Sample business

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Business Insights Report

Helping you plan how your business fits into your life goals

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Sample, this guide will help us align your plans for your life, legacy, wealth, and business.

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The wealth potential of your business

You've worked hard to build a valuable business. We're here to help you estimate what your business is worth today and what it needs to be worth at exit to reach your life goals.

Current valuation (est.)	$15,818,725
Goal valuation by 2031	$3,889,609
Goal net exit proceeds	$2,042,045

Align business goals with your wealth goals

Feel confident in how your business fits into your life path by gaining clarity on the business performance needed to reach your goal valuation.

Goal EBITDA	$818,800
Goal annual revenue growth	-14%
Impact of business risk on value	▼ 4-6%

Look forward to life beyond ownership

Together we will identify what's most important to you when the time comes to exit and align your transition plan with your priorities.

Ideal years to exit	5 years
Ideal exit path	Sell to third-party
Exit readiness score	28 out of 100

Protect the value of your equity

Protecting the value of your equity from unforeseen events is critical to managing potential risks to your wealth. An updated buy-sell agreement and insurance policy protects your value in the event of death, disability, or dispute.

Value of equity you own	$11,864,044
Buy-sell agreement and insurance status	Not in place
Risk to equity owned	High

Business Valuation Report

Valuation estimates

The value of all equity in the business was estimated based on the most recent three years of financials and current business characteristics.

Business valuation range

$13.9M - $16.2M

Current valuation estimate

$15,818,725

Value of the equity you own (75%)

$11,864,044

Methodology

Three commonly accepted valuation methodologies were referenced and aggregated to estimate your business value:

Income Approach. Estimates what the value of your business's future earnings would be today based on market conditions with adjustments based on your business risk and balance sheet.

EBITDA Market Approach. References comparable transactions within your industry to identify a valuation multiple applied to normalized EBITDA with adjustments based on your business risk and balance sheet.

Revenue Market Approach. References comparable transactions within your industry to identify a valuation multiple applied to the most recent year of revenue with adjustments for your business risk and balance sheet.

Key factors

Revenue & Earnings

Revenue and Normalized Earnings are the primary drivers when estimating business valuation.

2025 Revenue	$7,800,000
Normalized EBITDA	$3,329,994

Balance sheet

Debt and excess cash influence the equity value of the business directly.

Net working capital	$375,000
Interest-bearing debt	$1,750,000
Total impact of balance sheet	▼ $1,375,000

Business risk

Current operating practices were reviewed to assess the risk of the business.

Business risk score	Moderate
Impact of business risk on value	▼ 4-6%

Industry

Benchmark transactions within your industry were used to identify reference multiples

NAICS Code	722511
EBITDA multiple referenced	5.00x
Revenue multiple referenced	0.71x

Business Wealth Blueprint

Wealth goals

Knowing how your business fits into your long-term financial plan starts with knowing what it needs to be worth and how to get there.

How potential business liquidity fits into your long-term plans

- **You need $2.0M in net proceeds** to fund your goals
- **You want to exit in 5 years** at age 60
- **The business needs to be worth $3.9M** by 2031
- **Business EBITDA needs to be $819k** to reach that valuation

Liquidity goals

Current business valuation (est.) $16m

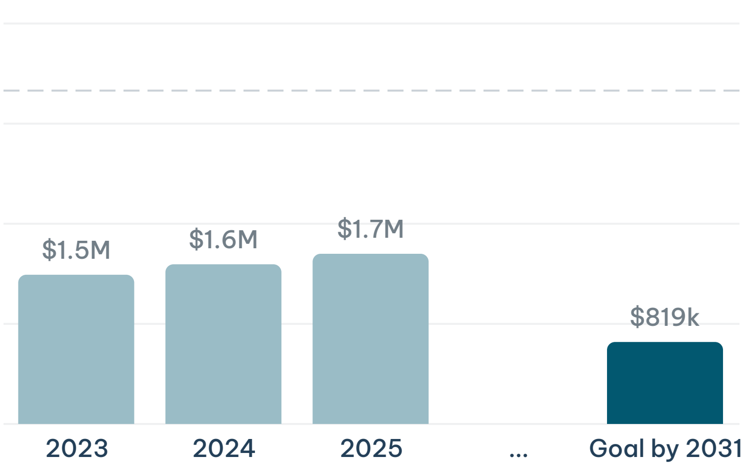
Goal business valuation $4m

Net proceeds needed to fund goals $2m

Business performance goals

EBITDA: Historic v. Goal

Historic Goal Normalized EBITDA: $3.3M



Business KPIs

Earnings (EBITDA)

2025	$3,329,994
Goal	$818,800

Annual revenue growth

Historic Average	20%
Goal	-14%

Business risk score

Current	High
Goal	Low

Equity risks & Exit readiness

Work with your advisor to ensure the wealth in your business is protected and you have a plan to exit when the time is right.

