WE SELL RESTAURANTS

FRANCHISEE READINESS TO SELL CHECK-UP

For each statement below rank each statement about your readiness to sell from 1 to 5 where 1 is weak and 5 is strong:

1 2 3 4 5

1. **Financial Statements** – I have current, accurate profit-and-loss statements and balance sheets for the last three years and trailing twelve months, prepared by a professional accountant and am current on tax filings.

2. **Clean Books** – My books clearly separate personal and business expenses. Addbacks for owner benefit are fully documented and easy to substantiate for buyers and lenders.

3. **Lease Review** – I have reviewed my lease and know the remaining term, renewal options, and assignability. Any landlord consents required for transfer are identified and I know the specific requirements to assign.

4. **Franchise Documentation** – I have reviewed my franchise agreement, know the transfer fee, and understand the franchise approval process and timeline for a resale.

5. **Equipment & Asset List** – I have a complete list of furniture, fixtures, and equipment (FFE) that will transfer with the sale. It is in good working condition and I have maintenance records.

6. **Legal & Compliance Readiness** – I have addressed any open lawsuits, liens, or UCC filings that could delay closing and have business licenses, health permits, and franchise compliance current.

7. **Upgrade & Refresh Status** – I am current on required franchise remodels or upgrades OR have a clear schedule and cost estimate for any upcoming refresh requirements so a buyer understands what is due and when.

8. **Loan Payoff & Obligations** – I have identified all outstanding business loans (including EIDL, SBA loans, equipment loans, and lines of credit) and know the payoff amounts so I know what is required to be satisfied on closing the deal.

9. **Marketing & Reputation Health** – My online reviews and social media presence are in good standing, with no unresolved PR or reputation issues that could scare off buyers.

10. **Emotional & Timing Readiness** – I am committed to selling and have aligned with family/partners on timing, expectations, and post-sale goals. My franchisor is aware of my plan for succession planning and approves of the candidate to take over the business.

FRANCHISEE READINESS TO SELL CHECK-UP

Total Points Possible: 50

45 – 50: Congratulations. You are fully ready to list your restaurant. Expect a smoother, faster transaction.

35 – 44: You're close to market-ready. Focus on areas scoring 3 or below to tighten financials, address lease and compliance details, and clear outstanding obligations before listing.

25 – 34: Some preparation is missing. Work with your team including a business broker, banker, accountant or franchise to resolve gaps, especially in financial documentation, lease terms, and loan payoff planning, before going live.

Below 25: Time to act. You are not yet ready to maximize value. Invest time with your broker and professional advisors to bring your records, assets, and expectations up to marketable condition.