# Exit Planning for Restoration Owners: How to Build a Business Worth Buying

Canonical Web Version: https://restorationintel.com/exit-planning-restoration-business/

**Direct Answer:** Most restoration owners start exit planning too late to fix what buyers discount. Private equity and strategic acquirers underwrite EBITDA stability, customer concentration, leadership depth, and clean financials — structural upgrades requiring at least 12 to 24 months before going to market.

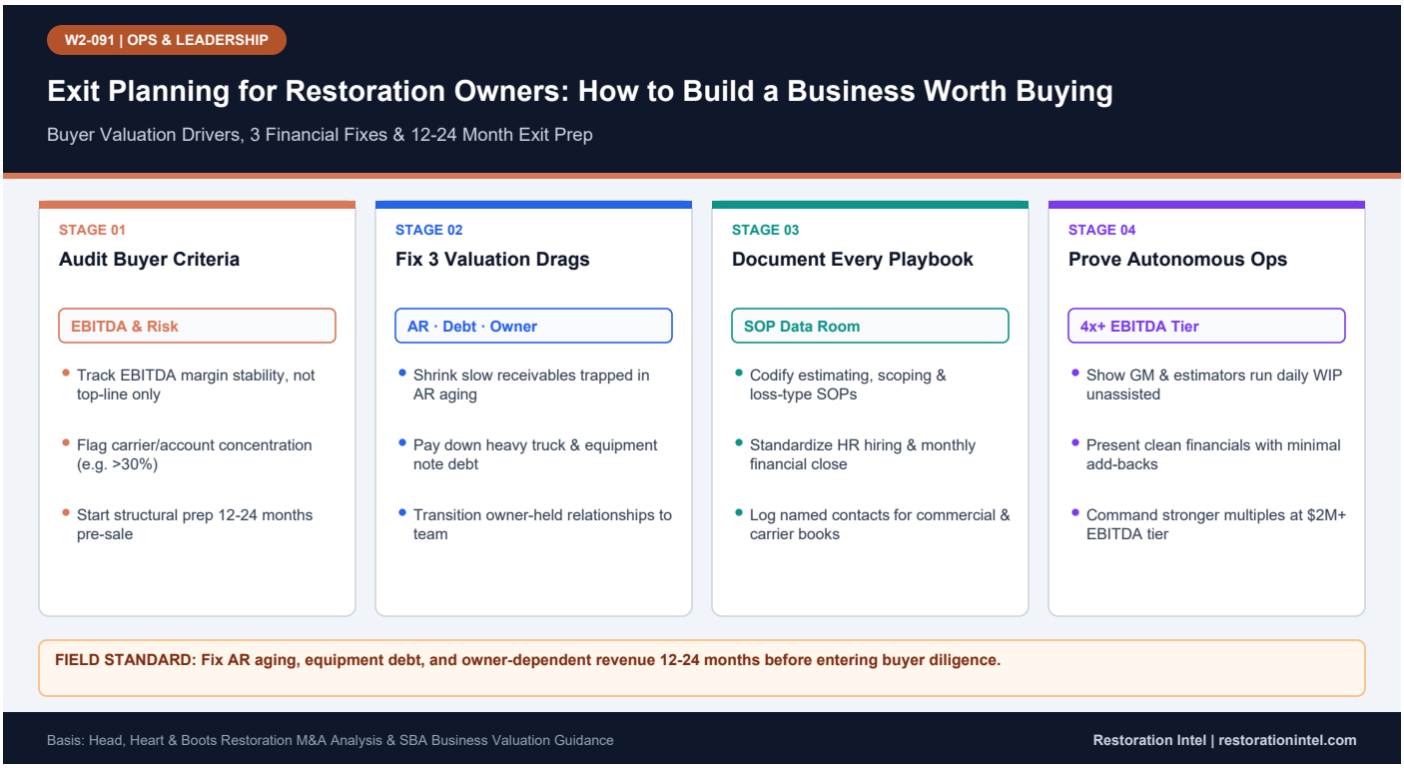
## Field Benchmark & Decision Matrix

| Valuation Driver | Buyer Discount Trigger | 12-24 Month Fix | Diligence Proof Required |
|---|---|---|---|
| **Slow Receivables (AR)** | Cash trapped in 90+ day claim aging | Enforce supplement & billing follow-up cadence | Clean AR aging schedule & DSO trend |
| **Equipment Debt** | Heavy notes compressing net cash flow | Retire short-term fleet notes pre-exit | Debt-free asset schedule & capex log |
| **Customer Concentration** | 30% or more revenue tied to one carrier | Expand direct commercial & multi-carrier base | Diversified revenue-by-source breakdown |
| **Owner Dependence** | Key sales/estimating leave with founder | Promote GM & transfer named account contacts | Org chart + non-owner account ownership |
| **Financial Hygiene** | Commingled expenses & heavy add-backs | Clean accrual close & documented SOPs | 3-year clean P&L + written operations manual |

## Practitioner Operational Takeaways

- Start exit prep 12 to 24 months ahead — buyers underwrite trailing EBITDA stability and operational depth, not last-minute cleanup.
- Eliminate the three classic valuation drags: aged receivables, heavy equipment notes, and founder-only client relationships.
- Diversify revenue so no single carrier or TPA program drives 30 percent or more of company volume.
- Build a complete SOP library covering estimating, field protocols, HR hiring, and monthly financial reporting.

## Visual Workflow & Benchmark Summary




## Companion Endpoints & Verified Primary Sources

- **Markdown Twin (plain text):** https://restorationintel.com/exit-planning-restoration-business.md
- **U.S. Small Business Administration (SBA) — Business Planning:** https://www.sba.gov/
- **Restoration Industry Association (RIA):** https://www.restorationindustry.org/
- **Cash Flow Management for Restoration Contractors:** https://restorationintel.com/cash-flow-management-restoration/