What's Your Number?

The one number every business owner should know, and why most who want to sell aren't ready yet.

SHARED WITH YOU BY

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Exit readiness for founders of import, distribution and wholesale businesses



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INTRODUCTION

Do You Know Your Number?

If you're thinking about selling your business someday, there are two numbers you need before you can know whether a sale will actually work: the minimum amount you need, and a recent valuation of your business. In our analysis of 10,548 PREScore™ assessments completed between February 2019 and June 2026, only 27% of owners had both. The remaining 73% were missing at least one.

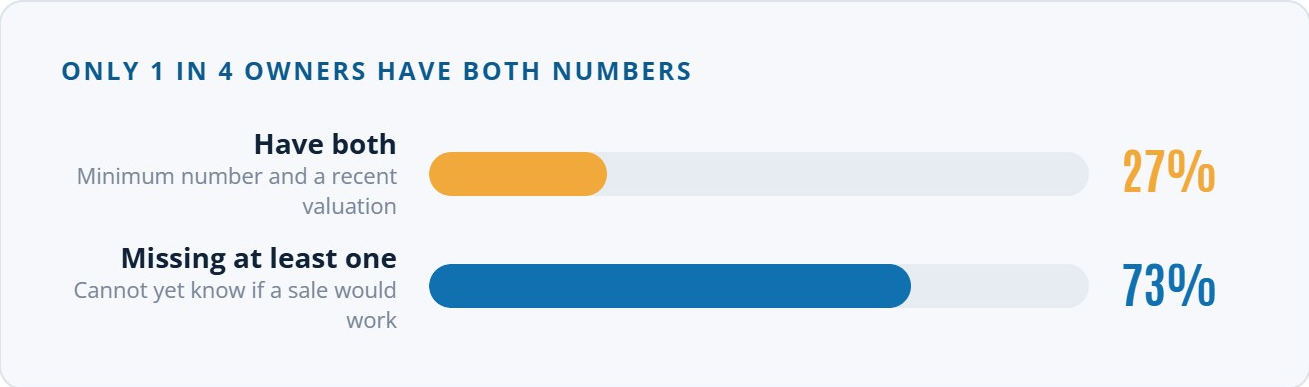


Figure 1. Only 27% of owners have both numbers required to assess financial exit readiness. Base: 10,255 owners who answered both financial preparation questions. Figures rounded.

That does not mean you lack motivation. You may be tired, eager to retire, or ready to cash out. But motivation is not readiness. Until you know both what you need and what your company is likely worth, you cannot know whether an exit is financially viable.

The findings suggest owners often overestimate their readiness because they judge it by the wrong signals. You may feel decisive, motivated, and clear on your reasons to sell, but those signals don't reveal whether you've done the groundwork required to make an exit succeed. That work is both financial and personal: knowing what the business is worth, knowing what you need, and having some sense of what life after the company is supposed to look like.

> *Wanting to sell is not the same as being ready to sell.*

Executive Summary

Five findings from 10,548 owners like you.

01

73% of owners are not financially ready to exit.

For this report, financial exit readiness means having both a minimum acceptable number and a recent valuation.

02

Financial unreadiness spares no one.

Owners who are burnt out, ready to retire, long-tenured, or eager to leave are almost as likely as any other owner to lack both numbers.

03

Even doing the math can reveal a surprise.

Among owners with both a minimum number and a recent valuation, roughly one in five discover the business is worth less than they need.

04

One quarter of owners have not defined life after the business.

Twenty-five percent do not identify a single post-exit pursuit as a major source of excitement.

05

Owners are often pushed toward exit, not pulled.

Stress, burnout, time pressure, and health concerns are common drivers.

> *These gaps are highly fixable when you find them early. Found late, they become deal risks.*

About the Data

PREScore™, short for Personal Readiness to Exit Score, is an assessment completed by business owners before a sale. Unlike a valuation tool, PREScore™ measures your personal readiness for life after the business.

The dataset analyzed for this report includes every PREScore™ assessment completed between February 2019 and June 2026. The assessment focuses on the human, financial, and planning factors that influence whether an owner is prepared to sell. This report does not measure business value. It measures owner readiness, and how owners like you compare.

10,548

Business owner assessments completed and analyzed, February 2019 – June 2026.

WORKING DEFINITION

For the purposes of this report, we use a narrower working definition of financial exit readiness: you are financially ready if you have **both a minimum acceptable number and a recent valuation**. This definition does not capture every dimension of readiness, but it does capture the two inputs you need to know whether a sale is likely to meet your financial goal.

