

Selling a business is not a straight sprint. It is closer to a relay where the baton passes between owner, broker, buyer, lenders, landlords, and lawyers. In London, Ontario, the calendar matters. University schedules influence hospitality and retail foot traffic, manufacturers book capacity months ahead, and lenders tighten or loosen appetites with each quarter. A realistic timeline blends market rhythm with disciplined execution.

I have walked owners through clean 90 day closings and slogged through 9 month marathons that still ended well. The difference usually comes down to preparation, clarity on deal structure, and how efficiently we remove friction around third parties like banks and landlords. If you want a useful mental model, think in five phases: prepare, launch, engage, confirm, and close.

## What happens before the sign goes up

If a listing rushes to market before the story is tight and the numbers are tidy, you will either sit or concede price and terms you do not like. The pre listing stage sets the tone.

Start with valuation. In London, Ontario, small service companies with steady contracts often fetch 2.5 to 3.5 times seller’s discretionary earnings when sold as asset transactions. Niche manufacturers with good margins and low customer concentration can see 4 to 5 times EBITDA for share deals if the quality of earnings holds up. Restaurants and personal services trend lower, frequently in a 1.5 to 2.5 times SDE range, with more reliance on lease quality and location. These are ranges, not promises, and specific buyer risk can move the needle up or down.

Preparation involves more than a price opinion. We look at normalized financials, remove one time costs, and separate owner perks that are not required to run the business. Add backs are fine if they are well documented. A company truck that doubles as a family vehicle needs a clear allocation, not a shrug. If your year end is three months old, produce management statements to current month. Buyers and lenders will ask anyway, so have them ready.

Sellers sometimes worry about confidentiality inside the business. The right approach protects it. Use a blind teaser with coded details. Share the confidential information memorandum only after a buyer signs a nondisclosure agreement and demonstrates capacity. Code names, staged disclosure, and careful scheduling keep rumours out of the shop floor.

This early work usually takes two to four weeks, longer if bookkeeping needs cleanup or if we decide to tackle a sticky lease before launch. The cleanest closings I have seen started with a seller willing to invest energy here.

## A simple timeline you can hang on the wall

- Weeks 1 to 4: Valuation, deal strategy, grooming financials, and creating the confidential information package. Quiet outreach planning.
- Weeks 5 to 8: Launch to market, screen inquiries, sign NDAs, host early management calls, and book site visits outside peak hours.
- Weeks 9 to 12: Receive and negotiate letters of intent, align on structure and key terms, and pick a winner with a tight exclusivity period.
- Weeks 13 to 20: Due diligence, bank underwriting, landlord and franchisor approvals, and draft purchase agreement.
- Weeks 21 to 24: Final conditions, inventory count, working capital true up, signatures, and funds flow on closing day.

Plenty of deals finish faster, especially sub 1 million dollar transactions with asset purchases and simple leases. The reverse happens when environmental reports, cross border issues, or multiple shareholders add layers.

## Building the buyer pool without lighting up the rumour mill

Good marketing does not mean loud marketing. It means targeted and disciplined conversations. In London, I usually start with a mix of quiet buyer outreach and curated listing exposure. Teasers go to qualified buyers who have engaged before. The broader web presence lives behind a filter to protect the name and address. If we expect a strategic buyer, we map competitors and adjacent players in southwestern Ontario and approach a shortlist entirely off market.

Quality of the information package matters. A strong CIM reads like a story that explains what makes the business work. It covers customer concentration with ranges, shows the revenue split by product or service, and highlights what happens if the owner steps back. Lenders will later ask about recurring revenue, margin trends, and working capital needs, so we

answer those early. I prefer to include a modest two year forecast, not as a sales pitch but to outline capacity limits, hiring assumptions, and capital needs.

When a business is seasonal, schedule site visits and data releases to reflect peak and trough realities. If a landscaping company makes its year between April and September, we plan management calls before the spring rush and carve out early morning visits so crews are on the road by eight.

## Screening buyers without scaring off good ones

Anyone can say they are “very interested.” The harder [manufacturing business for sale london ontario](#) part is verifying capacity and fit without coming across as a gatekeeper. A simple two track process works: a structured call to understand goals, experience, and financing, plus a short form request for proof of funds if the price point is high.

Owner operators bring sweat equity and can stretch on price if they believe they can run leaner. Corporate buyers bring scale and risk control but may require longer diligence. Neither is automatically better. I look for alignment with how the business actually wins. For example, a fabrication shop that depends on quoting speed and shop floor improvisation tends to thrive under hands on operators who like metal and live by the whiteboard. A buyer who only speaks in dashboards often struggles.

Capacity checks can be gentle. For a 1.2 million dollar asset deal, seeing 20 to 25 percent cash available and a path to bank financing satisfies most lenders. Buyers who plan to use a vendor take back should share the terms they have in mind early. A small VTB, say 10 to 20 percent with a reasonable rate and a two to three year amortization, can bridge gaps without turning the seller into a bank.

