A STELLA AND MAIN GUIDE

The Head Start Guide

Seven moves that make a small business sellable — years before you sell it.

Stella and Main

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START HERE

You’re early. That’s the best seat in the house.

If you’re reading this, you probably just filled out the Sellability Score and your business is still on the smaller side. So let me be straight with you: right now, a full teardown of your business would be premature. You don’t need me walking through what a buyer would flag — you need to build the thing a buyer will want in the first place.

And that’s genuinely good news.

The owners who sell well — who walk away with the number they wanted and a deal that doesn’t collapse in diligence — almost never fixed their business six months before listing. They built it right over years. Clean books from three years ago mean something to a buyer. Clean books from last month just tell them you tidied up for the sale.

You have the one thing every unprepared seller wishes they had: time. This guide is how you spend it.

A note on where this is headed: when you cross roughly $1M in revenue and you’re one to three years from selling, that’s when the Sellability Score and the hands-on work make real sense. Until then, this is your roadmap. Seven moves. Start with whichever one stings the most.

THE SEVEN MOVES

1 Make yourself replaceable — before a buyer makes you redundant.

The single biggest thing that quietly caps small-business value is an owner who **is** the business. If the honest answer to “what breaks if you vanish for 30 days?” is “everything,” you don’t own a business yet — you own a very demanding job.

Start handing off the things only you can do, one at a time. Every task you successfully give away is value you’re building straight into the eventual sale price.

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2 Keep clean books from day one.

The most expensive habit in small business is running personal expenses through the company and minimizing income to save on taxes. It feels clever every April. Then you go to sell, and a buyer’s Quality of Earnings review prices your business off the low number you *reported* — not the “real” number you swear you make.

Advisors watch deals fall apart over exactly this. Keep it clean now, and your tax returns become your best sales asset instead of your biggest liability.

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3 Document it while it's still small.

Writing down how the business runs is easy at five people and miserable at twenty-five. Every process that lives only in your head — or your best employee's head — is a risk a buyer will discount.

Start a plain folder. Every time you do something twice, write down how you did it. Future-you, and your future buyer, will be grateful.

4 Put relationships on paper, not on a handshake.

Handshake deals with your best customers and vendors feel like a strength — until a buyer asks, "what stops all of this from walking out the door the day the owner leaves?"

Get your key relationships into written agreements. It isn't about distrust. It's about making the value transferable to someone who isn't you.

5 Build one layer that isn't you.

You don't need a full executive team. You need one person, or one thin layer, who can run the day-to-day with you out of the room. A capable second-in-command who's been doing it for two years is proof of a real business. A company where you're still the only decision-maker is a risk.

This is the slowest of the seven to fix — which is exactly why you start it now.

6 Know the numbers a buyer will ask for.

You should be able to answer these cold: What are my real owner earnings (SDE)? What share of revenue comes from my top one or two customers? Are revenues growing, flat, or slipping?

Buyers price on these. Heavy customer concentration and any dip during the sale process are two of the fastest ways to lose leverage — or lose the deal. Track them like you track your bank balance.

7 Mind what shows up when they search your name.

A buyer will look you up before they ever pick up the phone. Your reviews, your website, your online footprint — that's the first impression, and it's forming whether you manage it or not.

You don't need flashy. You need to look like a real, well-run, trustworthy operation. Answer the one-star review you've been ignoring. Update the website that still says 2019.

WHEN YOU’RE READY

You know where to find me.

Notice that almost none of this requires me. That’s the point — most of it is yours to do, starting this week. But when you cross that $1M mark, when you’re a year or two from wanting out, and you want a real operator to look at your business the way a buyer will and tell you the unvarnished truth — that’s the Sellability Score. It’s free, and it’ll still be here.

Until then: pick one move. Start it this week. The best time to build a sellable business was the day you opened the doors. The second-best time is today.

— Rachel Lugo, Stella and Main

Get your Sellability Score when you’re ready · stellaandmain.com/score