

WHITE PAPER • THE 6 TO FIX PAPERS • PAPER 1 OF 2

The Closing-Table *Test*.

How marketing builds — or quietly drains — the six drivers that decide what a small business is worth.

ABOUT THIS PAPER

The Closing-Table Test is **Paper 1 of The 6 To Fix Papers** — a two-paper series for owner-operators of \$1M–\$15M businesses on the marketing decisions that determine what a business is worth. Paper 1 makes the case: what a buyer actually pays for, and how marketing builds or drains the six drivers that decide it. Paper 2, *The 6 To Fix Program*, describes the program that builds the result.

PAPER 1 OF 2 · CONTENTS

01 The room where the price gets decided

02 The category error

03 What a buyer actually pays for

04 Six drivers, one bridge

05 The six drivers, one at a time

06 Activity is not the same as strategy

07 The closing-table test, in six questions

08 What to do about it

The room asks one question: what is this business worth — to someone other than you?

SECTION 01 · THE PREMISE

The room where the price gets *decided*.

There is a room — sometimes literal, more often a Zoom and a signed letter of intent — where every operating decision an owner has ever made gets converted into a number. The number is what the business is *worth*. Not what it earns. Not what it could earn. What a buyer is willing to pay for it, given everything the buyer can see about how it runs, who it serves, and whether it will keep running after the owner is gone.

Most owners spend thirty years building businesses without ever picturing that room clearly. They picture the next quarter. They picture next year's revenue. They picture making payroll, winning the next account, getting the next product out the door. Those are the right things to picture on a Tuesday morning. But none of them is the question the room asks.

The room asks one question. *What is this business worth — to someone other than you?*

The honest answer, for most owner-operated businesses in the \$1M–\$10M revenue band, is *less than the owner thinks it should be*. Not because the business is bad. Often the business is genuinely good — profitable, well-regarded by its customers, run with care. The gap between what the owner believes the business is worth and what a buyer will pay is rarely about the *quality* of the business. It is almost always about what the business has been *built to be*.

A business built to *run the owner's day* is worth one thing.

A business built to *run without the owner* — with a documented way of finding customers, keeping them, telling its story, closing its work, and measuring whether any of it is working — is worth something materially different.

The difference between those two businesses, expressed in dollars, is the subject of this paper.

SECTION 02 · THE MISCONCEPTION

The *category* error.

There's a way most owner-operated businesses think about marketing that's been wrong for a long time, and that only becomes more amplified at the end.

The thinking goes like this. *Marketing equals lead generation*. Lead generation means campaigns, ads, content, maybe a newsletter, maybe a trade show. The CFO version of the same thinking goes one level deeper: *marketing is a line item on the P&L that should produce a measurable return in the same quarter the money was spent*.

Both of those framings are expected. Neither one is *wrong* on a Tuesday morning. They are useful for running this quarter, and this quarter matters.

But they are a *category error* when applied to the question the closing-table room asks. The room is not asking whether marketing produced leads in Q3. The room is asking whether the business has a *brand a buyer can inherit*, a *customer base that doesn't depend on the owner's relationships*, an *offering with a defensible category position*, a *demand engine that runs without heroics*, *revenue of high enough quality to underwrite*, and a *management system that someone other than the owner could pick up and run*.

Those six things are not what most owners call marketing. They are what marketing *actually is* (or should be), when marketing is playing the long game rather than the short one.

The category error is small on Tuesday morning. It compounds for thirty years. And then there is a room, and a number, and the owner discovers — usually too late to fix — that the long game was never being played.

SECTION 03 · THE MECHANICS

What a buyer *actually pays for*.

To see why the long game matters, it helps to step out of marketing language for a moment and into the language a buyer uses. There are only four things in that language. They are simple enough to fit on a napkin and important enough to organize the rest of this paper around.

Book value. What the business owns minus what it owes. Equipment, inventory, receivables, cash, minus the debt. A real number, but rarely the *whole* number — and for most owner-operated businesses, by far the smallest of the four.

EBITDA. Earnings before interest, taxes, depreciation, and amortization. A proxy for the operating cash the business generates in a normal year. Most small-business valuations start with some normalized version of this number, sometimes called Seller's Discretionary Earnings depending on size and circumstance. The principle is the same.