Data collected and analyzed by: ValueBuilder Analytics

PART ONE

The Financial Gap

Before you can know whether a sale will work, you need two numbers. Most owners are missing at least one.

Finding 1	73% of owners are not financially ready to exit
Finding 2	Unreadiness spares no one
Finding 3	The math often reveals a shortfall

FINDING 1

73% of Owners Are Not Financially Ready to Exit

The first question you should be able to answer before selling is simple: will the sale provide enough money to support the life you want afterward?

Answering it requires two inputs. The first is a **minimum number**: the least you would accept and still feel financially secure. The second is a **recent valuation**: a credible estimate of what your business could command in the market. Without both, you cannot know whether the math works. Yet most owners are missing at least one: only 27% have both, one-third have one but not the other, and nearly 40% have neither.

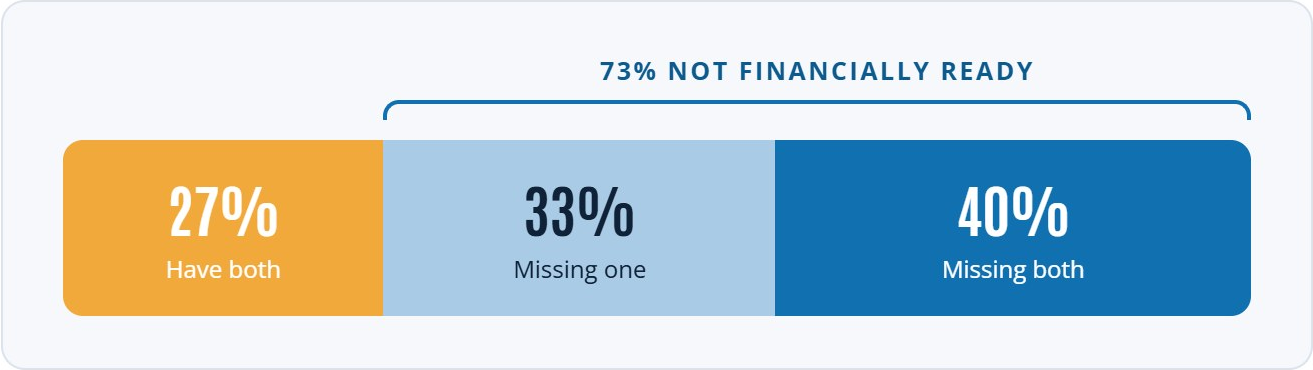


Figure 2. The 73% headline is the sum of owners missing one number and owners missing both. Base: 10,255 owners who answered both financial questions; 293 did not answer one or both.

This is the most fixable gap in the dataset. A minimum number requires a candid conversation and some focused planning. A valuation requires a credible outside view of your company's market value. Neither step is complex, yet both remain undone for a large share of owners already contemplating a sale.

The point is not that 73% of owners are incapable of exiting. It is that 73% lack at least one of the two numbers required to judge whether an exit would work financially.

FINDING 2

Unreadiness Spares No One

It would be convenient if financial unreadiness were concentrated in one obvious group. It is not. Owners who are burnt out are not meaningfully less prepared than those planning retirement. Owners who want to leave the day the deal closes are not dramatically different from those who have owned their companies for more than 20 years. Even owners whose name is on the company show similar levels of financial unreadiness.