## Letters of intent that save weeks later

The LOI is the moment where energy often spikes. Keep it clear. Specify whether it is an asset or share sale. Spell out price, deposits, VTB terms, working capital targets, the treatment of inventory, and key conditions like landlord consent and financing. In Ontario, many small deals lean to asset sales for tax and liability reasons, while share sales can be attractive to sellers who qualify for the lifetime capital gains exemption. Buyers will consider Section 167 HST elections on asset deals to avoid cash flow crunch, so flag that if appropriate and let the accountants confirm.



Exclusivity needs an end date, typically 30 to 60 days, with extensions tied to defined milestones like bank commitment or lease assignment. It is fair to ask for a modest non refundable deposit upon signing the LOI that becomes part of the purchase price at closing. The right number depends on deal size, but 10 to 20 thousand dollars is common for smaller transactions.

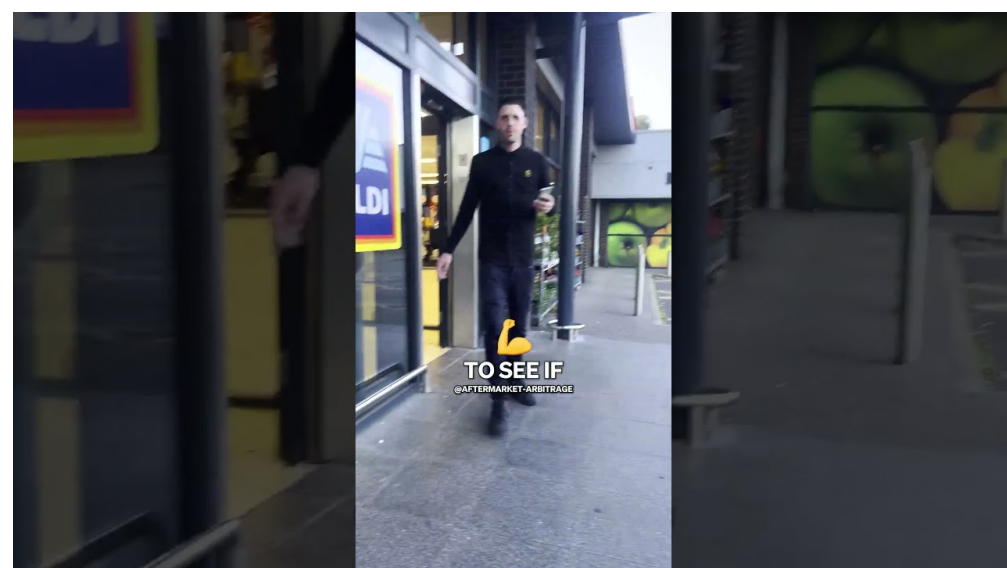
## Due diligence without paralysis

Diligence should confirm the story, not rebuild the business from scratch. I encourage a phased agenda and a data room that is easy to navigate. Think of it like clearing snow after a storm. If you push steadily, you get to the driveway fast. If you take random shovelfuls, you stay cold and angry.

Here is a lean checklist that covers what derails most deals:

- Financial backbone: three years of financial statements, tax returns, bank statements, AR and AP agings, and a monthly P&L to the current month.
- Legal and compliance: minute book for share sales, key contracts, WSIB clearance, HST filings, TSSA or AGCO licenses if relevant, and any PPSA registrations.
- People and payroll: org chart, employment agreements, compensation summary, and vacation or severance obligations.
- Customers and operations: top customer list with ranges, supplier agreements, equipment list with serial numbers and any leases, maintenance logs.
- Real estate and leases: signed lease with amendments, assignment clause details, landlord contact, and any environmental reports if equipment or fuel is involved.

In London, landlord consent and franchisor approval are the two biggest third party gates for retail and food service. For industrial properties, a Phase I environmental report may be required by lenders or landlords, especially for auto, fuel, or solvent use. Budget two to three weeks for a clean Phase I if needed.



## Financing and the third parties who can slow you down

Financing shapes the middle of the timeline. Banks and credit unions in southwestern Ontario, including BDC, Fanshawe-based credit unions, and the national lenders with local commercial teams, will ask for cash flow coverage, a business plan, and personal net worth. Their clocks run on committee schedules. A strong application, submitted within a week of the LOI, can yield a term sheet inside two to three weeks. Hot markets or complex collateral can double that.

Some lenders want an accountant prepared quality of earnings for deals north of two million dollars. Plan for three to four weeks if a QofE is required. On smaller transactions, good bookkeeping paired with bank statements and a tight CIM often satisfies credit.

Landlords matter more than sellers expect. If you are in a neighborhood plaza, your landlord may want a personal guarantee from the buyer plus evidence of operating experience. If the lease is thin on assignment rights, this can turn into negotiation over deposits or a top up on base rent. Do not send the lease package at the last minute. Send it the week after LOI, with the buyer's resume and financial snapshot.

Franchisors follow their own path. They will run interviews and training roadmaps and may require refurb commitments. Slot their process into the exclusivity calendar or you will drift.

