Owners don’t wake up one day and sell for top dollar. The best exits are staged, pushed along by a series of unglamorous fixes that compound into real value. Twelve months is tight, but it is enough to tune what buyers scrutinize, reduce friction, and present a company that feels ready for handoff. I have worked with owners who doubled their offers in a year, not through miracles, but by getting predictable where it counts and brave where it hurts.

This is a practical playbook for that year. It leans on the patterns I see in main street and lower middle market deals and the way buyers actually behave. And because many readers ask, yes, the London, Ontario market has its own quirks. If you are looking at Liquid Sunset Business Brokers for guidance, or scanning their site for a small business for sale in London, Ontario, these same steps help whether you plan to sell or you are on the other side, buying a business in London.

The first conversation you should have

Before you optimize anything, talk to a broker who sees live deal flow in your size and sector. Not a coffee chat with a friend who sold a SaaS company when you run a trades outfit. Different lanes, different rules. A quick assessment from a firm like Liquid Sunset Business Brokers can reset your expectations and target the work. In my experience, sellers often guess at the wrong levers. They polish brand assets while ignoring a two-line customer concentration that will crush their valuation.

A grounded broker will ask for three to five years of financials, a customer list, headcount by function, a brief on systems, and a few operational KPIs. In London and the surrounding region, I see a buyer pool that values clean books, steady recurring revenue, and owner independence far more than story. Buyers still love a good story, but they will not pay for it unless the numbers prove it.

The value formula buyers actually use

Buyers rarely fall in love with top-line growth if the bottom line isn’t dependable. Expect small business buyers to price on a multiple of SDE, also called seller’s discretionary earnings. SDE roughly equals EBITDA plus owner compensation and certain add-backs. If your SDE is 600,000, the market might offer an SDE multiple in the 2.5 to 4.5 range depending on risk, growth prospects, and transferability. London’s multiples tend to sit in the middle unless you bring recurring revenue and low concentration.

So your job in 12 months is twofold: raise SDE and reduce perceived risk. The second part matters just as much as the first. A company that throws 700,000 but relies on three customers may fetch less than one that throws 500,000 with diversified revenue and tidy processes.

Month 1 to 2: clean the financial lens buyers look through

Too many owners run personal or nonrecurring items through the business to reduce taxes. Legal, yes, but it blurs the true earnings power. You do not need to live like a monk, but you do need a clean, defensible view of SDE for the trailing twelve months.

Start with these moves:

- Normalize your chart of accounts so expense categories line up with standard small business classifications. If your accounting file is a museum of old categories, merge and rationalize. A buyer should be able to read it without a guide.
- Separate personal discretionary expenses now, not during diligence. Golf, family phones, that truck your nephew drives, trade them out of the P&L or isolate them to a single, clearly labeled account you can add back.
- Switch to accrual accounting if you are still on cash for a business with inventory or large payables. Cash-basis books force buyers to recast. Recasting invites doubt, and doubt is expensive.
- Lock a minimum quarterly cadence with your CPA for reviews. When your CPA can stand behind your numbers, your broker can stand taller during negotiations.

I worked with a London-based service company carrying roughly 200,000 of owner perks in the P&L. We separated and documented them, which lifted the defendable SDE by the same amount. The multiple did not change, but the value did. That is the quiet math of exits.

Untangle owner dependence

Owner dependence is the silent killer of multiples. When buyers sense the business runs on your relationships, your quotes, your memory of which machine throws a belt, the price slides or the deal structure loads with earn-outs and holdbacks.

Map your week with unkind honesty. Where does the business rely on you? Common hotspots are pricing decisions, key customer communication, vendor terms, and hiring. Your mission for 12 months is to get yourself out of the critical path.

I like a simple test. If you took a two-week vacation with no phone, would revenue hold and would customers notice? If the answer is no, buyers will discount value or push for long transition periods.