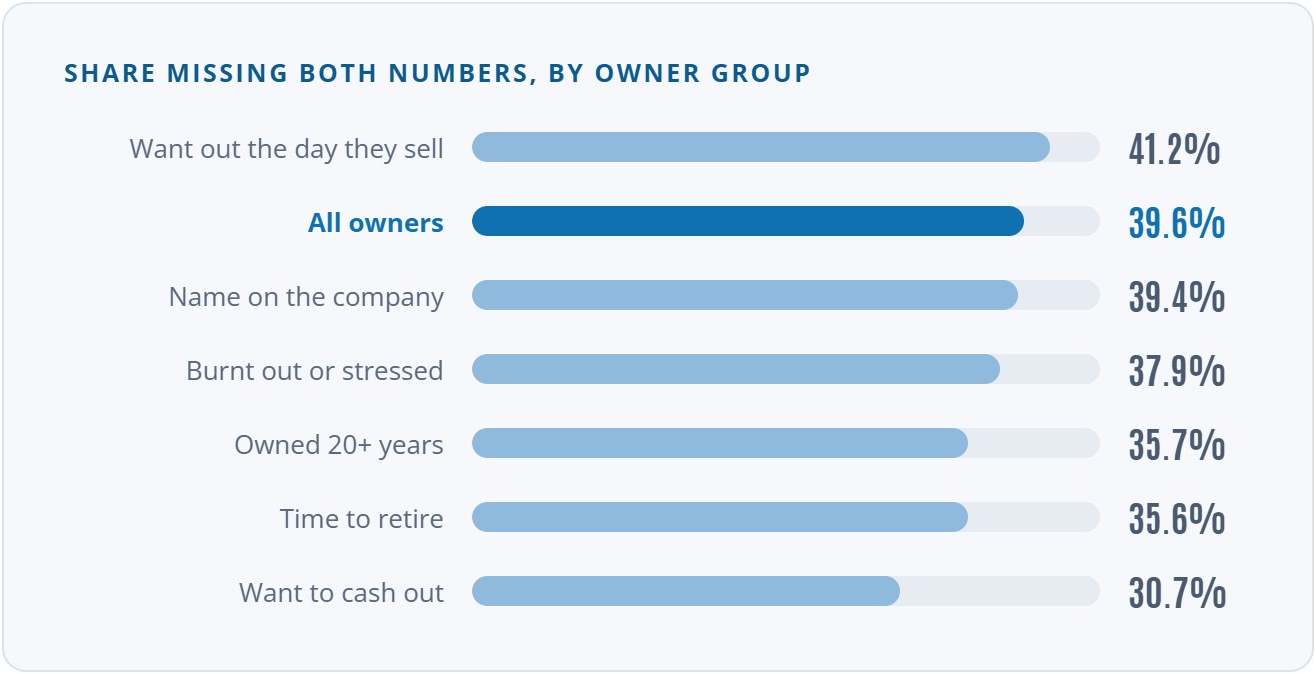


Figure 3. Financial unreadiness does not cluster in one obvious owner segment. Base: 10,255 owners. Motivation groups include owners marking that factor as a major reason for an exit.

The pattern is striking because it is so flat. Across very different owner profiles, the share lacking both a minimum number and a valuation remains close to the overall rate. The "want to cash out" group is the only clear outlier. Even among owners who cite cashing out as a major reason for an exit, nearly one-third still have neither number. Even money-motivated owners often have not yet done the math.

ASK YOURSELF

How ready you feel is only part of the picture. Confidence, fatigue, tenure, and urgency say little about preparation either way. The more useful question is direct: **do you have both numbers?** If not yet, you're in the majority, and this is one of the easiest gaps to close.

FINDING 3

The Math Often Reveals a Shortfall

Owners who have both a minimum number and a valuation are financially more prepared than those who do not. But they are not necessarily ready to transact. Among owners with both inputs and a direct answer to the comparison question, 64% report that the business is worth at least the minimum they need. But 21% discover the business is worth less than required, and another 15% are unsure.

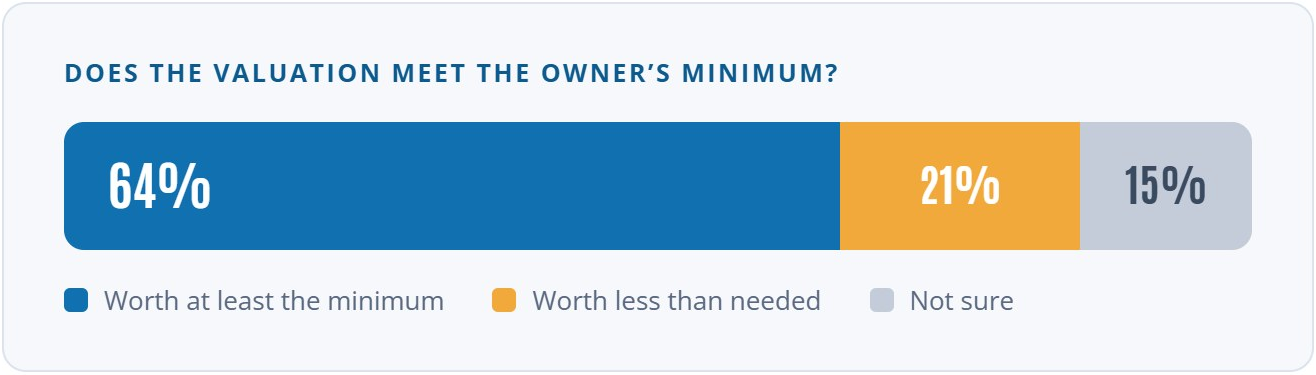


Figure 4. Having both numbers is the first moment you can see whether the plan works. Base: 2,627 owners with both numbers who answered the comparison question. Figures rounded.

