

Firm Valuation Checklist

- ✓ — Before you hand over the keys — or even start the conversation — make sure your firm clears these bars. These are the systems, assets, and dynamics that determine whether a firm survives a transition... or gets sabotaged by it.
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Financial Readiness

Clear financial dashboards updated in real time: Transparent, accurate, and accessible

No mystery spreadsheets

Clean, credible books: Debt managed, no commingling of personal/business expenses, and records ready for due diligence

Predictable revenue: Recurring contracts, service agreements, or other stable income sources

Healthy profitability & margins: Sustainable profit levels that make the firm attractive to successors or buyers

Operational Readiness

A strong second-in-command (or plan to develop one): Someone empowered to lead operations and make decisions without you

Documented systems for delivery, hiring, and finance: The firm runs on playbooks, not memory

Project pipeline & backlog visibility: Clear forecasting of upcoming work so cash flow and staffing aren't surprises

Modern tools & tech stack: Systems that reduce the chaos tax, integrate data, and support growth

Leadership & Cultural Readiness

A leadership team fluent in business, not just design: They understand profit, utilization, cash flow, and how decisions affect value

Cultural alignment across current and future leaders: Values and vision carry forward, even as new leaders add their own style

Talent retention strategy: The next generation sees opportunity and wants to stay

Strategic & Legal Readiness

A documented transition plan: Not just an exit date, but milestones and a timeline for ownership change

Ownership & equity structure clarified: Buy-sell agreements, partner roles, and financial obligations are clear

Succession scenarios mapped: Whether it's internal buyout, external sale, or merger, options are understood and planned for

Personal readiness of the owner: Clarity on what you want next — retirement, advisory role, or new ventures