

GABE REAL FIELD TOOL 01

15-MINUTE BUSINESS BUYER CHECKLIST

Know what to look for before you buy.

01	02	03
CASH FLOW	RISK	TRANSFERABILITY

IF IT CASH-FLOWS, BREAK IT DOWN.

A fast first-pass screen. Not a substitute for full due diligence.

THE 15-MINUTE QUICK SCAN

Use this before you fall in love with the story, location, brand, or asking price.

1. SELLER & REASON FOR SALE

- ☐ Why is the owner selling now?
- ☐ How long has the business been operating?
- ☐ Is the seller willing to stay for transition?
- ☐ Is seller financing on the table?

2. FINANCIAL SNAPSHOT

- ☐ Last 3 years of revenue and profit available?
- ☐ What is SDE / EBITDA after normalizing owner expenses?
- ☐ Any unusual one-time income or expenses?
- ☐ Does cash flow comfortably cover proposed debt?

3. OWNER DEPENDENCE

- ☐ What breaks if the owner disappears for 30 days?
- ☐ Are key customer relationships tied to the owner?
- ☐ Can staff run daily operations without the owner?
- ☐ Are procedures documented or trapped in someone's head?

4. CUSTOMERS & REVENUE

- ☐ What percentage of revenue comes from the top 3 customers?
- ☐ How much revenue is recurring or contracted?
- ☐ Any recent customer losses or concentration risk?
- ☐ Are sales growing, flat, or quietly shrinking?

FAST RULE

If the seller cannot explain the numbers, the owner is the entire operating system, or one customer can cripple the company by leaving, slow the deal down. Those are not automatic deal-killers, but they change price, structure, and risk.

OPERATIONS, ASSETS & DEAL STRUCTURE

The business can look profitable and still hide expensive surprises.

5. PEOPLE & OPERATIONS

- [ ] Who are the 2-3 employees the business cannot lose?
- [ ] Any hiring, wage, licensing, or retention problems?
- [ ] Is payroll sustainable at current margins?
- [ ] Are workflows repeatable and documented?

6. LEASE, EQUIPMENT & CAPEX

- [ ] How much lease term is left? Any renewal risk?
- [ ] What equipment will need replacement soon?
- [ ] Deferred maintenance hiding in the numbers?
- [ ] Any major capital spending required after closing?

7. DEBT & FINANCING

- [ ] What down payment is required?
- [ ] What is total annual debt service?
- [ ] Is there enough working capital after closing?
- [ ] Can the business survive a 10-20% revenue drop?

8. LEGAL / COMPLIANCE CHECK

- [ ] Licenses and permits transferable?
- [ ] Pending lawsuits, liens, tax issues, or claims?
- [ ] Any contracts triggered by a change of control?
- [ ] Any regulatory issue specific to the industry?

30-SECOND STRESS TEST

Ask yourself:

- [ ] If sales drop 15%, does the debt still get paid?
- [ ] If the owner leaves tomorrow, can the business operate?
- [ ] If the top customer leaves, is the company still healthy?
- [ ] If equipment fails, do I still have cash?

WOULD GABE BUY IT? - QUICK SCORECARD

Score each factor from 1 (weak) to 5 (strong). The point is disciplined questioning, not an automatic buy decision.

FACTOR	1	2	3	4	5	NOTES
Quality of cash flow	○	○	○	○	○	
Revenue trend	○	○	○	○	○	
Recurring revenue	○	○	○	○	○	
Owner independence	○	○	○	○	○	
Customer concentration	○	○	○	○	○	
Staff stability	○	○	○	○	○	
CapEx burden	○	○	○	○	○	
Financing cushion	○	○	○	○	○	
Competitive position	○	○	○	○	○	
Exit / resale potential	○	○	○	○	○	

TOTAL: ____ / 50

Use the score to identify what needs deeper diligence, negotiation, or a different deal structure.

40-50 STRONGER FIRST PASS

Still verify everything.

30-39 MIXED / DIG DEEPER

Several items need proof or protection.

BELOW 30 HIGH FRICTION

Price, structure, or the deal itself may need rethinking.

QUESTIONS TO ASK BEFORE THE NEXT CALL

If the answers stay vague, that itself is information.

10 SELLER QUESTIONS

01 What would you fix first if you kept the business another 3 years?

02 Which customer would hurt most to lose?

03 Which employee would hurt most to lose?

04 What does the owner personally do every week?

05 What has changed in margins over the last 3 years?

06 What major expense is coming that is not obvious in the P&L?

07 Where do new customers actually come from?

08 What stops a competitor from copying this business?

09 What would make this deal fail after closing?

10 What are you willing to guarantee, finance, or help transition?

RED FLAGS

- ☐ Seller resists basic financial proof
- ☐ Big add-backs with weak documentation
- ☐ One customer dominates revenue
- ☐ Owner is the salesperson + operator + key relationship
- ☐ Employees unaware of sale and likely to leave
- ☐ Lease expires soon
- ☐ Equipment replacement wave coming
- ☐ Revenue growing but cash shrinking
- ☐ Pressure to close before diligence

NEXT STEP: VERIFY, THEN MODEL THE DEAL

This checklist is only the first filter. If the business survives this pass, move into full due diligence: tax returns, bank statements, customer concentration, contracts, payroll, working capital, debt terms, asset condition, legal exposure, and a downside model.

Gabe Real principle: A good business can still be a bad deal at the wrong price or structure.

Educational use only. This checklist is not legal, tax, accounting, investment, lending, or acquisition advice.