Multiple. What that earnings number gets *multiplied by* to arrive at enterprise value. A business earning \$1.6M of EBITDA at a 3x multiple is worth \$4.8M. The same business at a 5x multiple is worth \$8M. That two-point spread is the difference between two very different exits — more than three million dollars of personal proceeds, decided by how the business has been built to run.

Goodwill. The amount a buyer is willing to pay *above book value*. The part of the price that isn't equipment or inventory or receivables. The *premium*. Goodwill is what gets created when the business has been built into something *worth more than its parts*. It is the only one of the four numbers that is entirely the product of how the business has been built to operate in its market.

The numbers interact in a specific way, and the interaction matters for what comes next in this paper. Some things a business does *grow EBITDA* — they make the earnings number bigger, so the multiple has more to multiply. Other things a business does *expand the multiple itself* — motivating a buyer to pay a higher multiple for the same earnings,

because the earnings look more durable, more transferable, more underwritable. And almost everything that does either of those things contributes, in the end, to Goodwill — the premium above what the equipment and inventory alone would justify.

This is the financial picture the closing-table room sees. Of the four numbers, three are built — or drained — by what marketing does over years. Book value is what it is. EBITDA, multiple, and Goodwill are decided by how the business has been built to operate. When marketing is playing the long game, it is the single most powerful lever on all three.

SECTION 04 · THE FRAMEWORK

Six drivers, *one bridge*.

If marketing in the long-game sense moves EBITDA, the multiple, and Goodwill, the next question is the practical one. *What inside marketing actually moves them?*

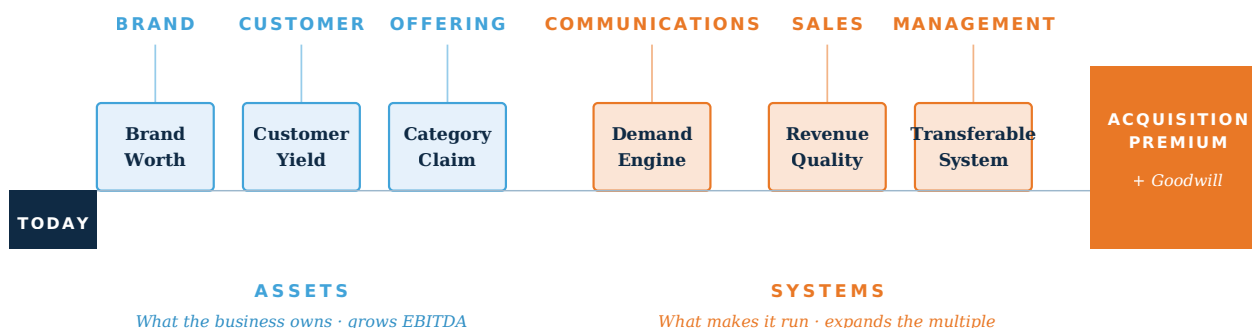
The answer Strategic Glue uses is the **6 To Fix Marketing Strategy Framework** — six strategic areas of marketing that, taken together, cover the full work of building a business that holds its value. The six areas are *Brand*, *Customer*, *Offering*, *Communications*, *Sales*, and *Management*. Each one maps directly to a value driver a buyer evaluates at the closing table:

STRATEGY AREA	VALUE DRIVER
Brand	Brand Worth
Customer	Customer Yield
Offering	Category Claim
Communications	Demand Engine
Sales	Revenue Quality
Management	Transferable System

The mapping is deliberate. Each strategy area on the marketing side has *one* corresponding driver on the valuation side. There is no scattering, no double-counting, no missing pieces. Marketing exclusively owns these six drivers — they are not split with operations or finance or the founder's intuition. If marketing is being run as a system, the six drivers are being built. If marketing is not being run as a system, the six drivers are being drained, quietly, by default.

THE VALUE BRIDGE

From today's business to the premium paid at exit.



The Value Bridge · Six strategy areas, six value drivers, two financial mechanisms, one premium.

