BBX OWNER PREPARATION SERIES / 01

Business Valuation Readiness Checklist

A visual guide to preparing your business story



Start with what you know. Build a clearer picture of what comes next.

A guided workbook for gathering records, explaining the business and turning open questions into practical next steps.

01 GATHER	02 EXPLAIN	03 DISCUSS
Find the supporting records.	Connect the numbers and the work.	Bring the gaps and questions.

Preparation only. Not a valuation, appraisal or promise of a sale price.

EDITION 02 | NOVEMBER 2026

01 / YOUR STARTING POINT

Start with your purpose



YOUR FIRST MOVE

Name the question

You do not need every answer before the conversation.

Business legal and trading names

Date completed

Completed by

Financial records contact

My main question and preferred timing

Ownership interest, entities and real estate to discuss

Make the workbook yours

01 MARK

Choose one status per line on pages 3 to 7.

02 PRIORITIZE

Move three important gaps to page 8.

03 LOCATE

Use page 9 to find the evidence.

Ready = current support can be located. Needs work = missing, outdated or unclear. Not applicable = explain why in the notes. Keep original records intact; write explanations separately.

Click, type or print

Open the downloaded PDF in a form-capable reader. Click checkboxes, type concise notes, save a copy and reopen it to confirm your entries. Or print and write by hand.

Protect sensitive information. Do not enter account numbers, passwords, tax identifiers or sensitive personal details. Agree on a secure sharing method before sending records.

02 / FINANCIAL RECORDS

Make the numbers easy to follow



THE EVIDENCE TRAIL

Find the record Explain the change

Gather records for the periods your reviewer requests. Flag missing information; do not present estimates as final figures. [1]

Information to prepare	Ready	Needs work	Not applicable
Annual financial statements and business tax returns are available for the requested periods.	☐	☐	☐
Current year-to-date statements include a comparable prior-year period.	☐	☐	☐
Reporting dates and the accounting basis are confirmed with the financial records contact.	☐	☐	☐
Differences between internal statements and tax returns have written explanations.	☐	☐	☐
Bank statements, the detailed ledger and support for material entries can be located.	☐	☐	☐
Current receivables, payables and inventory reports are available where relevant.	☐	☐	☐
Major changes in sales, margins, payroll and other operating costs are explained.	☐	☐	☐
Incomplete periods, estimates, corrections and missing records are clearly identified.	☐	☐	☐

Latest completed reporting period

Prepared by

Financial gaps and explanations to discuss

LOOK CLOSER What changed, when did it change, and which record supports the explanation?

03 / OWNER BENEFITS AND COSTS

Follow the work behind the expense



01 RECORDED COST	02 ONGOING WORK	03 SUPPORT
Where does it appear?	What stops or continues?	What evidence explains it?

A reviewer may consider earnings adjustments. Keep proposed adjustments separate from the original financial records. [2]

Information to prepare	Ready	Needs work	Not applicable
Each owner's duties, working hours, compensation and benefits are documented.	☐	☐	☐
Work performed by owners or family members is described, including unpaid work.	☐	☐	☐
Unusual income and expenses are listed with dates, amounts and supporting records.	☐	☐	☐
Related-party rent, payroll and service arrangements are documented.	☐	☐	☐
Each proposed adjustment explains what would continue, stop or change.	☐	☐	☐
Any replacement staff, services or spending are identified; items are not counted twice.	☐	☐	☐

A claimed add-back is not automatically accepted.

Treatment depends on the evidence, valuation purpose and method. Adjustments can increase or decrease earnings. Have your financial professional review proposed changes. [2]

Candidate adjustment and period

Amount and currency

Where recorded and supporting document

Reason for review and any ongoing or replacement cost

04 / CUSTOMERS AND RELATIONSHIPS

Look beyond the revenue total

UNDERSTAND THE PATTERN

Who comes back and why

Separate repeat buying from revenue supported by signed agreements.



Information to prepare	Ready	Needs work	Not applicable
Revenue by customer or customer group is summarized for a consistent period.	☐	☐	☐
Important customer, supplier, referral and platform dependencies are identified.	☐	☐	☐
Repeat purchases are distinguished from revenue supported by signed agreements.	☐	☐	☐
Key contracts show end dates, renewal terms and questions needing transfer review.	☐	☐	☐

LOOK CLOSER Which relationships belong to the business, and which depend on you personally?

Customer or supplier dependency to discuss

Contract questions and supporting records

Use customer codes in an initial summary. Share sensitive details only through agreed, authorized channels.

05 / TEAM AND OPERATING CONTINUITY

Show how the business works without you



THE TWO WEEK TEST

What would stop or wait

Imagine you were unavailable for two weeks. Start with the tasks only you can do.

