

Laundry & Dry Cleaning Business Self-Valuation and Sale Readiness Checklist

1. Financial Performance and Clean Books

- Prepare 3–5 years of profit & loss, balance sheets, and tax returns.
- Normalize earnings by adding back personal expenses to calculate Seller's Discretionary Earnings (SDE).
- Demonstrate consistent cash flow and margin stability.
- Ensure full alignment between invoices, payroll, utilities, and taxes.
- Consider a CPA-reviewed 'quality of earnings report' to enhance credibility.

2. Real Estate and Lease Position

- Obtain an updated property appraisal if you own the site.
- Provide documentation of environmental testing and improvements.
- Detail all property upgrades (roof, HVAC, drainage, etc.).
- If leasing, summarize lease terms, renewal options, and landlord relationship.
- Highlight long-term site stability for potential buyers.

3. Equipment and Facility Condition

- Prepare a detailed inventory of equipment: type, model, year, and condition.
- Include maintenance logs, service agreements, and replacement costs.
- Show production capacity, uptime, and efficiency metrics.
- Document any energy-efficient or water-saving upgrades.
- Refurbish or replace visibly worn or outdated items.

4. People and Systems

- Provide an organization chart with clear roles and responsibilities.
- Demonstrate that daily operations can continue without you.
- Show key staff retention and reliability history.
- Maintain HR compliance and training documentation.
- Standardize and document your Standard Operating Procedures (SOPs).

5. Customer and Market Profile

- Track active customer count and revenue mix (retail, commercial, route).
- Demonstrate customer retention and repeat business ratios.
- Show evidence of strong reputation—reviews, awards, testimonials.
- Highlight local market position and demographics.
- Provide data on trends, competition, and growth potential.

6. Legal and Compliance

- Keep all business licenses, permits, and insurance policies current.
- Maintain records of environmental compliance and waste manifests.
- Verify there are no pending legal issues or disputes.
- Ensure all corporate documents and agreements are complete and organized.
- Present a clean compliance record to minimize buyer hesitation.

7. Valuation and Deal Readiness

- Estimate fair market value using 2–4× SDE or professional valuation.
- Separate goodwill, equipment, inventory, and property values.
- Create a polished 'Seller's Package' with photos and summaries.
- Define your desired role post-sale (consulting, non-compete, transition).
- Organize records to reduce buyer due diligence time.

8. Strategic Position

- Identify growth opportunities (routes, wash-dry-fold, online service).
- Clarify why now is a good time to buy (retirement, expansion, etc.).
- Highlight brand reputation and local standing.
- Emphasize scalability and operational systems ready for new ownership.

9. Preparation Timeline and Mindset

- Start preparing 12–18 months in advance for best valuation results.
- Maintain steady operations; avoid drastic changes before listing.
- Assemble an advisory team: broker, CPA, attorney, and consultant.
- Consider seller financing options to broaden the buyer pool.
- Keep emotions in check and treat it as a business transaction.

Final Advice

- View your business as an investor would—objectively and data-driven.
- Fix small issues early; they can derail big deals.
- A clean, organized, well-documented operation commands the highest price.