

Before You Begin

Thank you for considering John Diaz Group to represent the sale of your business. This questionnaire gives us what we need to value your business, position it for qualified buyers, and answer the questions buyers ask first.

- **Confidential.** Everything you share is held in strict confidence and released to buyers only after they sign a Non-Disclosure Agreement and are screened.
- **Best estimates are fine.** If you don't know an exact figure, give your best estimate and mark it "approx." Write "N/A" if a question does not apply.
- **Takes about 30 to 45 minutes.** Write your answers on the lines below each question. Use the extra page at the end if you need more room.
- **Attach what you can.** The Document Checklist at the end lists what we need to complete the valuation.

Date completed

Prepared by (name & title)

1. Business & Contact Information

1.1 Legal business name (as registered)

1.2 DBA / trade name

1.3 What products or services do you sell? Describe in 2 to 3 sentences.

1.4 Industry / type of business

1.5 Business street address, city, state, ZIP

1.6 Is this a franchise? If yes, which brand, and how many years remain on the franchise agreement?

1.7 Owner / contact name and title

1.8 Are there other owners or partners? Names and % owned by each

1.9 Mailing address (if different)

1.10 Business phone

1.11 Cell phone

1.12 Email

1.13 Website and social media pages

1.14 Best time and way to reach you? Can we call you at the business?

1.15 Do your employees, landlord, or suppliers know you are selling?

2. Operations & History

2.1 Year the business was established

2.2 Year you acquired it (years under current owner)

2.3 Did you buy it through a broker? If yes, who?

2.4 Legal entity type (LLC, S-Corp, C-Corp, Sole Proprietor, Partnership)

2.5 Days and hours of operation

2.6 How many hours per week do YOU work in the business? What do you do day to day?

2.7 Could the business run with an absentee or semi-absentee owner?

2.8 Other locations you own (included in this sale or not?)

2.9 Is the business seasonal? Which are the busiest and slowest months?

2.10 Who does your accounting / bookkeeping? Which software do you use (QuickBooks, etc.)?

2.11 Which point-of-sale, scheduling, or management software do you use?

2.12 Why do you want to sell?

2.13 Have you tried to sell before? FSBO or with a broker? Who, when, and what happened?

2.14 Has anyone approached you about buying the business?

2.15 What are the business's biggest strengths?

2.16 Who are your main competitors, and how do you stand out?

3. Real Estate & Lease

3.1 Do you lease or own the property?

3.2 If owned: will the real estate be sold with the business, sold separately, or leased to the buyer? Asking price or proposed rent?

3.3 Square footage of the space

3.4 Landlord / property manager name and contact

3.5 Lease start date and expiration date

3.6 Renewal options (number and length)

3.7 Is the lease assignable to a buyer? Will the landlord require a new lease or personal guarantee?

3.8 Monthly base rent (\$)

3.9 Monthly CAM / NNN charges (\$)

3.10 Sales tax on rent and other occupancy costs (\$/month)

3.11 Scheduled rent increases (% or \$ per year)

3.12 Security deposit held by landlord (\$)

3.13 Any use restrictions, exclusivity clause, or relocation clause in the lease?

3.14 Parking, signage, and zoning: any issues?

3.15 How is your relationship with the landlord?

4. Employees & Management

4.1 Number of full-time employees

4.2 Number of part-time employees

4.3 Number of independent contractors (1099)

4.4 Is there a manager or key employee who runs the business? Name, role, years with you

4.5 Total annual payroll, excluding owner (\$)

4.6 Do any family members work in the business? Are they paid, and will they stay?

4.7 Will employees stay after the sale? Any key person risk?

4.8 Do employees know the business is for sale?

4.9 Employee benefits offered (health insurance, PTO, retirement, bonuses)

4.10 Any employment contracts, non-competes, or union agreements?

4.11 Are any special licenses or certifications held by employees required to operate?

5. Financials & Add-Backs

Buyers and lenders value the business on verifiable cash flow (Seller's Discretionary Earnings). Fill in what you know; we will confirm it against your tax returns and P&Ls.

Figure	2 years ago	Last year	This year to date (through ____)
Gross sales / revenue (\$)			
Cost of goods sold (\$)			
Net profit or loss on tax return (\$)			
Owner's salary / W-2 (\$)			
Owner's health insurance (\$)			
Owner's vehicle, phone, personal expenses run through the business (\$)			
Depreciation & amortization (\$)			
Interest on business loans (\$)			
One-time / non-recurring expenses (\$), describe below			
Total cash flow to owner (SDE) (\$)			