Practical steps that work in small shops:

- Create one-page playbooks for recurring activities like quoting, scheduling, and purchasing. Not a binder that no one reads, just concise steps with decision thresholds and examples.
- Appoint a visible second-in-command with the authority to make 80 percent of routine decisions. Back them publicly with customers and staff.
- Move key knowledge into your CRM, project software, or shared drive. If pricing lives in your head, push it into templates with ranges and notes.

An HVAC contractor near White Oaks crossed the chasm by promoting a field lead to operations lead six months before going to market. He made the intros, moved quoting rules into a spreadsheet template, and stopped jumping on the phone when a big customer called. The eventual buyer flagged owner independence as the number one reason they stretched on price.

Fortify your revenue quality

Growth excites, but buyers prize predictability. If half of your revenue renews by default, or if you can show multi-year contracts with sensible cancellation terms, you reduce risk. If not, build partial equivalents.

For product businesses, secure blanket purchase orders or preferred vendor status with key accounts. Even if the legal language allows cancellation, the signal matters. For services, offer maintenance agreements or subscription-style packages with monthly or quarterly billing. You do not need 100 percent of clients on contract to change the risk profile. Getting 30 to 40 percent of revenue onto predictable rails can add a full turn of multiple in some sectors.

Be wary of slapping on subscriptions that customers do not value just to impress a buyer. Churn will show up in your trailing numbers and undercut your case. Price fairly, deliver real benefits, and stabilize before marketing the business.

Trim customer and supplier concentration

No buyer wants to inherit a cliff. If your top customer represents more than 20 percent of revenue, plan a 12-month campaign to dilute that share. The fix is rarely replacing the whale, it is adding several large minnows.

Work through your pipeline data. Target segments where your close rate is higher or your gross margin is stronger. Consider modest incentives for reps to prioritize smaller accounts. If you can move a 35 percent concentration down under 20 percent, you move the needle.

Supplier concentration needs the same treatment. If a single supplier controls a critical component, document alternates, even if they are second-best. Secure letters or distributor agreements where possible. A buyer will ask what happens if Supplier A raises prices 10 percent or gets acquired. Having a ready answer plus quotes from alternates helps.

Tighten pricing, not just costs

You can only cut your way so far. Pricing discipline, on the other hand, lifts value without dampening morale. I usually find at least two points of margin available through simple actions:

- Establish a pricing floor and walkaway rules, then enforce them. Discounts should have reasons, not vibes.
- Introduce good-better-best packages. Anchoring works. Even if only 15 percent of customers choose the premium tier, average order value rises.
- Build an annual price review schedule. Normalize updates, even if modest, tied to input costs and wage inflation.

I watched a London specialty manufacturer raise list prices by 3 percent and enforce a stricter discount matrix. Volume barely budged, but gross margin rose by nearly 2.2 points within a quarter. That rolled through to SDE and paid for years once the multiple applied.

Invest in systems buyers recognize

No buyer expects a small business to run like a Fortune 500 firm, but they do expect systems that reduce key-person risk. Choose tools your team can run without you and that a buyer can slot into their stack. Cloud accounting, a mainstream CRM, standard ticketing or project tools, and a simple dashboard that shows bookings, backlog, cash, receivables, and job margins.

Avoid a big-bang software overhaul unless your current system actively blocks scale. Big implementations eat time and produce shaky numbers for months. Buyers will prefer a stable, slightly dated system over a half-migrated one. If you must change, finish it at least six months before going to https://liquidsunset.ca/merger-lawyer/ market and stabilize your KPIs.

Shore up working capital and cash discipline

Buyers price the business, then they negotiate working capital targets. Surprises here sour deals. Aim for clean receivables, sensible inventory turns, and predictable payables. Shorten DSO where possible. Even a modest shift from 52 to 45 days can free cash and present better discipline.

Look line by line at inventory that has not moved in 6 months. Liquidate rationally. Document your reorder points. I have seen smart owners turn a pile of dusty parts into a 70,000 cash bump and a neat story about operational cleanup that buyers appreciated.

Build a short, credible growth plan

Most buyers pay for what your company is, not what it could be. Still, a crisp plan that connects today's strengths to tomorrow's gains helps justify a stronger multiple or a tighter deal structure. The plan should not be a novel. Buyers need to see that growth is a function of repeatable acts, not lucky breaks.

