Rating the buyer

Filled in by the seller. His rating of the buyer works like a credit report and a character reference at the same time.

Business: _____ Scored by: _____ Date: _____ Scored at: LOI / closing / 90 days / note paid _____

What is being judged	The question	A five looks like	A one looks like	Score
Offer integrity	Did the deal that closed match the deal that was offered?	Closed on the letter of intent, on time, nothing re-traded	Price or terms re-traded late, or walked away	☐☐☐☐☐ 1 2 3 4 5
Closeability	Could he actually do what he offered?	Funds and financing ready, and a record of offers that close	Financing fell apart, or delays put the deal at risk	☐☐☐☐☐ 1 2 3 4 5
Paying the seller	Did he pay what he owed, when he owed it?	Every payment on time; every performance payment calculated honestly and paid in full	Late or missed payments, disputes in bad faith, surprise requests to restructure	☐☐☐☐☐ 1 2 3 4 5
Stewardship	How did he treat what the seller built?	Kept the key people, kept the customers, honored the seller's name	Cleaned house, lost customers, disrespected the legacy	☐☐☐☐☐ 1 2 3 4 5
The handoff	How did he work with the seller during the transition?	Used the seller's knowledge, communicated, respected the seller's role	Shut the seller out or ignored the handoff plan	☐☐☐☐☐ 1 2 3 4 5
The business after close	Did the business hold up? This one protects the seller's note.	Revenue and profit held or grew	A decline driven by the buyer's decisions	☐☐☐☐☐ 1 2 3 4 5
Character	How did he act under pressure?	Honest, kept his word, told the truth when it was hard	Misled, blamed others, broke promises	☐☐☐☐☐ 1 2 3 4 5

Offer integrity and paying the seller carry the most weight, and a buyer who re-trades the price or pays late can never score a five, however well he runs the business.

Would you sell to him again? ☐ **Yes** ☐ **No**

Notes (what you would want the next owner to know):

_____

_____

_____

Signature _____ Date _____

When: both sides read and sign the scorecard at the letter of intent, before anything is scored. At closing, score the first lines (offer integrity and closeability for the buyer; disclosure and deal integrity for the seller). After the ninety days, score the transition lines. The last two lines keep scoring over the life of the note. Every thirty days for the ninety, sit down with it together and talk about it honestly: a coaching session, both directions.

Rating the seller

Filled in by the buyer. The categories mirror the buyer's: honest books, a real handoff, and staying a partner while the note is paid.

Business: _____ Scored by: _____ Date: _____ Scored at: LOI / closing / 90 days / note paid _____

What is being judged	The question	A five looks like	A one looks like	Score
Disclosure	Was the business what the seller said it was?	Clean, honest financials; the problems disclosed up front	Hidden liabilities, inflated numbers, surprises after close	☐ ☐ ☐ ☐ ☐ 1 2 3 4 5
Deal integrity	Did the seller honor the terms he agreed to?	Stuck to the letter of intent; no shopping the deal, no late demands	Re-opened the terms, stalled, or backed out	☐ ☐ ☐ ☐ ☐ 1 2 3 4 5
Transferring the trust	Did he hand over the customers, the employees and the vendors?	Personal introductions; the relationships moved to the new owner	The relationships stayed with the seller; key people or customers walked	☐ ☐ ☐ ☐ ☐ 1 2 3 4 5
Showing up	Did he show up for the ninety days?	Present, teaching, available, and stepped back on schedule	Checked out early, or would not let go	☐ ☐ ☐ ☐ ☐ 1 2 3 4 5
Support while the note is paid	Did he stay a partner after the handoff?	Answers the phone, protects the reputation, does not compete or recruit the staff	Undermined the new owner, competed, or poached people	☐ ☐ ☐ ☐ ☐ 1 2 3 4 5
Character	How did he act under pressure?	Owned the weaknesses, credited the team, kept his word	Blamed others, misled, broke promises	☐ ☐ ☐ ☐ ☐ 1 2 3 4 5

Disclosure and transferring the trust carry the most weight.

Would you buy from him again? ☐ **Yes** ☐ **No**

Notes (what you would want the next owner to know):

_____

_____

_____

_____ _____

Signature Date

When: both sides read and sign the scorecard at the letter of intent, before anything is scored. At closing, score the first lines (offer integrity and closeability for the buyer; disclosure and deal integrity for the seller). After the ninety days, score the transition lines. The last two lines keep scoring over the life of the note. Every thirty days for the ninety, sit down with it together and talk about it honestly: a coaching session, both directions.