
Exit Readiness Checklist

A diagnostic tool to assess, align, and accelerate your company's readiness for acquisition or investment.

Why this checklist fits our proven framework

Our proven framework, built on EOS, Scaling Up, and the exit planning insights of John Warrillow and other industry leaders, helps growth stage businesses achieve four pillars of exit readiness:

1. **Structured Operational Alignment** – strong second-tier leadership, clear accountability, and documented core processes.
2. **Financial Hygiene and Metrics Enhancement** – audit-ready books plus disciplined EBITDA and KPI tracking.
3. **Strategic Margin and Growth Focus** – systematic margin optimisation and diversified, predictable revenue.
4. **Exit Readiness and Positioning** – compelling buyer-focused storytelling and meticulous sale preparation.

The checklist that follows turns those pillars into eleven practical, scored dimensions. Work through each one to systemise execution, strengthen valuation drivers, and position your company for a premium exit.

How this works

Rate every statement **0-3**

0 = Not Started | 1 = In Progress | 2 = Mostly Complete | 3 = Fully Complete

[scoring benchmarks]

Total Score	Readiness Stage	Focus
0-34	Foundation Needed	Stabilise operations, document a baseline, and sketch a two to three year exit roadmap
35-72	Building Momentum	Run quarterly OKRs, close priority gaps, and build repeatable systems
73-108	Attractive to Buyers	Refine the data room, sharpen buyer messaging, and keep execution cadence strong
109-138	Built to Sell	Finalise the advisor team and launch the formal exit process

How a Switch Fractional COO can help

A Switch Fractional COO joins your leadership team as a hands-on expert operator who has helped to build exit-ready businesses. We translate this checklist into clear quarterly objectives, keep everyone accountable, and make sure progress sticks so you can focus on strategy and buyer conversations.

[1]

Exit Vision and Goals

[Max 12]

Why this matters:

A clear exit vision anchors every operational choice. When your three-year picture cascades into annual priorities and quarterly OKRs, your team gains a scoreboard and a roadmap that buyers recognise as disciplined, repeatable execution.

1. Personal WHY and post-exit lifestyle are written (family goals, wealth objectives, personal purpose). Score: __
2. Desired exit date and net-after-tax cash target are set within the next 36 months. Score: __
3. Alignment with family, partners, and shareholders is confirmed and documented. Score: __
4. Three-year picture is translated into annual goals and quarterly OKRs that move the company toward the target, with timelines and owners. Score: __

[2]

Leadership and Succession

[Max 12]

Why this matters:

Knowing the gap between today's value and your target lets you focus on changes that actually move valuation and avoid leaving money on the table.

1. Accountability chart is current, and every seat has a clear scorecard. Score: __
2. Each leader passes the Get It, Want It, Capacity test. Score: __
3. Succession plan exists for each key seat, and successors are being trained. Score: __
4. Retention incentives keep key people through the exit. Score: __

[3]

Operational Systems and Process

[Max 12]

Why this matters:

Buyers pay a premium for companies with a focused, defensible niche and predictable demand.

1. Entire value chain — marketing, sales, delivery, support — is mapped and documented. Score: __
2. Standard operating procedures exist for every key function, and the team is trained. Score: __
3. A live Opportunities for Improvement tracker ranks issues by impact and effort and drives continuous improvement. Score: __
4. Owner dependency is reduced so the business operates smoothly during a two-week owner vacation, with leaders running day-to-day operations. Score: __

[4]

Financial Performance

[Max 12]

Why this matters:

Buyers want to see a machine that runs without the founder.

1. Revenue and margin trends are stable or improving across multiple periods. Score: __

2. Three years of audit-ready GAAP or IFRS financials show no commingling of personal and business accounts. Score: __

3. A rolling 12-month forward-looking pro-forma ties together the income statement, key balance-sheet drivers, and cash flow; it is refreshed monthly. Score: __

4. Working-capital cycle is optimised: DSO at or below median, DPO uses full terms without stressing suppliers, inventory turns strong, and cash-conversion-cycle trend is positive. Score: __

[5]

Value Drivers and Target Gap

[Max 12]

Why this matters:

Clean, consistent financials are the universal language of value.