Equity risk

High

Exit readiness

28 out of 100

Exit Plan: Selling to a third party

Your Priorities

Clarity on what's most important to you during a future exit will guide the development of your transition plans and align them to your priorities.

What's important to you during an exit

- Maximize the financial value of the exit
- Step away completely after the transition
- Maintain control over the timing and terms of the exit

Selling to a third party

Selling to a strategic or financial buyer maximizes your financial value, enables a clean separation, and positions your business for external growth.

Elements to a successful exit

- Positioning your business for maximum market value
- Identifying and vetting potential buyers
- Preparing for detailed due diligence
- Negotiating terms that align with your goals and timeline
- Assembling the right team of professionals

Key questions to consider

- What does the ideal buyer look like?
- Are your financials and operational systems buyer-ready?
- How will different buyers impact your team and culture?
- What is your plan for income and lifestyle post-exit?

It takes a village

Planning a transition can be overwhelming, but you don't need to manage it yourself. Your village will include a mix of advisors, accountants, lawyers, bankers, and consultants.

Where a team of professionals will help

- Planning for life after the business personally and financially
- Aligning exit with your personal and financial goals
- Identifying tax strategies before a deal is formulated
- Exploring gifting, trusts, and phased exits strategies

Liquidity goals

Current business valuation (est.)

$16m

Goal business valuation

$4m

Net proceeds needed to fund goals

$2m

Your Roadmap

Clarify your vision

Reflect on what a successful transition means to you and make a plan for life after exit.

Prepare yourself and the business

Work with your advisor and team of professionals to prepare yourself and your business for the transition.

Identify and plan the exit structure

Engage your team of professionals well in advance of deal formulation so they can align and optimize your exit structure and personal plan.

Communicate and execute

Align all stakeholders and work with your team of professionals to implement the structure and business transition plan.

Start the next chapter

An exciting new life chapter begins after transitioning from your business!

Succession & Exit Readiness Score

Overall readiness

Personal readiness

You're taking meaningful action towards being emotionally and financially prepared for an exit. Maintain momentum on the key actions that will solidify your long-term plan.

Business readiness

There is a lot of opportunity to make your business more attractive and transferrable. Small steps to make the business more stable and marketable would go a long way.

Personal readiness

Next best actions

- [ ] Build team of professionals
- [x] Identify ideal exit timeline
- [ ] Identify tax optimization strategies
- [ ] Confirm Up-to-Date Buy-Sell Agreement and Insurance Policy is in Place
- [ ] Review succession & exit plan with family
- [ ] Identify how you will spend your time after transition
- [x] Identify net proceeds from exit needed to fund goals
- [x] Clearly define transition priorities

Business readiness

Next best actions

- [ ] Mitigate key business risks
- [ ] Help insure strength and retention of key employees
- [ ] Organize financial records with accountant
- [x] Identify ideal succession & exit path
- [ ] Identify successors / buyers
- [ ] Prepare for legal, financial, and operational diligence
- [ ] Strengthen standard operating practices (SOPs)

Business Risk Assessment

A review of the risk factors that impact the marketability and valuation of your business.

Business risk score

Business risk score

Moderate

Estimated impact of risk on value

▼ **4-6%**

Component business risk factors

Owner dependency risk

High

Delegate strategically, build process, and empower your team.

It is likely that profitability declines if you leave the business today. Delegating responsibilities, documenting processes, and empowering your team fosters a more sustainable and marketable business.

Key employee dependency risk

High

Take steps to retain key employees and reduce dependency on them.

Explore executive benefits plans for retention and consider Key Person Insurance to safeguard your business's continuity.

Revenue quality risk

High

Explore ways to increase the repeatability of your revenue streams.

The majority of your revenue is from one-time sales. Finding ways to encourage repeat sales enhances the stability and marketability of your business.

Liquidity risk

Moderate

Review your short-term liquidity.

Assets that can be easily converted to cash are slightly more than liabilities due in the next year. Consider speeding up receivables, renegotiating liability terms, and streamlining operations where possible to optimize your short-term financial strategy.

Financial practice risks

Moderate

Partner with a bookkeeper and CPA to maintain your financial records.

Working with accounting professionals to maintain disciplined financial records ensures compliance and enhances the marketability of your business to potential buyers or investors.

Supplier diversity risk

Low

Continue working with multiple suppliers and vendors.

Your business has a diversified supplier base and is not overly reliant on one vendor. Maintaining a diversified supplier base enhances stability and fortifies against potential supplier disruptions.

Customer concentration risk

Low

Continue to expand and diversify your customer base.

Maintaining a diverse and robust customer base enhances stability, mitigates risks, and fortifies your business against potential fluctuations.

Leverage risk

Low

Your Debt to Estimated Equity Valuation is 0.18.

