

Valuation Readiness Check

How to use this checklist

This quick self-check is built for Trades & Contracting Businesses. It mirrors what buyers look at first—not to judge, but to understand how the business really runs. Use it to spot where value is already strong, where it may be leaking, and which fixes matter most before buyer conversations. There are no right or wrong answers. It takes about 7–10 minutes.

Revenue Quality

- Repeat customers, service work, or maintenance contracts
- Revenue diversified across customers and job types
- Not dependent on occasional large, one-off wins

Historical Revenue, Earnings & Cash Flow Stability

- Revenue has been stable or growing over the last 3–5 years
- Earnings are steady year to year
- Seasonality is understood and planned for
- Cash flow doesn't swing wildly, and changes are easy to explain

Job Costing & Margin Control

- Jobs are costed consistently
- Labor, materials, and subs are tracked by job
- We review which jobs make or lose money

Owner Dependency

- Crews operate without constant owner involvement
- PMs / foremen handle day-to-day decisions
- Owner is not the bottleneck for bids or approvals

Quick Score — What this means

16+ checks: Buyer-ready. Fundamentals are in place. Discussions focus on price and structure.

11–15 checks Strong business with gaps. Targeted fixes raise value and buyer confidence.

10 or fewer checks: Value leakage present. Buyers price risk into terms, though most gaps remain fixable.

Licensing, Safety & Compliance

- Licenses and permits are current
- Insurance and bonding are clean
- Safety practices are documented and followed

Processes & Systems

- CRM or job-management system in place
- Scheduling and backlog are visible
- SOPs exist for estimating and job delivery

Customer, Crew & Sub Risk

- No single customer exceeds ~20–25% of revenue
- Key crews or subs are not single points of failure
- Backup labor or subcontractors exist

Reputation & Relationships

- We win work through repeat clients and referrals
- GCs / customers trust us and bring us back
- Our reputation supports pricing (not just low bids)