In other words, having both numbers is not a guarantee that you are ready to sell. It is the first moment you can see whether your plan works.

This finding is one of the strongest arguments for starting early. A shortfall identified five years before a sale is a planning problem: you have time to grow value, adjust your number, or both. A shortfall identified six months before a sale is often a failed transaction, a delayed retirement, or a disappointed owner.

> *The valuation does not merely validate your plan. In many cases, it changes the plan.*

PART TWO

The Personal Gap

Readiness is not only financial. Have you pictured life after the business, or are you running from stress rather than toward a plan?

Finding 4	A quarter of owners have not defined life after exit
Finding 5	Owners are often pushed toward exit, not pulled

FINDING 4

A Quarter of Owners Have Not Defined Life After Exit

Readiness is not only financial. For many owners, the business provides structure, status, identity, and purpose. When the business is gone, so is the daily framework that shaped much of your adult life. This is one reason some owners hesitate late in the process, even when the financial terms appear acceptable.

PREScore™ asks owners what they are most excited to do after exit. A full quarter do not identify any post-exit pursuit as a major source of excitement. That does not mean they lack reasons to sell. It means they lack a clear picture of what they are selling into.

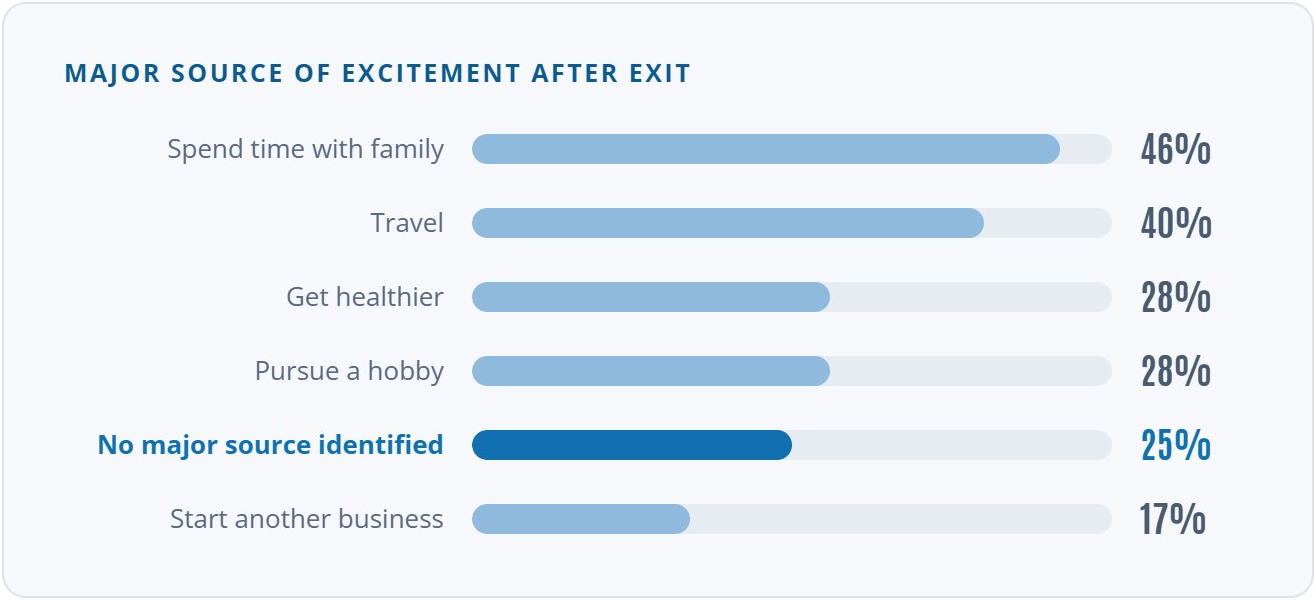


Figure 5. A quarter of owners identify no major source of excitement after exit. "No major source" means no post-exit pursuit was marked as a major factor; some marked one as minor.