A debt-to-equity ratio between 1 and 2 is considered healthy for small businesses. This may vary significantly based on industry, business goals, and risk tolerance.

Protecting the value of your equity

Why it matters to you

You have worked hard to make your business what it is today. An updated buy-sell arrangement protects the value of the equity you own in the event of death, disability, or dispute.

Benefits to you, your family, and your business

- Protects the value you have built
- Protects the longevity and continuity of the business
- May open opportunities to optimize estate tax

How it works

Buy-sell arrangements consist of the following two components.

1. A legal agreement
A legally binding contract among business owners is required to govern how equity is valued and what happens to your equity in the event of death, disability, retirement, or voluntary exit.

2. A funding mechanism or insurance policy
In order to be viable when triggered, buy-sell agreements must be backed by funding. Common vehicles include life insurance, disability insurance, or cash reserves.

Work with your advisor

Work with your financial advisor to review the status of your buy-sell agreement.

Maintaining an up-to-date buy-sell arrangement

- Agreement and insurance should be reviewed annually.
- Valuation methodology is clearly listed in the agreement, typically via an attached Schedule A.
- Funding levels reflect recent business valuation estimates.
- Insurance policies cover unforeseen events.

Value of equity owned

$11,864,044

Risk to equity owned

High

Status of buy-sell arrangement

Not in place

Example buy-sell structures

Cross-purchase plans

Each owner purchases an insurance policy on the other owner(s) to fund the buy-sell arrangement.

Entity redemption plans

Business buys separate insurance contracts on the owners, pays the premiums, and is the beneficiary.

Special purpose entities

In some cases, a new entity may be created to buy separate insurance contracts on the owners, pay the premiums, and act as the beneficiary.

Appendix

The financial and business characteristics data used to estimate business valuation

In this section

Profit & loss data

Historic income, expenses, and normalized EBITDA used as a foundational input to the valuation.

Balance sheet data

Assets, liabilities, and equity composition as of the latest reporting period.

Liquidity & exit goals

Net-proceeds targets, income replacement, and post-exit allocations.

Business characteristics

Entity structure, industry, customer mix, vendor diversity, and operations detail.

Disclosures

Methodology assumptions, limitations, and report disclaimers.

Profit & Loss data

	2025	2024	2023
Revenue	$7,800,000	$7,176,000	$5,487,000
Cost of goods sold	$4,000,000	$2,064,200	$1,644,150
Operating expenses	$3,000,000	$2,424,800	$2,096,100
Non-operating expenses	$200,000	$186,900	$174,675
Interest expense	$150,000	$140,175	$131,381
Depreciation	$100,000	$93,450	$87,338
Amortization	$50,000	$46,725	$43,669
Net income	$1,400,000	$1,314,375	$1,228,125
Adjustments to normalize earnings			$1,700,000
Normalized EBITDA			$3,329,994

An estimate of the business's ability to generate earnings before interest, taxes, depreciation, and amortization (EBITDA) used as a foundational component to estimating business valuation.

Balance sheet data

Assets	2025
Cash & Cash equivalents	$600,000
Accounts receivable	$350,000
Other current assets	$450,000
Fixed assets & Land	$2,250,000
Other long-term assets	$350,000

Liabilities	2025
Accounts payable	$450,000
Credit cards & Short-term debt	$250,000
Other current liabilities	$325,000
Other long-term debt	$1,750,000

Liquidity goals

Ideal timeline and proceeds goals

Ideal age at exit	60
Total net proceeds needed at exit	$2,042,045
Annual income from net proceeds after exit	$120,000

Legacy goals funded by exit proceeds

Philanthropy	-
Weddings	-
Kids/Grandkids education	-
Other	-

Succession & Exit goals

Exit priority #1	Maximize the financial value of the exit
Exit priority #2	Step away completely after the transition
Exit priority #3	Maintain control over the exit process
Ideal exit path	Sell to third-party

Business characteristics

Business tax structure *Used to estimate taxes*	S Corporation
Industry *Historic exit transactions for companies of comparable industry and size are reviewed when estimating valuation*	722511 - Full service restaurants
Customer count *Informs customer concentration risk assessment*	100+
Percentage of revenue from top 5 customers *Informs customer concentration risk assessment*	0-15%
Revenue Breakdown *Informs quality of revenue streams and stability assessments*	Recurring: 5%, Renewing: 0%, One-time: 95%
Percent of revenue relying on any one vendor *Informs vendor dependency risk assessment*	40
Financial record manager *Informs financial practice risk assessment*	Bookkeeper
Likelihood of negative impact on revenue and/or profitability upon owner departure *Informs owner dependency risk assessment*	Likely
Likelihood of negative impact on revenue and/or profitability upon key employee(s) departure *Informs key employee dependency risk assessment*	Likely
Buy-sell agreement and insurance status *Informs risk to equity value*	Not in place

Disclosures

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