The six drivers fall into two natural groups. The first three — Brand Worth, Customer Yield, Category Claim — describe what the business owns. They are **assets** in the most useful sense of the word: things that exist in the market and the customer base, that a buyer inherits, that took years to build and would take years for a competitor to displace. These three drivers move the **EBITDA numerator**. More brand worth means better pricing, less customer churn, less discounting, less dependence on the cheapest channel. Better customer yield means more profit per customer, more retention, more lifetime value. Better category claim means the business gets called first, gets to set the terms of comparison, gets the work the rest of the field has to underbid for.

The second three — Demand Engine, Revenue Quality, Transferable System — describe what makes the business run. They are **systems**: documented, repeatable mechanisms that turn the assets into income on a predictable cadence. A demand engine is the part of the business that creates and qualifies opportunities without the owner's daily heroics. Revenue quality is the discipline that distinguishes durable, repeatable, underwritable revenue from one-off luck. A transferable system is the documented way the marketing function itself runs — without which the whole machine stops the day the owner steps back.

These three drivers move the **multiple**. A buyer pays more for the same earnings when those earnings arrive through a documented engine, with documented quality, inside a documented system — because the earnings look durable, transferable, and underwritable. The same earnings, produced by the owner's force of will, fetch less.

Both sides feed Goodwill. The assets build the number that gets multiplied. The systems decide what it gets multiplied by. The premium a buyer pays above book value is the sum of both movements compounded over the years the business was either being built — or being run as a job.

*Assets build the **number** that gets multiplied. Systems decide what it gets **multiplied by**.*

SECTION 05 · THE DETAIL

The six drivers, *one at a time*.

Each of the six deserves more than a one-line definition. The remainder of this section walks through them in order — what the driver is, what moves it, and how to recognize the difference between a driver being built and a driver being drained.

Brand → *Brand Worth*

THE DRIVER

The accumulated authority of a business in its market. Not the logo. Not the tagline. The compound effect of being clear about what you stand for, who you serve, and why your version of the offer is the one to choose. Brand worth shows up in *pricing power* (what you can charge before customers walk), in *recall* (whether prospects name you when the category gets mentioned), and in *trust capital* (the willingness of customers, partners, and employees to give you the benefit of the doubt when something goes wrong).

WHAT MOVES IT

Documented positioning. A defined audience priority. A voice that sounds like one company across every surface the market touches. Visual consistency. Sustained presence in the channels the target audience actually uses. Most importantly: a *thesis* about why this business deserves to exist that the owner, the team, and the marketing reflect with the same words.

WHEN IT'S WORKING

Customers describe the business back to the owner in roughly the words the owner would use. Quotes don't get shopped against the cheapest competitor as a matter of reflex. New hires can articulate what the company does and who it's for inside their first week. The business gets *referenced* — by trade associations, by adjacent vendors, by past customers — in the language it would choose for itself.

WHEN IT'S DRAINING

The website, the proposal, the LinkedIn page, and the sales conversation each describe a slightly different company. The team's answer to "what do you do?" varies by who's asked. The business is competitive on quality but loses on price more often than the work justifies. Marketing materials describe features; competitors describe outcomes; the gap doesn't get closed because no one has decided what the brand is *for*.

Customer → *Customer Yield*

THE DRIVER

The economic productivity of the customer base, considered as an asset rather than a list. Customer yield captures the questions a buyer actually cares about: *Are the right customers being acquired? And at what cost? Are they being kept? Are they becoming more valuable over time? Does the business know who its best customers are, and is it acquiring more of them on purpose?*

WHAT MOVES IT

A documented Ideal Customer Profile (ICP). A primary persona that the team can describe without prompting. Customer Lifetime Value (CLV — not LTV) tracked as a real number, not estimated. An acquisition path that targets the ICP rather than receiving whatever the market hands the business. A retention discipline that treats existing customers as the highest-yield asset on the books.

WHEN IT'S WORKING

The business knows what a good customer is worth over a normal lifecycle, how much it cost to acquire them, and how long they typically stay. New customers increasingly resemble the most profitable existing customers. Retention is a metric someone is responsible for, not an outcome that just happens. Word-of-mouth and referrals are tracked, not assumed.

WHEN IT'S DRAINING

No documented ICP. Lead flow is *whatever comes in*. CAC and CLV are not measured; gut feel substitutes. The cost of acquiring the wrong customer — in support load, in margin compression, in distraction from the right ones — never makes it onto the P&L because no one is computing it. Retention is the salesperson's relationship rather than the company's discipline.