Keep it practical: a new route or territory already tested with two to three anchor customers, a modest cross-sell that your team has piloted, a piece of equipment that unlocks throughput you can quantify. Attach numbers and timelines. If you cannot measure it, it is wishful.

Prepare for diligence as if the deal starts tomorrow

The best sales processes feel easy because the hard work happened months earlier. Build a deferred-maintenance list for documents and knock it out. Corporate records, leases, equipment titles, IP assignments, health and safety logs, NDAs with staff and contractors, permits, warranties. If your minute book has not been touched in years, get it current.

This is also the time to clean legal exposure. Resolve dangling disputes if possible. If not, quantify the ranges and document your counsel's view. Buyers do not require perfection, they require clarity. Unpriced risk is worse than bad news.

Talent and culture show up in the price

A stable team with clear roles and low turnover earns trust from buyers and lenders. If your wage scale lags the market and you are plugging holes with overtime, do not wait for a buyer to find it. Adjust where needed, then show your math on how it affects margin and retention.

Cross-train, especially for critical operational roles and key customer touchpoints. When a buyer hears that three people can run dispatch and two can quote standard jobs, the fear of day one meltdown eases, and your leverage goes up.

Get your facility and equipment sale-ready

A walk-through is part audit, part theater. Clean, labeled, safe. Machines with maintenance logs and clear replacement plans. If your roof leaks or your compressor throws tantrums, deal with it. Small fixes tell a big story about discipline. Do not overinvest in capex that will not return within a year unless it is the kind of purchase a buyer will have to make anyway. In those cases, owning the machine can help the price and reduce negotiation friction.

If you lease, understand your assignment rights, renewal options, and landlord temperament. Many deals wobble over lease transfers. Start building rapport now so the landlord sees you as proactive and the future buyer as credible. Brokers like Liquid Sunset Business Brokers will tell you how often leases delay closings in London, and they are not wrong.

Marketing that matters to buyers

Buyers do not need clever campaigns, they need a repeatable customer acquisition engine they can understand. Document your lead sources, cost per lead, cost per acquisition, and close rates. If you have referral partners, put agreements in writing. If you rely on word of mouth, formalize a light referral program. The point isn't to inflate lead counts, it is to show the mechanics that produce them.

Review your online footprint. Accurate NAP data, current reviews, fresh photos, basics fixed. If your site is a relic, a modest refresh pays for itself in credibility. Resist the urge to overhaul branding months before a sale. Continuity is your ally.

Taxes and deal structure: plan, do not guess

Tax treatment swings net proceeds more than most owners expect. Share sale versus asset sale, capital gains exemptions, earn-out timing, and vendor take-backs all interact with your tax picture. Sit with a tax advisor who does deals in your province. In Canada, the lifetime capital gains exemption can be a game changer if you qualify. That often requires housekeeping, like purifying passive assets from the corporation. You need time for this, sometimes months.

Buyers in the small to mid market often ask for a vendor take-back note to bridge valuation gaps. Treat it like an investment decision. Price the risk, set covenants if possible, and evaluate the buyer's ability to run the business. A good broker will shape this conversation so you do not give cheap credit to a weak operator.

Building the package: what goes in, what stays out

The confidential information memorandum is not an ad. It is a clear portrait of the business, warts and all, with the warts framed and quantified. Include a clean financial summary with SDE reconciliation, a section on customers and concentration, operations workflow, team structure and comp ranges, systems overview, and a growth plan that fits your resources. Visuals help, but only when they clarify.

Do not bury issues. A customer who might leave, a supplier that is merging, a permit renewal due in six months, these belong in the package with your mitigation plan. Buyers will find them anyway, and when they do, your leverage fades.

When you work with a group like Liquid Sunset Business Brokers, they will pressure test your package against what buyers in the London market ask for and trim fluff. If you plan to browse a small business for sale in London, Ontario through their listings, these are the signals you should look for from the other side: clean SDE, low concentration, owner-light operations.