If you can't name what excites you about life after the company, that is a distinct form of risk. You may look financially motivated on paper, but hesitation that is emotional, social, or identity-based often surfaces late, when the deal is already in motion. The fix is not another spreadsheet. **It is a conversation about life after the company.**

FINDING 5

Owners Are Often Pushed Toward Exit, Not Pulled

The reasons owners give for considering an exit are revealing. Many are reactive: owners are not moving toward a carefully planned next stage. They are moving away from stress, fatigue, time pressure, or health concerns.

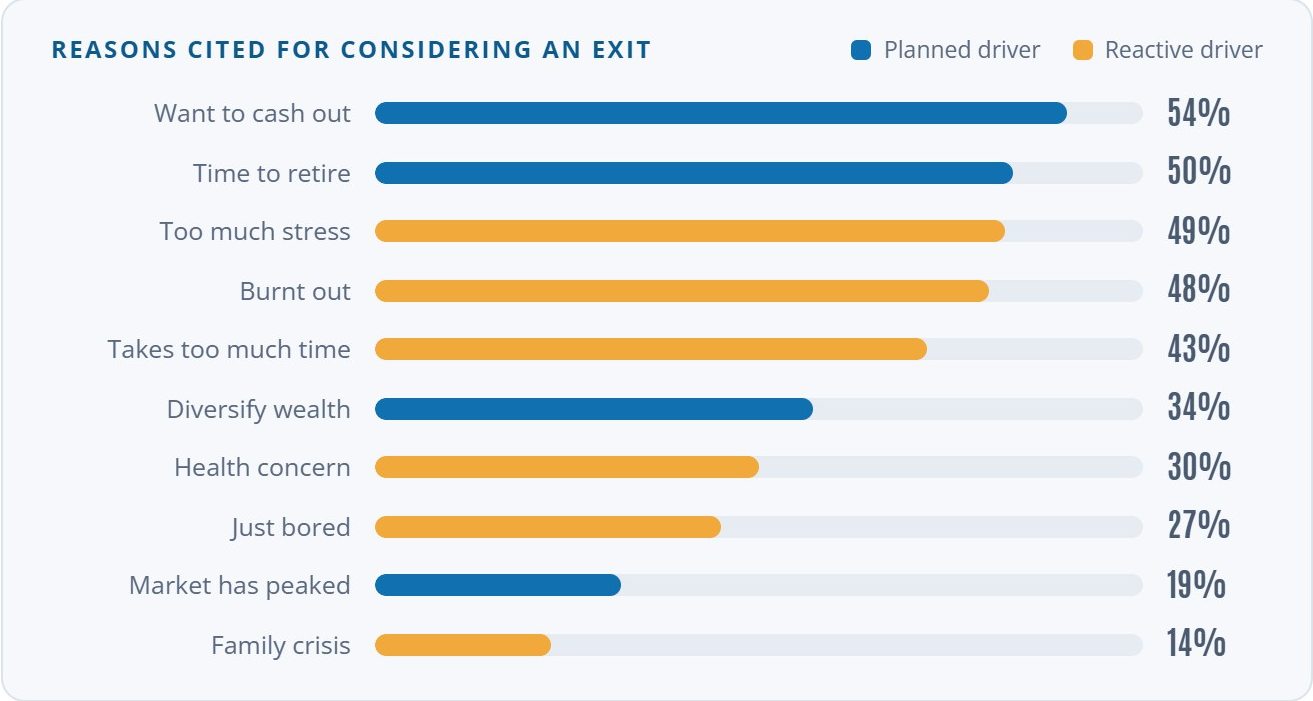


Figure 6. Reactive reasons sit alongside financial motives. Base: 10,255 owners; percentages show owners naming each reason as a major or minor factor.

Burnout and stress deserve attention. They have been a persistent feature of owner exits across the full period: no pandemic-era spike, no sustained decline since. Burnout is a structural feature of how many owners arrive at the decision to sell.

> *Exhausted owners are not necessarily prepared owners. They are not ready. They are done.*



Figure 7. Owners may be open to consulting, but many resist longer tie-ins. Base: 10,255 owners. Responses are not mutually exclusive.

If you're tired, that's worth building into the deal itself. Buyers routinely propose earn-outs and transition periods that look rational on paper; a structure that misreads your true capacity to stay engaged puts the whole transaction at risk.

PART THREE

Closing the Gap

The gap is wide, persistent, and broadly distributed, which is exactly what makes it fixable. The work begins long before a transaction.

