling, and job costing each follow a defined process rather than individual judgment.
- ☐ Month end follows a written close checklist.
- ☐ Customer complaints and warranty issues follow a defined path with a named owner.

Systems and data

- ☐ The company knows every software system it pays for and what each one does.
- ☐ Core systems pass information between them without a person moving it by hand.
- ☐ Customer records live in a system the company controls rather than in individual inboxes and phones.
- ☐ Someone other than the owner holds administrative access to every critical system.
- ☐ Accounts and licenses are held in company names rather than personal email addresses.

SECTION FIVE

Structural capital, continued.

Measurement

- ☐ The company produces a regular operating report that leadership actually reads.
- ☐ Three to five numbers describe how the business is performing, and they are the same numbers month to month.
- ☐ Somebody owns producing those numbers on a set date.
- ☐ Where a change has been made in the last two years, the company recorded where things stood beforehand and can show the difference.

Technology and AI

- ☐ There is a written policy covering what data may enter an AI tool and who approves new tools.
- ☐ The company can list every AI tool in use anywhere in the business.
- ☐ Any automated process has a named owner and a record of how it performs.
- ☐ Nothing critical depends on a tool held in one employee's personal account.

Continuity

- ☐ Data is backed up, and somebody has tested a restore in the last twelve months.
- ☐ The company knows how long it could operate if a core system were unavailable, and leadership approved that number.
- ☐ There is a written plan for the loss of a key system or a key person.

Why this section is the longest

Structural capital is the one most owners score lowest on and the one that improves fastest with deliberate work. It is also the capital a buyer can verify most easily, because either the document exists or it does not.

SECTION SIX

Customer capital.

WHAT A BUYER IS READING

Whether the revenue is durable and whether the relationships belong to the company. Concentration and owner-held relationships are the two things a buyer looks for first, and they are usually the two an owner has thought about least.

- ☐ No single customer accounts for more than twenty percent of revenue.
- ☐ The top ten customers and their share of revenue can be produced from a system today.
- ☐ Every significant customer has a relationship with someone other than the owner.
- ☐ Customer contracts and terms are documented, current, and findable.
- ☐ The company knows its customer retention rate and can produce the number.
- ☐ Recurring or contracted revenue is identified separately from one-off work.
- ☐ New business arrives through a defined process rather than through the owner's network alone.
- ☐ The company knows its cost to win a customer, at least approximately.
- ☐ Pricing has been reviewed in the last two years.

The one owners underestimate

Whether every significant customer has a relationship with someone other than the owner. Buyers speak to customers during diligence, and the question they ask is rarely direct. The answer usually is.

SECTION SEVEN

Social capital.

WHAT A BUYER IS READING

Whether the culture and reputation belong to the company or to the founder. This is the hardest capital to evidence and the easiest to underestimate, because it is the one that decides whether the people stay.

- ☐ The company's values are written down, and the team could describe them without reading them.
- ☐ Employees would describe the culture in similar terms if asked separately.
- ☐ The company's reputation in its market is visible in something outside its own website, such as reviews, references, or trade standing.
- ☐ Community and industry relationships involve people other than the owner.
- ☐ There is a way for employees to raise problems that does not depend on the owner being approachable.
- ☐ The company has a record of how it treats customers when something goes wrong.
- ☐ Employee tenure is known, and long-serving people are identified.
- ☐ Nothing about the company's public identity depends on the owner's personal name or personal social media.

Why this one is worth honest scoring

Social capital is what decides whether the team is still there a year after a transaction, and a buyer knows that. It is also the capital an owner is least able to assess from the inside, which is why the second item on the list is worth actually testing rather than assuming.

SECTION EIGHT

The file a buyer will ask for.

Separate from the four capitals, there is a body of material every buyer requests. None of it is difficult. All of it takes longer than expected when it is assembled under time pressure.

Financial

- ☐ Three years of financial statements, prepared consistently.
- ☐ Financials that have been reviewed or audited, or a clear statement of what level of preparation they have had.
- ☐ A current year to date position that can be produced within a week.
- ☐ Adjustments to earnings identified and supportable, including owner compensation and personal expenses.
- ☐ Aged receivables and payables available on request.

Legal and corporate

- ☐ Corporate records, ownership, and any shareholder or operating agreements are current and findable.
- ☐ Customer and supplier contracts are collected in one place.
- ☐ Leases, loans, and equipment finance documents are collected in one place.
- ☐ Licenses, registrations, insurance, and bonding are current.
- ☐ Any pending or threatened dispute is documented rather than remembered.