Information to prepare	Ready	Needs work	Not applicable
Key team roles, responsibilities, vacancies and critical skills are documented.	☐	☐	☐
Relationships, approvals and tasks that rely on the owner are identified.	☐	☐	☐
Operating procedures, training materials and key system records can be located.	☐	☐	☐
Forecasts and growth opportunities are clearly separated from historical results.	☐	☐	☐

01 PEOPLE
Who can take responsibility?

02 PROCESS
Where is the routine recorded?

03 PROOF
What shows it works in practice?

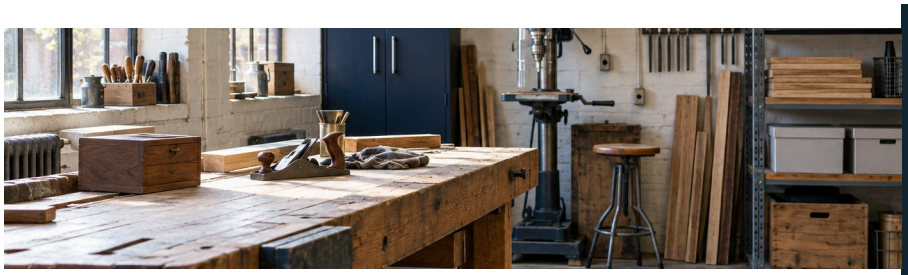
If I were unavailable for two weeks what would stop or wait

Team or process gap and the next question

Use role titles where practical. Label growth assumptions separately from historical facts.

06 / PREMISES ASSETS AND OBLIGATIONS

Know what is owned and owed



MAKE THE DISTINCTIONS

Owned
Leased
Financed

Organize what another owner would need to understand. Flag unclear items rather than assuming they transfer.

Information to prepare	Ready	Needs work	Not applicable
Property and equipment leases, amendments and renewal information are available.	☐	☐	☐
Consent, assignment and change-of-control questions are flagged for legal review.	☐	☐	☐
Major assets are listed with ownership records, condition and replacement needs.	☐	☐	☐
Business-owned, leased, financed and personally owned assets are distinguished.	☐	☐	☐
Current debt, security, lien and guarantee information can be located.	☐	☐	☐
Customer deposits, prepaid work, warranties and other commitments are summarized.	☐	☐	☐
Material licenses, permits, insurance and intellectual-property records are available.	☐	☐	☐
Disputes, claims, overdue obligations and other unresolved matters are identified.	☐	☐	☐

Items requiring consent or professional review

Missing records and who can provide them

Do not assume a sale automatically transfers a contract, lease or license, or releases a guarantee. Obtain appropriate professional review.

07 / YOUR PRIORITY ACTION PLAN

Choose the next three moves



KEEP IT PRACTICAL

One gap
One next step

Give each priority a person and a date.

01 PRIORITY 1

Gap or question

Next step and evidence needed

Responsible person | **Target date** | **Status or completion evidence**

02 PRIORITY 2

Gap or question

Next step and evidence needed

Responsible person | **Target date** | **Status or completion evidence**

03 PRIORITY 3

Gap or question

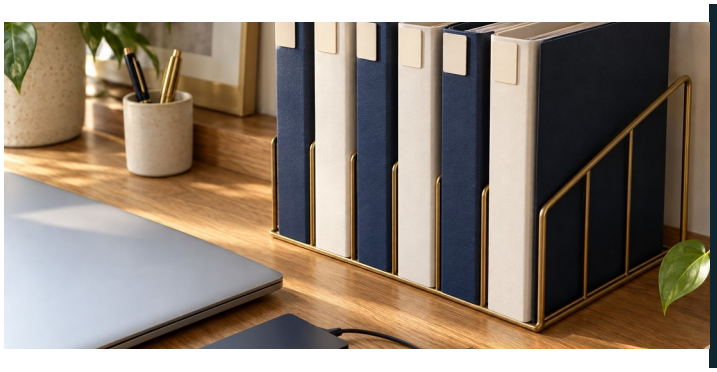
Next step and evidence needed

Responsible person | **Target date** | **Status or completion evidence**

Start with missing financial support, owner-dependent work and unclear commitments. This is a working plan, not a score or a pass or fail result.

08 / DOCUMENT TRACKER

Give every record a home



MAKE IT EASY TO FIND

Name the file
Note the period
Know who holds it

Use short references here, not confidential source data. Agree on a secure sharing method before sending supporting files.

Document or information	Period or version	Held by or secure folder
Financial statements and tax returns		
Current-year financial reports		
Candidate-adjustment support		
Customer and revenue summary		
Owner duties and team overview		
Material contracts and leases		
Asset and obligation schedules		

Records still to locate or access to arrange

A USEFUL CHECK Are we all looking at the same period and version?

09 / THE NEXT CONVERSATION

Bring a clear starting point

YOU ARE READY TO ASK

What does the evidence tell us

Bring your records, your three priorities and the questions still open.



01 SUPPORT	02 UNCERTAINTY	03 NEXT STEP
What can the current evidence support?	What remains unclear?	What should be gathered next?

The question I most want to discuss

An initial conversation is not the same as a formal appraisal. Ask what service is being provided, what information it requires and how its conclusions may be used.

Start a conversation at bizbrokerexpert.com

Guide notes

[1] Recordkeeping background: IRS business records guidance

[2] Valuation context: IRS Business Valuation Guidelines 4.48.4

These sources provide background, not a universal document list or a rule for accepting an adjustment. Sources checked November 2, 2026. Photography is illustrative.

This guide provides general educational information. It is not a valuation, appraisal, or legal, tax, accounting or investment advice. The information and professional review needed depend on the business and the purpose of the valuation.