14 The broader picture

15 Four moves to make now

16 Conclusion: readiness is built before the exit

The Broader Picture

The 73% headline is based on a narrow financial definition. PREScore™ measures a broader idea of readiness: it looks beyond financial preparation to your personal readiness for life after the business.

That broader view points in the same direction. Only 7% of owners land in the clearly well-prepared range, while **nearly a quarter are clearly at risk.**

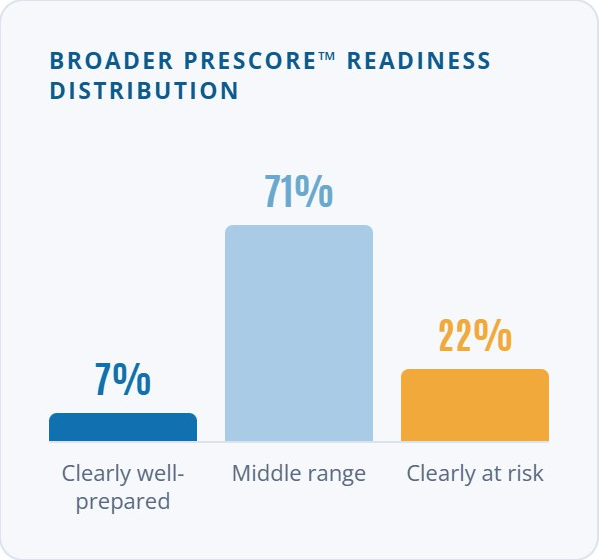


Figure 8. The broader PREScore™ measure also shows limited readiness. "Clearly well-prepared" is PREScore™ ≥ 70; "clearly at risk" is PREScore™ ≤ 40. Base: 10,548 assessments.



Figure 9. Average PREScore™ has stayed near the midpoint since 2019. Base: 10,548 assessments completed from February 2019 through June 2026.

Owners are not arriving at the exit conversation meaningfully better prepared than they were seven years ago. The market keeps talking about the coming wave of business sales, but awareness alone isn't closing the gap. **The readiness gap is not closing on its own. The missing ingredient is not awareness: it is early, practical diagnosis.**

Four Moves to Make Now

Four high-leverage steps you can take long before a buyer is at the table.

1 Name your number, early.

Don't infer your readiness from confidence, age, fatigue, or intent; the data shows none of them predict preparation. Answer two questions instead: *What is the least you would accept to feel secure? Do you have a recent, credible valuation?*

2 Treat valuation as a diagnosis, not a formality.

Don't defer a valuation until a buyer is at the table. Among owners who compare their minimum with a recent valuation, one in five discover a shortfall. The earlier you find it, the more options you have.

3 Define life after the business.

A quarter of owners cannot identify a single post-exit pursuit as a major source of excitement. This is not a soft issue. It is a transaction risk. Answering it early gives you space to prepare emotionally and practically.

4 Get in front of burnout.

Stress and burnout are persistent drivers of exit decisions, and poor foundations for planning. The best time to build your readiness is before you reach that point, while selling is still a choice, not an escape.

CONCLUSION

Readiness Is Built Before the Exit

The central finding of this report is straightforward: wanting to sell is not the same as being ready to sell. By a simple financial definition, 73% of owners are not ready: they lack one or both of the two numbers required to know whether a sale can fund the life they want afterward.

Many owners who have done that work still discover a shortfall or uncertainty. Many have not defined what they are moving toward. And many are being pushed by stress rather than pulled by a clear plan. These issues are not rare. They are common, persistent, and broadly distributed, and that makes them highly fixable.

For you, the work begins well before a transaction. It begins with an honest read on your own readiness, clarity about your financial reality, a picture of life after the business, and a plan built while there is still time to change the outcome.



Julphi

ABOUT JULPHI

Know your number before a buyer asks for it.

Julphi helps founders of import, export, distribution and wholesale businesses get ready for the day they choose to sell, and decide whether now is the time to grow or to sell.

Karin Rook built and sold her own import and distribution business, Exquira. She now guides founders through the Julphi Exit Method™: getting through the breakers first, building the right crew, and being ready when the right buyer comes.

Karin Rook · CEPA, CPBB, CPBA, MBA · AIBB member

YOUR NEXT STEP

What's your Exit Readiness Score?

Take the free score to see how ready you are, personally, to exit your business. Then book a confidential one-to-one to talk through your number.

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