1. A practical estimate of current business value is understood using simple industry benchmarks or revenue and EBITDA multiples. Score: __

2. Personal exit cash target is clearly defined, and the approximate gap between today's value and that target is understood. Score: __

3. The top three value drivers for this business are clearly identified (for example recurring revenue, margin strength, owner independence, customer concentration, leadership depth). Score: __

4. A value-gap action plan exists with quarterly priorities, owners, and timelines focused on improving these drivers. Score: __

[6]

Core Offering and Market Position

[Max 15]

Why this matters:

Modern buyers expect cloud-first systems, cyber security, and a sensible plan for AI-driven efficiency.

- 1. Core offering is productised: packaged scope, transparent pricing, repeatable delivery, scalable without extra complexity. Score: __
- 2. No single customer accounts for more than 15 percent of revenue. Score: __
- 3. Competitive moat is clear (IP, brand, exclusive data, long-term contracts). Score: __
- 4. Predictable recurring or contract revenue makes up a meaningful share of sales. Score: __
- 5. Customer advocacy is tracked quarterly and trending positive. Score: __
- 6. Growth story is backed by credible market data (TAM, trends, qualified pipeline). Score: __

[7]

Digital and Automation Readiness

[Max 12]

Why this matters:

Talent depth and continuity remove a huge post-acquisition risk.

- 1. Core business systems are cloud based with key integrations in place and documented for continuity. Score: __
- 2. Company is reviewing key processes for automation or AI where it reduces cost, increases delivery capacity, or improves customer experience, with a practical implementation roadmap. Score: __
- 3. A recent third-party cyber-security assessment or penetration test shows no critical findings, and cyber insurance is active. Score: __
- 4. Data infrastructure and governance meet diligence standards, with clear data ownership and retention rules. Score: __

[8]

Risk and Contingency Management

[Max 15]

Why this matters:

Deals fall apart when owners scramble at the eleventh hour.

1. All major exit risks are documented and ranked in a heat-map matrix. Score: __
2. Mitigation actions have owners, budgets, and clear deadlines. Score: __
3. No single supplier or lender accounts for more than 15 percent of critical inputs or credit. Score: __
4. Compliance, cyber, and environmental audits were completed in the last 12 months with no critical findings. Score: __
4. Disaster-recovery and business-continuity plan was tested in the last 12 months; results were logged. Score: __

[9]

Legal and Tax Readiness

[Max 12]

Why this matters:

Hidden liabilities and sloppy structures can derail a deal.

1. Entity structure is reviewed for tax efficiency; asset-sale versus share-sale implications are understood. Score: __
2. Intellectual property, customer contracts, and permits are current, with clear ownership and renewal dates. Score: __
3. Buy-sell agreements and cap table are reviewed and clean of hidden liabilities. Score: __
4. Trusted advisor team is in place, including an experienced M&A lawyer and a tax planner. Score: __

[10]

Exit Strategy and Deal Preparation

[Max 12]

Why this matters:

Bad information travels faster than truth; proactive communication protects value.

1. Preferred exit path is chosen (M&A, PE, MBO, ESOP, etc.). Score: __
2. Ideal buyer profile is written (size, strategic fit, geography). Score: __
3. Data-room framework is organised (financial, legal, HR, IP folders). Score: __
4. One-page teaser and a broader management presentation are drafted and ready. Score: __

[11]

Stakeholder Communication

[Max 12]

Why this matters:

Buyers get nervous if one curveball can knock you off course. Showing you have spotted the risks and put safety nets in place proves the business is durable and keeps your multiple intact.

1. Employee communication plan is drafted with timeline, key messages, and FAQ. Score: __
2. Key-customer retention strategy is prepared, including updated SLAs or incentives. Score: __
3. Supplier and partner transition roadmap outlines contract milestones and continuity plans. Score: __
4. Board and investor alignment is confirmed; meeting minutes reflect approval. Score: __

Re-run this checklist every quarter.

Your Total Readiness Score

___ / 138

Need help closing the gaps?

Book a complimentary **Value Optimisation Call** with the **Switch Advisory Fractional COO** team.