People

- ☐ An employee census with roles, tenure, and compensation can be produced.
- ☐ Employment agreements, and any non-competes or confidentiality agreements, are collected and current.
- ☐ Benefit plans and any obligations attached to them are documented.

The test for this section

Not whether the material exists, but how long it would take to produce. A buyer reads a slow response as a signal about how the company runs, and that reading is usually correct.

SECTION NINE

Your score.

Count the ticks in each section and record them here. Note the date, because this page is worth considerably more when you run it again next year.

CAPITAL	POSSIBLE	TICKED	WEAKEST ITEM
Human capital	8		
Structural capital	23		
Customer capital	9		
Social capital	8		
Four capitals total	48		

THE FILE	POSSIBLE	TICKED	LONGEST TO PRODUCE
Financial, legal, and people	13		

RECORD

Date scored

Who was in the room

Items that caused the most debate

Next review date

SECTION TEN

What the score is telling you.

The number matters less than the shape. Four patterns come up repeatedly, and each one points somewhere different.

Strong human, weak structural

A good team doing good work that exists nowhere except in their heads. This is the most common pattern in owner-led companies and the most straightforwardly improved, because the knowledge is already there and simply has not been written down.

Strong structural, weak human

Good systems with thin management depth. Often an owner who systematized the work and kept the decisions. The systems are an asset already, and the work ahead is about delegation rather than documentation.

Strong customer, weak social

A durable revenue base held together by the founder personally. Worth attention early, because relationships transfer slowly and cannot be rushed in the last year.

Even across all four, in the middle

The most encouraging pattern of the four. Nothing is broken and nothing is finished, and steady work on the weakest capital moves the whole picture. Companies in this position tend to improve fastest.

One reading that applies to every pattern

Where you scored low is not a list of failures. It is a list of things that were never anyone's job. Almost every item in this checklist is unticked in most companies for the same reason: the business grew, the work got done, and nobody was ever asked to write it down.

SECTION ELEVEN

What to fix first, and in what order.

Order matters more than pace here, because several of these depend on the ones before them.

First. The things that are only slow

Much of section eight is simply collection. Contracts in one place, an employee census, corporate records findable. It is a weekend of somebody's time and it moves your score immediately.

Second. Write down what only exists in people's heads

Start with the process that would stop if one particular person were unavailable. Documentation is the foundation for everything after it, and it is the capital where most companies have the furthest to travel.

Third. Move the repeatable work onto systems

Once a process is written down, part of it can be handled by a system rather than by a person remembering. This is where a documented process becomes something that runs whether or not anyone is at their desk, and it is what separates a written procedure from a transferable asset.

Fourth. Spread the relationships

Customer and social capital move slowly and cannot be accelerated near the end. Introducing a second relationship holder to each significant account is a two year project started casually, or a red flag started late.

Fifth. Build the measurement

Record where things stand before you change anything, so that a year from now the improvement is demonstrable rather than asserted. A buyer reads a documented process with numbers attached as evidence. The same process without numbers is a claim.

ON PACE

Three or four meaningful changes a year is what a leadership team can absorb while still running the business. Two years of that moves most companies a long way across this checklist.

SECTION TWELVE

What a stronger score is worth.

The score is not the point. What it produces is.

A price that reflects what you built

Owner-dependent businesses sell at a discount of one to two turns of EBITDA against comparable peers who can demonstrate how the work gets done. On a company with \$3M of adjusted earnings, that difference is measured in millions, and it is the largest number an owner has any control over in the two years before a transaction.

Better terms, not just a better number

Buyers manage transition risk by holding back cash at closing and by requiring earnouts that keep the founder in place for years afterwards. A company that reads well on this checklist gets a cleaner structure, and a cleaner structure is sometimes worth more than the headline figure.

A company that is easier to run in the meantime

Every item here describes work that currently depends on somebody remembering. Each one you move onto paper or onto a system is one that stops arriving in an evening, and that benefit arrives long before any transaction does.

And the choice itself

A company that scores well on this checklist can be sold, passed to family, held while the owner does something else, or simply enjoyed. Doing this work does not commit you to selling. It hands you the choice.

Why owners find this worth the effort

Almost nobody started a business because they wanted a job. They started it because they wanted to lead, and because they had a picture of what they could build.

Then the work arrived, and they ended up doing the things nobody else could do, would do, or that they would not hand over. Everything on this checklist is a step back toward the first thing.

SECTION THIRTEEN

Where to start this week.

Score it with your leadership team

Ninety minutes, everyone in the room, honest ticks only. Write the date on the score page.

Pick the three easiest unticked items and close them

There will be three that need an afternoon rather than a project. Collecting contracts into one place. Producing the customer concentration number. Naming an administrator for each system other than yourself. Do those first and let the team see the score move.

