



STATE OF SMALL MANUFACTURING

(CALIFORNIA)

Buyer Perspective & 6-Month Value Boosters

For owner-led businesses planning ahead

The Current Landscape



Well-run small manufacturing companies in California continue to attract buyer interest.

Strategic buyers, investors, and experienced operators are actively looking for stable businesses.

However, buyers today are more selective.

Two companies with similar revenue can receive very different offers depending on how clear, stable, and transferable the business appears.

Would they have the same value?

Company A	Factors	Company B
<----- Same Profits ----->		
Thin and weak	Management Team	Deep and experienced
Old systems	Information Systems	Next-gen / modern
One big customer	Customer Concentration	Diversified customer base
High perceived risk	Buyer Perception	Strategic Asset
Average Outcome	Result	Premium Exit

Profit is only half the story
Buyer confidence drives the value



6-Month Value Boosters Before A Transition

Even if the sale is years away, many owners strengthen a few key areas early. Most improvements are practical and can be implemented over 6–12 months.

1 Find Your "True" Profit

Look at which jobs or customers are actually making you money. Identifying under-priced work is the fastest way to show a buyer your real potential.

2 Clean Up the Books

Separate your personal expenses from the business. When your financials are easy to follow, it builds instant trust with a buyer.

3 Make the Shop Less "You-Dependent"

Start delegating daily tasks and involving your team in customer relationships. A business that runs without the owner is worth a lot more.

4 Lock in Your Best Customers

Focus on keeping your top accounts happy and ensuring you have clear visibility into future orders. Consistency is a buyer's favorite word.

5 Organize the Workflow

Document the "secret sauce" of how work moves through your shop. Simple notes on equipment and routines make the company feel "plug-and-play" for a new owner.

6 Track Your Labor & Materials

You don't need a fancy system. Just having basic visibility into what a job costs to run helps a buyer feel confident in your margins.



A Practical Thought

Most value isn't created at the closing table; it's either fortified or lost years beforehand. It's never too early to understand how the market sees your business today - because protecting what you've built is a lot easier than trying to fix it at the last minute.



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