Offering → *Category Claim*

THE DRIVER

The position the business occupies in the buyer's mental map of the category. *Category claim* is the answer to the question every prospect asks before they ever call: "What kind of company is this, and is this the kind of company I should be talking to for what I need?" It is not the same as positioning copy. It is the lived market reality of where the business sits among its alternatives.

WHAT MOVES IT

A defined competitive frame. A clear category — chosen, not inherited from the industry's default vocabulary. A *category-of-one claim* where the business names what it is in language no competitor can plausibly use without sounding derivative. Concrete proof points (case studies, certifications, depth of inventory, breadth of service, geographic dominance, vertical specialization) that earn the claim.

WHEN IT'S WORKING

Prospects arrive already understanding what the business is and what it isn't. The sales conversation starts at *terms* rather than at *introductions*. The business gets compared to two or three legitimate alternatives, not to a long list of generic substitutes. The owner can name the category they own — and the team and the market would name it the same way.

WHEN IT'S DRAINING

The business shows up in commodity comparisons. Prospects routinely confuse it with very different companies. Sales spends most of its time educating before it can sell. The business competes on the lowest-margin work because no one upstream has framed it as a higher-tier option. The category the business operates in is being defined by louder competitors who chose theirs on purpose.

Communications → *Demand Engine*

THE DRIVER

The documented mechanism by which the business creates and qualifies opportunity, on a predictable cadence, without the owner's daily intervention. *Demand engine* names the gap between *marketing activity* (campaigns happen, posts get posted, ads run) and *marketing as infrastructure* (a documented channel mix, a documented messaging framework, a documented content cadence, a documented funnel with measured conversion at each stage).

WHAT MOVES IT

A documented channel strategy. An editorial calendar that ships. A messaging framework that the entire team writes from. A funnel that is *modeled* — leads → MQLs → SQLs → opportunities — with measured conversion between stages. Channel attribution that distinguishes channels that produce qualified opportunity from channels that produce noise.

WHEN IT'S WORKING

Marketing can be turned up or down, and a predictable response happens at the funnel. The team knows which channels produce the best leads and why. Content production is on a cadence that doesn't depend on whether the owner had time this week. The funnel is measured; the conversion rates are known; bottlenecks get attention because someone can *see* them.

WHEN IT'S DRAINING

Activity is happening — posts, ads, the occasional campaign — but no one can tell which of it is working. Demand is feast or famine. Lead flow correlates more with the owner's energy in a given month than with any system. The marketing function depends on the owner's mood and the owner's calendar for its weekly outputs.

Sales → *Revenue Quality*

THE DRIVER

The character of the revenue, evaluated by the criteria a buyer or lender would apply. Revenue quality is the difference between *the same dollar* arriving from a high-quality and a low-quality source. High-quality revenue is recurring or highly repeatable, concentrated in customers who are themselves stable, growing at a healthy pace, and earned through a documented sales process that someone else could run.

WHAT MOVES IT

A documented sales process — qualification, stages, exit criteria, playbook. A sales pipeline that's instrumented and visible. Customer concentration — what share of revenue comes from the top one, three, or five customers — that gets *managed* rather than just observed. Pricing discipline. Win/loss analysis. A handoff from marketing-qualified to sales-qualified that's defined, not guessed. The institutional knowledge of senior sales reps captured and made transferable, not stored in their heads.

WHEN IT'S WORKING

The pipeline is a real thing, visible to anyone with reason to see it. Deals move through stages on a measurable cadence. The business knows its win rate, its average deal size, its average sales cycle, and what predicts the difference between a good deal and a bad one. Customer concentration is a number the owner can quote; it's being deliberately diversified or deliberately accepted.

WHEN IT'S DRAINING

Revenue forecasts are guesses. The sales process exists in the senior reps' heads. Customer concentration is dangerous and not being addressed. Discounting happens at the discretion of whoever's closing, with no governance. A buyer underwriting the business has to take the owner's word for what the pipeline contains because no system shows it.

Management → *Transferable System*

THE DRIVER

The degree to which the marketing function can be operated by someone other than the owner — without loss of quality, judgment, or institutional knowledge. *Transferable system* is the driver that distinguishes a business from a job the owner happens to have.