The showing process: choreography matters

Management meetings and site tours are not a formality. They are where trust is earned or lost. Decide in advance which topics you will discuss freely and which require an NDA. Prepare your second-in-command to speak. Buyers notice whether the team knows their numbers and whether the owner steps back.

I like to map a tour route that tells the operational story in sequence. Start at order intake or lead capture, move to scheduling or production, then to quality control, shipping, or service wrap-up. Finish in the office with dashboards and financial discipline. Keep it real. When a machine is down for maintenance, say so and show the log.

Negotiation rhythms: control the tempo

The best outcomes come from controlled competition. One buyer is a negotiation, two or more is a market. Your broker's job is to manage timing so that interested buyers arrive at similar stages without feeling herded. Staggered exclusivity and clear data room access rules help.

Do not anchor on a number too early. Anchor on the drivers that justify your number: SDE normalization, revenue quality, concentration improvements, and owner independence. When buyers challenge price, return to those pillars with data, not emotion.

The last mile: keep running the business

Many owners unconsciously take their foot off the pedal once offers arrive. Revenue dips, and suddenly your trailing twelve months look worse just as buyers revisit price. Keep your routines. If anything, over-communicate with the team so they do not smell distraction and drift.

Set a weekly update schedule with your broker. Track diligence requests, answer promptly, and log what was delivered. Keep a private list of your non-negotiables, and a second list of tradeables that you can use to bridge gaps without harming value, like transition support or noncritical equipment.

A London, Ontario angle

Regional nuance matters. In London and Southwestern Ontario, buyers range from seasoned entrepreneurs rolling up trades and services to corporate refugees with solid financing but limited operating experience. Lenders in the region look favorably on clean books, collateral with clear titles, and recurring cash flows. Local chambers and industry associations are active, and word-of-mouth still moves deals.

If you are leaning on a local advisor, a firm like Liquid Sunset Business Brokers understands how to position your business to that buyer pool. They also know what a business broker in London, Ontario will flag early, like lease assignment clauses or municipal permits that can bottleneck closings. And if you are on the other side, buying a business in London, their screening criteria will mirror much of what you have read here.

Twelve-month roadmap, compressed

Here is a simple, high-utility sequence that fits in a year without breaking operations.

- Months 1 to 2: Broker and CPA alignment, clean books, choose metrics, map owner dependence.
- Months 3 to 4: Document processes, appoint a second-in-command, enforce pricing discipline, begin contract or subscription pilots.

- Months 5 to 6: Attack concentration, diversify suppliers, tidy facility and equipment, set working capital targets, stabilize software.
- Months 7 to 8: Lock in key staff, formalize referral partners, update website and reviews, compile diligence docs, address legal housekeeping.
- Months 9 to 10: Draft the CIM, validate numbers, soft-market to test buyer interest, refine based on feedback.
- Months 11 to 12: Go to market, manage showings, negotiate with discipline, keep operating momentum, and plan transition.

What not to do

I have a short list of moves that tend to backfire in this window. Large brand overhauls confuse buyers and disrupt customer habits. Aggressive one-time promotions spike revenue but erode margin and signal desperation. Big software migrations close to the sale create data breaks that hurt your case. Replacing multiple senior staff members late in the game spooks lenders. Avoid sudden pivots into unfamiliar products or markets just to claim growth. Buyers discount leaps that have no track record.

The work pays twice

Every improvement you make for a buyer's benefit also makes your next 12 months better. Cleaner books help you manage cash, process discipline lowers stress, diversified customers let you sleep, and a reliable team gives you space. The irony of exit planning is that it improves life if you don't sell, and it improves price if you do.

If you decide to move ahead, get help early. Whether you call Liquid Sunset Business Brokers or another experienced group, the right partner helps you focus on changes that compound, not just changes that look tidy. And if you are scanning for a small business for sale in London, Ontario with an operator's eye, use this checklist to spot real value under the surface.

Twelve months is enough. Not for perfection, but for a business that feels resilient, legible, and ready to change hands. Buyers pay for that feeling because it usually predicts the future, and that is what they are buying.