



Exit Planning Checklist: Value Drivers vs. Value Reducers

Get the Most from Your Business When You Exit: Before selling or transitioning your business, it's essential to understand what drives value - and what holds it back. This checklist highlights key Value Drivers (elements that increase your business's worth) and Value Reducers (factors that diminish value or make your business less attractive to buyers). Use it as a diagnostic tool to identify strengths, uncover risks, and prioritize areas that need attention to maximize your exit outcome.

Exit Planning Checklist:

Value Drivers vs. Value Reducers

VALUE DRIVERS

- ▶ Stable, motivated management team
- ▶ Recurring revenue streams
- ▶ Documented systems and processes
- ▶ Clean, accurate financial statements

VALUE REDUCERS

- ▶ Key-person dependency (especially owner)
- ▶ One-time, project-based or unpredictable income
- ▶ Tribal knowledge, undocumented procedures
- ▶ Messy/inaccurate financial records

Exit Planning Checklist:

Value Drivers vs. Value Reducers

VALUE DRIVERS

- ▶ Diversified customer base
- ▶ Strong brand and market reputation
- ▶ Growth trends in revenue and EBITDA
- ▶ Scalable business model

VALUE REDUCERS

- ▶ Customer concentration (reliance on few customers)
- ▶ Weak or unclear brand identity
- ▶ Flat or declining revenues
- ▶ Bottlenecks that prevent scaling

Exit Planning Checklist:

Value Drivers vs. Value Reducers

VALUE DRIVERS

- ▶ Intellectual property (patents, trademarks)
- ▶ Formalized contracts with key customers
- ▶ Low customer churn rate
- ▶ Repeatable and documented sales process

VALUE REDUCERS

- ▶ No defensible IP or competitive moat
- ▶ Informal, handshake agreements
- ▶ High customer attrition
- ▶ Owner-dependent sales

Exit Planning Checklist:

Value Drivers vs. Value Reducers

VALUE DRIVERS

- ▶ **Cross-functional leadership team**
- ▶ **Low employee turnover**
- ▶ **Industry niche or specialization**
- ▶ **Strong digital presence and SEO**

VALUE REDUCERS

- ▶ **Lack of succession or weak leadership bench**
- ▶ **High employee churn or morale issues**
- ▶ **Generalist business with no competitive edge**
- ▶ **Poor online visibility**

Exit Planning Checklist:

Value Drivers vs. Value Reducers

VALUE DRIVERS

- ▶ Positive online reviews and testimonials
- ▶ High gross margin
- ▶ Healthy cash flow and working capital
- ▶ Modern, well-maintained equipment / tech

VALUE REDUCERS

- ▶ Bad or unmanaged online reputation
- ▶ Compressed or inconsistent margins
- ▶ Chronic cash flow problems
- ▶ Outdated or underutilized assets

Exit Planning Checklist:

Value Drivers vs. Value Reducers

VALUE DRIVERS

- ▶ **Compliant with legal and regulatory standards**
- ▶ **Clean cap table/ownership structure**
- ▶ **Strong culture + employee engagement**
- ▶ **Growth opportunities identified and documented**
- ▶ **Risk management plan in place**

VALUE REDUCERS

- ▶ **Outstanding legal or compliance issues**
- ▶ **Disputes/unclear ownership interests**
- ▶ **Toxic or apathetic company culture**
- ▶ **No clear growth plan or roadmap**
- ▶ **Overexposure to unmitigated risks**

Let's talk about
your next steps.

Schedule a Risk Review Call.

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