WHAT MOVES IT

Documentation. Of strategy. Of process. Of voice and brand standards. Of customer knowledge. Of campaign learnings. A reporting cadence that runs to a calendar rather than to the owner's attention span. KPIs documented and tracked. A dashboard that exists. Vendor and contractor relationships recorded so they can be transferred. The owner's marketing judgment encoded into materials someone else could pick up and run.

WHEN IT'S WORKING

A buyer reviewing the business can read *what the marketing function does, how it does it, what it has learned, and what it is currently working on* from documents — not from the owner's narration. The function would continue to run, at reduced but recognizable capacity, if the owner stepped out for ninety days. New hires onboard from materials rather than from apprenticeship.

WHEN IT'S DRAINING

Marketing is in the owner's head. The owner is the brand voice, the strategic mind, the channel coordinator, and the institutional memory all at once. Nothing significant has been documented because the owner has never *had* to document it — until the day the business needs to be sold, financed, or succeeded.

SECTION 06 · THE DIAGNOSTIC

Activity is not the same as *strategy*.

The single most common pattern in marketing for owner-operated businesses is also the most diagnostic — and the most misunderstood by the owner sitting inside it.

Marketing *activity* is happening. Campaigns are getting built and shipped. Posts are getting posted. A website is up. Ads, sometimes, are running. By the visible-effort standard, marketing is being *done*.

What is *not* happening, almost universally, is documented strategy underneath the activity. There is no written positioning. No documented ICP. No persona file. No messaging framework. No channel rationale. No KPI dashboard. The work is being done *from the owner's head*, in real time, each week, on top of whatever happened last week. The activity is real. The strategy that the activity ought to be executing on is not real in any form a buyer, a successor, or a new marketing hire could *find*.

This gap — between *activity that exists* and *documented strategy that doesn't* — is the central diagnostic insight of the 6 To Fix framework. It's what an audit of any of the six areas is actually scoring. Activity Score and Documented

Strategy state are *independent dimensions*. A business can be — and often is — doing a great deal of marketing in an area where it has no documented strategy at all.

ACTIVITY vs. DOCUMENTED STRATEGY

Where most owner-operated businesses sit — and where the program moves them.



The two dimensions of the scorecard, plotted · The program moves areas up and to the right.

The hidden-risk quadrant — high activity, no documentation — is the one most owner-operated businesses sit in for most of their life. From inside, it feels like marketing is working. From the closing-table room, it looks like a function that *cannot transfer*. The buyer is being asked to underwrite the owner's head, not the business' system. And the buyer pays accordingly — at a multiple far below what the same earnings would command from a business with the documentation in place.

The fix is rarely more activity. The fix is the *right activity*, with the strategy underneath it written down so the right activity becomes repeatable.

SECTION 07 · THE TEST

The closing-table test, in *six questions*.

The simplest way to apply this framework to a real business is to ask six questions, one per driver, the way a buyer would ask them. The questions are short. The honest answers are uncomfortable. That's what makes them useful.

BRAND WORTH

If a buyer asked your three best customers what you stand for, would they answer in roughly the same words — and would those words be the words you would have chosen?

CUSTOMER YIELD

If a buyer asked you to produce, in writing, your Ideal Customer Profile, your primary persona, your customer lifetime value by segment, your customer acquisition cost (CAC), and your retention rate for the last three years — could you?

CATEGORY CLAIM

If a buyer asked your last ten prospects to describe what kind of company you are and why they buy from you, would they describe the same company — and would the description match the position you intended to occupy?

DEMAND ENGINE

If a buyer asked you to show — not describe — your documented channel strategy, your editorial calendar, your funnel with conversion rates, and your attribution by source, what would you actually have to show them?

REVENUE QUALITY

If a buyer asked you to produce your documented sales process, your win/loss analysis for the last twelve months, your customer concentration percentages, and the institutional knowledge of your top two reps — could the documents do that work, or would the conversation depend on what you remember?

TRANSFERABLE SYSTEM

If you stepped out of the business for ninety days, would the marketing function continue to operate at recognizable capacity — and could a buyer review the function from documents alone and understand what it does, why, and how well?

