



TRADES BUSINESS EXIT READINESS CHECKLIST

A Self-Guided Audit for Trade Business Owners Preparing for Growth, Capital, or Exit

If a buyer, investor, or lender showed up tomorrow, would your business be ready? This checklist walks you through the 30 most critical items that determine whether your trade business is positioned for a premium valuation — or a discount. Check every box honestly. The gaps you find are the gaps that cost you money.

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HOW TO USE THIS CHECKLIST

Work through each section. Check the box for every item you can honestly confirm is in place today. Items left unchecked represent gaps — and gaps reduce your valuation, slow your growth, and increase your risk. There is no passing score. The goal is clarity.

SECTION 1: FINANCIAL DOCUMENTATION

- ☐ Three years of clean, separated P&L statements available
- ☐ Balance sheet current and reconciled within 30 days
- ☐ Tax returns filed and consistent with internal financials
- ☐ Revenue broken out by service line, customer, and contract type
- ☐ Owner compensation and personal expenses clearly identified and normalized
- ☐ Accounts receivable aging report current — no receivables over 90 days unaddressed

SECTION 2: OPERATIONAL SYSTEMS

- ☐ Written SOPs exist for your top 5 recurring job types
- ☐ Job costing tracked per project — labor, materials, overhead allocated
- ☐ Scheduling, dispatch, and field operations run on documented systems (not tribal knowledge)
- ☐ Customer communication and follow-up process documented and repeatable
- ☐ Inventory and equipment tracked with condition, age, and replacement schedule
- ☐ Safety and compliance records current — OSHA, licensing, insurance all documented

SECTION 3: SALES & REVENUE QUALITY

- ☐ Customer acquisition cost (CAC) known and tracked by lead source
- ☐ Repeat and referral revenue measured — exceeds 50% of total revenue
- ☐ No single customer accounts for more than 15% of total revenue
- ☐ Active sales pipeline exists beyond inbound referrals and word of mouth
- ☐ Pricing strategy documented — margins known by service type, not guessed

SECTION 4: MANAGEMENT & LEADERSHIP

- ☐ Org chart exists with defined roles, responsibilities, and reporting lines
- ☐ At least one manager or supervisor can run daily operations without the owner for 30+ days
- ☐ Employee performance tracked with measurable KPIs — not just gut feel
- ☐ Hiring and onboarding process documented — new hires ramp without owner involvement
- ☐ Owner's role is strategic, not operational — not the first call for every field issue

SECTION 5: LEGAL & COMPLIANCE

- ☐ Business entity properly structured — LLC or Corp with clean operating agreement
- ☐ All contracts (customer, vendor, employee) current, signed, and accessible
- ☐ Intellectual property, trade names, and branding legally protected
- ☐ Insurance coverage reviewed annually — GL, WC, umbrella, E&O all current and adequate

SECTION 6: EXIT & VALUATION POSITIONING

- ☐ Owner has a written exit timeline — even if 3-5 years out
- ☐ Business can articulate its value story in 60 seconds — what it does, why it's valuable, and what makes it defensible
- ☐ Recurring or contracted revenue represents a growing share of total revenue
- ☐ Business has been valued or benchmarked against industry multiples in the last 24 months

YOUR RESULTS

Section	Items	Checked
Financial Documentation	6	___ / 6
Operational Systems	6	___ / 6
Sales & Revenue Quality	5	___ / 5
Management & Leadership	5	___ / 5
Legal & Compliance	4	___ / 4
Exit & Valuation Positioning	4	___ / 4
TOTAL	30	___ / 30

Every unchecked box is a gap — and every gap has a cost. Buyers, investors, and lenders see what you don't fix. The trades businesses that command premium valuations aren't just profitable — they're structured, documented, and transferable.

Ready to close the gaps? Let's talk.

www.ncktr.com | 855-477-9884 | admin@ncktr.com