MOOR

& CO

COMMERCIAL BRIEFING · NO. 10

Sellable

Most owners think about selling far too late, when the things that make a business valuable can no longer be built in. The work starts years before the sale. Here is what a buyer actually pays for.

A Moor & Co commercial briefing

June 2026 · Commercial advisory for small business owners

POWERED BY 3DMAI

IN SHORT

One day, most owners want out, to retire, to move on, or simply to stop. The uncomfortable truth is that what you get then is decided years earlier, by choices you make now. A business that depends on you, runs on lumpy one-off work, leans on a couple of big customers and keeps its numbers in the owner's head is hard to sell and cheap when it sells. A business built the other way commands a premium. This briefing sets out what a buyer actually pays for, and why the work to maximise it starts long before you ever pick up the phone to a broker.

1. You're building an asset, whether you mean to or not

Every decision you make either adds to or chips away at what your business would be worth to someone else. Most owners never think in those terms. They build for the income it produces this year, which is reasonable, until the day they want to sell and are quietly shocked by the offer, because nobody ever built the things a buyer pays for.

For many owners the business is the single biggest asset they will ever own, worth more than the house. It is worth building it like one, deliberately, and for years, rather than hoping its value will be there when you finally need it.

2. A buyer isn't buying your past. They're buying your future without you.

Here is the shift that changes everything. A buyer is not paying for the profit the business has made. They are paying for the profit it will make after you have gone. That single fact explains almost everything about what a business is worth.

It means everything that ties the value to you personally works against the price. The buyer is, above all, pricing risk: how likely is this to keep earning once the founder, the relationships and the knowledge walk out of the door? The more the answer depends on you, the less they will pay, and the more of the price they will try to hold back until the future has proven itself.

3. What a buyer actually pays for

Strip away the jargon and the value drivers are a short, consistent list.

- **Independence from the owner.** If the business needs you, the buyer is purchasing your job, and the value leaves when you do.
- **Predictable, repeatable revenue.** Recurring or contracted income is worth a real multiple. A pipeline of hope is not.

- **A spread of customers.** Reliance on one or two big accounts is a risk a buyer prices down, hard.
- **Clean, trustworthy numbers.** If the books are a mess or live in your head, the buyer assumes the worst and pays accordingly, or walks. Clear, consistent accounts buy confidence, and confidence buys price.
- **Systems that are written down.** A business that runs on documented process transfers to a new owner. One that runs on tribal knowledge does not.
- **Healthy, visible margins.** Proven, well-understood profitability is worth far more than a good year nobody can quite explain.

4. The discount for risk

Buyers do not pay for potential. They pay for certainty, and then subtract for every risk they can find. Owner-dependency, customer concentration, messy accounts, a key person who might leave: each one comes off the price, or, just as painfully, turns into deferred and contingent payment, an earn-out you may never see in full, paid only if the business performs once you have lost control of it.

The flip side is the opportunity. Every risk you remove before you sell does two things at once: it raises the headline price, and it lets you take more of that price as cash on day one rather than as a promise. Reducing risk is the single highest-return work an owner preparing to exit can do.

5. Why you start years early

None of this can be fixed in the final few months, which is exactly when most owners start thinking about it. A serious buyer wants to see two to three years of clean accounts, a business that already runs without you, and revenue that already repeats. You cannot manufacture that history in the quarter before you go to market.

> *Decide to be sellable three years before you sell, and you sell on your terms. Leave it to the year you are tired and want out, and you sell on theirs.*

6. Sellable is better even if you never sell

Here is the part that makes this worth doing regardless of your plans. The very things that make a business valuable to a buyer are the things that make it better to own. A business that runs without you, earns predictably, spreads its risk, keeps clean numbers and knows its margins is not just worth more, it is calmer, more robust, and far less dependent on you being at full stretch.

So you build for a sale you may never make, and the prize arrives either way: a business worth a great deal if you sell it, and a much better one to live with if you do not. There is no version of this work that is wasted.

7. A practical response

- **Build for the buyer now,** even if exit is years away. The value drivers take years to mature.
- **Reduce your owner-dependency** — the business should run without you in the room.
- **Turn one-off revenue into repeatable** wherever the model allows.
- **Broaden the customer base** so no single account dominates.
- **Keep clean, consistent accounts** a buyer could trust on sight.
- **Document how the business runs,** and start at least three years before you want out.

The best time to make a business sellable is long before you want to sell it. The second best time is today. Either way, you end up with something more valuable, and more your own, than the job most owners build by accident.

ABOUT THIS BRIEFING

This briefing draws on standard business-valuation and mergers-and-acquisitions practice, in which a business is valued on its sustainable future earnings, discounted for the risks attached to them, and on the well-established principle that owner-dependency, customer concentration and unreliable accounts reduce both the price achieved and the proportion paid up front.
General guidance only — not financial or legal advice.