Most owners, asked these six questions honestly for the first time, score themselves harder than they expected to. That's not failure. It's the gap the framework is built to close. The gap *is* the opportunity.

SECTION 08 · THE RESPONSE

What to *do* about it.

The 6 To Fix framework was built to close that gap, and the way it closes the gap depends on where the business is when the work starts. Strategic Glue delivers the framework as a productized engagement structured in three tiers, each calibrated to a different state of readiness.

TIER 1 · DIAGNOSE

Audit

A documented diagnosis of where the business stands on all six drivers. The Audit combines stakeholder interviews with the owner, leadership, and key team members; review of existing marketing materials and operating documents; and an assessment of the business' competitive position. Activity Score and Documented Strategy state are evaluated independently in each of the six areas; gaps are surfaced; the highest-value moves are identified. The Audit is the appropriate entry point when an owner suspects there's value being left on the table but doesn't yet know where.

TIER 2 · DOCUMENT

Documented Strategy

A full strategy playbook across all six areas — positioning, ICP, persona, messaging framework, channel strategy, sales process, KPI dashboard. Tier 2 is the appropriate engagement when Tier 1 has revealed that the business needs a developed, documented strategy — the foundation its activity has been missing.

TIER 3 · DEPLOY

Full-Service Marketing Department

A three-part operating model: a fractional CMO providing strategic leadership, marketing management coordinating program execution, and AI-native production producing the work at volumes and cadences an in-house team of equivalent cost couldn't touch. The fCMO sets strategy and governs the system. Marketing management runs the calendar, coordinates the work, and owns the documentation discipline. AI-native production handles the high-leverage execution that benefits most from scale — content, dashboarding, enrichment, campaign assembly — while human judgment stays on the work that requires it. Tier 3 is the appropriate engagement when the strategy is in place and the business needs to *operate* the function as a system that keeps itself transferable.

The three tiers are not a service menu and not a sales ladder. They are a *proportional response* to where the business actually is. The right starting point depends on the honest answers to the six questions in the previous section. A business that can't answer most of them belongs in Tier 1. A business that can answer them but has the documentation in two heads belongs in Tier 2. A business with the right documented strategy but no system to run it belongs in Tier 3.

The work, across all three, is the same work: *build the six drivers into an actionable and transferable system before the room asks the question.*

STICKY POINT

A business built to run the owner's day is worth one thing. A business built to run without the owner — with the six drivers documented, measured, and transferable — is worth something materially different. Marketing decides which one you've been building.

Notes on *terms and sources*.

Goodwill

The premium a buyer pays above the net tangible book value of a business at acquisition. Reflects brand, customer base, intellectual property, operating systems, and other intangible sources of going-concern value.

EBITDA / SDE

Seller's Discretionary Earnings is more typical for businesses below ~\$5M in earnings; EBITDA for larger transactions. The principle in this paper is the same.

Multiple

Varies by industry, size, growth, customer concentration, and documentation. Industry-specific multiples are tracked by sources including the Pepperdine Private Capital Markets Report, IBBA Market Pulse, and the Exit Planning Institute.

CLV

Customer Lifetime Value — Strategic Glue's preferred terminology over LTV.

Activity Score

One of two scorecard dimensions. Rated 0–10 in each area; captures both the volume and the fit of marketing work.

Documented Strategy

The second scorecard dimension. Rated in three states — *None*, *Partial*, *Current*. The count of areas at *Current* is Documented Strategy Coverage (0–6). The two dimensions are scored independently and never blended.

WHAT'S NEXT

See where your business stands — in about *five minutes*.

The Strategic Glue Marketing Scorecard rates your business across all six 6 To Fix areas — the same drivers a buyer evaluates at the closing table.

DIAGNOSE

Take the Scorecard.

About five minutes. Confidential rating, written diagnosis, and a recommended next step.

[STRATEGICGLUE.COM/SCORECARD](https://strategicglue.com/scorecard)

CONTINUE

Read *Paper 2*.

The 6 To Fix Program describes the program that builds the result — the framework, the diagnostic, and the three-tier path.

[STRATEGICGLUE.COM/RESOURCES/SIX-TO-FIX-WHITEPAPER-2](https://strategicglue.com/resources/six-to-fix-whitepaper-2)