ANONYMIZED EDUCATIONAL SAMPLE

Seller Readiness Screen

A concise decision map for the issues outside the deal book.

Fictional composite:
Founder-owned services company
Possible sale within 24 months
Unsolicited buyer interest
Family and management questions unresolved

WHAT THIS SAMPLE DOES

Organizes business value, owner independence, family priorities, transaction readiness, and professional coordination before a seller commits to a path.

The facts, figures, findings, and owner circumstances are fictional. This is not a client report, testimonial, recommendation, or representation of results.

Prepared for discussion: Use this screen to decide which questions need answers before timing, a buyer, or a family event takes control of the sequence.

01 | EXECUTIVE VIEW

Readiness is not one score.

A business may be attractive while the owner, family, or advisor team is not yet ready for the decision. The screen separates those issues so the right professional can address each one.

01	Owner outcome	NEEDS DEFINITION	The owner has a headline value in mind but has not established required net proceeds, post-close spending, or an acceptable role after closing.
02	Liquidity picture	INCOMPLETE	Debt, costs, tax basis, transaction form, contingent value, and retained equity have not been connected to usable personal capital.
03	Transferability	MIXED	The leadership team is credible, but two customer relationships and several pricing decisions remain founder-dependent.
04	Personal readiness	EARLY	The owner can imagine selling but has not defined life after ownership or discussed the decision with family and key leadership.
05	Advisor alignment	NOT YET BUILT	CPA and attorney relationships are in place. No shared owner-outcome brief or coordinated work sequence exists.

FIRST USEFUL PRIORITY

Define what the transaction must make possible before debating whether the buyer's number is enough.

This is not a recommendation to sell or reject the approach. It is the minimum context needed to evaluate price, structure, timing, and continuing obligations together.

02 | OWNER OUTCOME AND LIQUIDITY

Headline value is only the first number.

The owner needs a defensible bridge from transaction terms to personal capital. The figures below are illustrative placeholders, not a valuation, tax estimate, or forecast.

INDICATIVE ENTERPRISE VALUE	POSSIBLE OWNER CAPITAL	REQUIRED PERSONAL CAPITAL
$18.0M	$10.6M-$12.4M	NOT YET DEFINED
Buyer conversation only. Structure and working-capital treatment unknown.	Illustrative range after debt, costs, and broad tax assumptions. Contingent value excluded.	Spending, other capital, legacy, family commitments, and margin for uncertainty remain untested.

Questions that change what the owner may keep

Transaction form	Asset sale, equity sale, recapitalization, rollover, or another structure?
Debt and working capital	Which obligations and adjustments reduce cash available to the owner?
Tax facts	Which entity, basis, allocation, state, residency, and timing conclusions must be governed by the CPA and tax counsel?
Contingent value	How much depends on earnouts, seller notes, escrow, indemnity, rollover equity, or continued employment?
Personal requirement	What spending, family commitments, existing assets, legacy goals, and safety margin must the capital support?

Interpretation: The buyer's number cannot yet be called enough or insufficient. The owner lacks the personal capital target and governed tax and transaction facts required to make that comparison.

03 | READINESS AND COORDINATION

What must become less dependent on the owner?

Readiness work protects optionality whether the owner sells, transfers to family, brings in management, or continues operating.

Customer transferability	Two relationships represent roughly one-third of revenue and remain founder-led. Who can credibly own them before a process begins?
Leadership decisions	Management runs delivery, but pricing and senior hiring still route through the founder. Which decisions should move now?
Recurring economics	Reporting is consistent, but owner adjustments and backlog quality need an external quality-of-earnings view if a process begins.
Owner role after close	The buyer mentioned a transition period without defining duties, authority, duration, or economics. The owner has not defined acceptable boundaries.
Family alignment	The spouse knows an approach occurred. Adult children and key executives do not. Expectations about legacy and family support are undocumented.
Life after ownership	The owner has financial ambitions but no weekly picture of purpose, structure, relationships, or productive work after the company.

READINESS WORK IS NOT A PROMISE TO SELL

Every improvement above can strengthen the owner's choices even if no transaction occurs.

The objective is not to manufacture urgency. It is to reduce the number of decisions that must be made for the first time under buyer pressure.

04 | PROFESSIONAL COORDINATION

Give each conclusion to the professional who governs it.

The screen does not replace technical work. It turns owner uncertainty into a sequenced agenda for the existing advisor team.

Owner and family	Define required outcome, timing, post-close role, family priorities, and what would cause a pause.
Transaction professional	Test buyer fit, process, structure, financing, working capital, diligence, and deal terms.
CPA and tax counsel	Govern entity, basis, allocation, elections, federal, state, local, residency, and filing conclusions.
Transaction attorney	Govern confidentiality, exclusivity, representations, indemnity, employment, restrictions, and closing documents.
Valuation / QoE	Establish the valuation or earnings-quality analysis appropriate to the owner's purpose and process.
Morrowgate	Organize owner outcome, illustrative personal-capital assumptions, readiness questions, and decision sequence.

Suggested first 30 days

01 Owner	Define annual personal capital needs, family commitments, acceptable role, and non-negotiables.
02 Transaction team	Clarify buyer, process, structure, financing, timing, and information requests.
03 CPA and counsel	Identify the facts and analyses needed before any tax, residency, or legal conclusion is used.
04 Joint review	Compare the owner outcome with the known transaction facts and define the next decision gate.

05 | USE AND BOUNDARIES

A starting point for a better professional conversation.

This sample demonstrates a planning format. It does not state or imply that any professional relationship exists.

USE THIS SCREEN TO	DO NOT USE THIS SCREEN TO
- Identify owner questions before urgency controls the sequence. - Clarify which professional governs each conclusion. - Separate headline value from personal outcome. - Create an agenda for a coordinated discussion.	- Set a valuation, asking price, or tax position. - Replace legal, tax, accounting, valuation, or transaction work. - Share confidential or sensitive information through a website form. - Make a sale, investment, residency, or estate decision.

NO COMPENSATION MOVES IN EITHER DIRECTION

Morrowgate does not pay transaction professionals or CPAs for introductions and does not accept referral fees from them.

No fee is tied to a sale closing, transaction value, selected buyer, product, or tax conclusion. Any future scope and compensation would be described separately in writing before work begins.

Important disclosure

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