Name the person who carries the most in their head

Ask them to spend two hours writing down what they actually do on a Tuesday. Not their job description. This one exercise usually surfaces more than any other item here.

If a transition is genuinely on your horizon, talk to a Certified Exit Planning Advisor

They lead this work and they do it properly. Bring this completed checklist to the first meeting and you will save yourself a session.

THESE ARE YOURS TO DO

All four can be done without help, this week, at no cost, and they are worth doing whether or not anyone else is ever involved.

What this checklist cannot do for you.

It is not exit planning, and we are not exit planners

Exit planning aligns the business, the owner's personal goals, and the financial picture, and it is led by professionals trained to do it. A Certified Exit Planning Advisor does that work. This checklist covers one part of one of those three legs, and it is not a substitute for the rest.

It is not a valuation

Nothing here produces a number for your business. Multiples vary by sector, size, growth, margins, and a dozen other factors this document knows nothing about. A figure you intend to rely on comes from a valuation professional or an M&A advisor.

It cannot tell you which items matter most in your company

The checklist is the same for everyone. Which unticked box is costing you the most depends on how work actually moves through your particular business, and finding that takes someone walking it with you.

Where we come in

Growth Right Solutions works inside structural capital. We find where the work is getting stuck, write it down, and build the systems that carry it, so a process runs whether or not the person who used to do it is at their desk.

The place to start is The Check. Twelve questions, about two minutes, and a reading on screen at the end. No email is required and the reading is yours whether or not we ever speak.

GrowthRight.Solutions/check

THREE COMPANION GUIDES

The Owner Dependency Discount covers what the gap is worth in dollars. The AI Governance Policy Template covers what may be built and who approves it. The Baseline covers how to prove a change worked. All are free at GrowthRight.Solutions.

REFERENCES

Sources and acknowledgement.

The four intangible capitals

The organizing framework of sections three through seven is the four intangible capitals used in the Exit Planning Institute's Value Acceleration Methodology: human capital, structural capital, customer capital, and social capital. The Institute estimates that up to eighty percent of a company's value sits in these four rather than on the balance sheet. The framework is theirs and is used here with acknowledgement. Growth Right Solutions is not affiliated with the Exit Planning Institute.

The checklist items themselves are ours, drawn from what buyers request in lower middle market transactions. They are not an EPI assessment and should not be mistaken for one.

The one to two turn discount

FISART transaction analysis, closed deals across thirteen service industries, Q1 2024 through Q4 2025, enterprise values from \$1M to \$50M. Owner-dependent businesses sold at a 1.0x to 2.0x EBITDA discount against comparable management-run peers.

Deal structure effects

Lower middle market transaction analysis identifying owner dependency as the most prevalent factor reducing earnings multiples, with buyers responding through reduced cash at closing and earnouts binding founders for three to five years.

Further reading

Christopher Snider, *Walking to Destiny*, published by the Exit Planning Institute, is the standard text on the Value Acceleration Methodology and is worth reading in full by any owner thinking seriously about a transition.

If you work with a CEPA already

Bring this to them. The vocabulary will be familiar and your scored answers will shorten their discovery work considerably.

THE FINE PRINT

Copyright, license, and limits.

Copyright and permission to share

© 2026 Growth Right Solutions, LLC. All rights reserved.

You are welcome to share this. You may copy, print, forward, and distribute this document freely, in whole and unaltered, including inside your own company and to clients, colleagues, and advisors. No permission or payment is required and no attribution beyond what already appears on the pages is needed.

You are welcome to use it. A company may complete this document, adapt the contents to its own circumstances, and use the result internally as its own working material. What you write in it belongs to you.

Two things are reserved. Please do not publish, distribute, or offer a modified or rebranded version of this document, and please do not present it or its framework as your own work. Requests for anything beyond the permissions above are welcome at ed@growthright.solutions.

Not legal, financial, or valuation advice

Growth Right Solutions are not attorneys, accountants, exit planners, or valuation professionals. Nothing provided here is legal, financial, tax, or valuation advice. It is technology work. Compliance items go to your attorney, accounting and finance items go to your CPA, transaction and valuation questions go to a qualified advisor, and exit planning goes to a Certified Exit Planning Advisor.

No warranty

This checklist is provided as is. It is not a complete list of what any particular buyer will request, and a strong score is not a representation that any transaction will proceed on any terms. Third-party figures cited are drawn from the sources identified on page 18.

September 6, 2026

Growth Right Solutions, LLC · Sheridan, Wyoming

GrowthRight.Solutions · +1 (307) 288-6880 · ed@growthright.solutions