5.1 Is the business profitable? Is revenue growing, stable, or declining, and why?

5.2 Explain any one-time expenses or unusual years listed above

5.3 Do the tax returns match the P&L and bank deposits? Is all income reported?

5.4 Revenue breakdown by product / service line (% of sales)

5.5 Payment types accepted and % cash vs card

5.6 Recurring revenue: memberships, contracts, subscriptions (amount and % of sales)

5.7 Outstanding business debts, loans, liens, or SBA loans (lender and balance)

5.8 Accounts receivable and accounts payable balances, if any (\$)

5.9 Any equipment leases or financed equipment? Monthly payment and balance

5.10 Are sales and payroll taxes current?

6. Assets: FF&E, Inventory & Intellectual Property

6.1 Approximate value of furniture, fixtures & equipment (FF&E) (\$)

6.2 Is the FF&E owned free and clear, financed, or leased?

6.3 Age and condition of major equipment; any items needing repair or replacement soon?

6.4 Value of leasehold improvements you have made (\$), and when

6.5 Approximate value of inventory at cost (\$)

6.6 Is inventory included in the price, or added at closing at cost? Is the level stable?

6.7 Vehicles included in the sale (year, make, model, owned or financed)

6.8 Any items NOT included in the sale (personal items, artwork, specific equipment)?

6.9 Intellectual property included: trade name, logo, trademarks, website, domain, phone numbers, social media accounts, recipes, customer lists

6.10 Is a current equipment list available? (Attach if yes)

7. Customers, Suppliers & Marketing

7.1 Describe your typical customer (consumers, businesses, government, age group, area)

7.2 Approximate number of active customers / clients / members

7.3 Does any single customer account for more than 10% of sales? Who and what %?

7.4 Are there written contracts with customers? Are they transferable?

7.5 Main suppliers / vendors. Any exclusive or contracted pricing? Transferable?

7.6 How do you market the business? (Google, social media, website, referrals, signage, direct mail, other)

7.7 Monthly marketing budget (\$)

7.8 Online reviews: Google rating and number of reviews; Yelp or others

7.9 Upside potential for a new owner: what would you do with more time or capital?

8. Legal, Licenses & Compliance

8.1 Licenses and permits required to operate (business tax receipt, state, health, liquor, professional, etc.)

8.2 Are the licenses transferable, or must the buyer apply? Any long approval times?

8.3 Any pending or past lawsuits, claims, or disputes?

8.4 Any code, health, fire, or zoning violations, open or past?

8.5 Any environmental concerns at the location?

8.6 Business insurance: carrier, coverage types, annual premium (\$)

8.7 Any liens, judgments, or UCC filings against the business?

8.8 Are all federal, state, and local taxes current?

9. Sale Terms, Training & Transition

9.1 Your idea of the asking price (\$)

9.2 What is that price based on? (multiple of cash flow, a valuation, a past offer, what you need to net)

9.3 Minimum price you would accept (\$), kept confidential

9.4 Asset sale or stock / membership-interest sale?

9.5 Would you carry seller financing? How much (\$), for how many years, at what interest rate (%)?

9.6 Will you train the new owner? For how long, at no charge?

9.7 Will you stay on as a consultant or employee after the training period?

9.8 Will you sign a non-compete? How many years and how many miles?

9.9 Your ideal timeline to close

9.10 What do you plan to do after the sale?

9.11 Anything a buyer must know up front (pending changes, road construction, lease issues, new competition)?

10. Buyer FAQ: Questions Buyers Ask Most

Answering these now speeds up buyer calls and keeps serious buyers moving toward an offer.

10.1 Does a new owner need industry experience or a special license to run this business?

10.2 How long would it take a new owner to learn the business?

10.3 What does a typical week look like for the owner?

10.4 What is your average sale / ticket size, and how many transactions per day or week?

10.5 What is your gross profit margin (%)?

10.6 Which relationships depend on you personally (customers, vendors, staff)? How will they transfer?

10.7 What is the biggest challenge in running this business?

10.8 What would a buyer gain by buying this business instead of starting one from scratch?

10.9 Are 3 years of tax returns available so the buyer can qualify for SBA financing?

10.10 Is there room to grow at this location (unused space, extra hours, new services, online sales)?

10.11 Has anything changed recently, or will anything change soon, that affects sales (price increases, new competitor, construction, staff turnover)?

10.12 Can a qualified buyer visit or observe operations before closing (after hours, discreetly)?

10.13 Are there any recurring customer complaints, or anything you would fix if you were staying?

10.14 Does the business have a written operations manual, recipes, or procedures?

11. Document Checklist & Signature

Please send copies of the following. All documents stay confidential.

- ☐ Federal business tax returns, last 3 years
- ☐ Profit & loss statements, last 3 years plus year-to-date
- ☐ Balance sheet, most recent
- ☐ Lease and all amendments (or deed, if you own the property)
- ☐ Equipment / FF&E list with approximate values
- ☐ Inventory list (if applicable)
- ☐ Franchise agreement and disclosure documents (if applicable)
- ☐ Copies of business licenses and permits
- ☐ Payroll summary or employee list (titles, pay, hire dates; names optional)
- ☐ Equipment leases, loan statements, and supplier or customer contracts
- ☐ Recent bank statements, last 12 months
- ☐ Photos of the business (interior, exterior, equipment)

Other information you believe we should know:

Seller certification: I confirm the information above is true and accurate to the best of my knowledge.

Seller name (print)

Signature

Date

Additional Notes

Use this page for any answer that needs more room. Note the question number (for example, 5.2) next to your answer.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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