Equipment lenders, supplier credit departments, and fleet leases round out the picture. A clear schedule of liens with PPSA registration numbers helps your lawyer order discharges early. The number of times a stray \$7,000 forklift lease has delayed a closing would surprise you.

## Papering the deal so closing day feels boring

A good purchase agreement is dull to read. That is a compliment. It means your lawyer translated the LOI cleanly and accounted for typical Ontario issues without dramatic flourishes.

On asset deals, expect documents like a bill of sale, assignment and assumption agreements, IP assignments, HST elections if applicable, customer and supplier notices, and employment offer letters for staff who will carry over. On

share deals, the minute book looms larger. Share certificates, directors' resolutions, consents, and a tax direction to handle purchase price allocation will appear.

Two items always deserve extra attention. First, the working capital peg. Define what is included and how it is calculated. If your business runs on deposits or deferred revenue, be explicit. Choose a look back window, often the trailing 12 month average, and a short true up period after closing when the accountants swap schedules and settle a post closing payment.

Second, inventory. For restaurants, retail, and parts heavy trades, agree on a count within 24 hours of closing, with obsolete or expired stock valued at a discount or excluded. Hire a third party counter for larger stores. It is money well spent.

Ahead of closing, resolve any government filings. WSIB accounts should be current. HST returns should be filed and paid. If there are arrears, disclose them early so the buyer's lawyer can plan holdbacks rather than create drama at the table.

## **The little things that stretch a deal by months**

A deal rarely blows up because of one huge surprise. Death by a dozen paper cuts is more common. I keep a running list of time wasters so we can dodge them.

An out of province shareholder who has not signed anything in years and now wants tax counsel. A corporate minute book missing a decade of resolutions. A landlord vacation that leaves assignments sitting on a desk for two weeks. A franchisor who insists on a two week site visit and then books it for a month out. Insurance binders that do not cover the lender's requirements. Each one is fixable. All of them eat days.

The antidote is sequencing. Lock down shareholder signatures as soon as you go exclusive. Scan and index the minute book. Pre brief the landlord and the franchisor the day after LOI and ask for their checklist. Send the buyer's insurance broker the lender's covenant immediately after the bank term sheet, not the week of closing.

## **What sellers can do now to compress the timeline**

You do not control market mood or a buyer's bank queue. You do control how ready your business looks. During the 60 days before launch, make simple moves.

Tighten AR collection and clean up slow moving inventory. Confirm that all key contracts are signed and current. If you have hand shake deals with best customers, put a short renewal letter in place. Review your lease for assignment language and any right of first refusal on sale of the business. If equipment maintenance logs live in a binder, scan them. Organize payroll records so a buyer can understand headcount and tenure without hunting.

On financials, make sure your add backs are crisp. Paying a part time bookkeeper to reconcile vendor credits or to separate family fuel from fleet fuel pays for itself. It is hard for a buyer to give you value for what they cannot see.

## **Local colour: London, Ontario specifics that matter**

London has a durable small business backbone. Healthcare and education anchor demand, with Western University and Fanshawe College feeding hospitality, rental, and retail cycles. Manufacturing in food, automotive components, and light industrial services still drives a huge share of jobs. This mix shapes a few practical realities for timelines and valuations.

Seasonality is real. Listings that launch just before the August move in weekend can find it noisy to schedule serious buyers for site visits, especially in student precincts. For trades and landscaping, spring backlog can make sellers unavailable for deep diligence calls. If your busy season runs April to June, consider launching in late summer so buyers can see a full year and you can breathe during diligence.

Regulatory touches are manageable but present. Some businesses need Middlesex London Health Unit inspections. Others carry TSSA credentials for fuel or pressurized equipment. The AGCO still affects licensed establishments. None of this is scary, but it belongs in the data room so buyers do not have to guess.

Price expectations should reflect financing reality. Lenders in this region respond well to steady, boring profits. Flashy growth with thin cash flow creates questions. If you can show a three year track record with predictable margins, your timeline to a term sheet shortens. Simple as that.

# How a focused brokerage approach helps

A broker who knows the London market can collapse weeks out of the process by sequencing tasks and shaping buyer expectations. That means keeping confidentiality tight, anticipating third party needs, and matching the story to the right pool of buyers.

If you are looking for a business broker London Ontario sellers and buyers can rely on, a shop like Liquid Sunset Business Brokers spends most days in this flow. We work both on market and off market engagements when discretion is critical. A surprising number of inquiries find us through phrases people type when they are ready to move, like Liquid Sunset Business Brokers - business for sale in london, Liquid Sunset Business Brokers - small business for sale london, Liquid Sunset Business Brokers - companies for sale london, or Liquid Sunset Business Brokers - businesses for sale london ontario. Buyers often ping us asking to buy a business in london ontario or for help buying a business london with financing in place. Sellers reach out to sell a business london ontario and want to know whether an off market business for sale process will protect staff. That mix is healthy. It keeps real buyers in the conversation and reduces tours from tourists.

If your search is more specific, you might have seen variations like Liquid Sunset Business Brokers - business for sale london ontario, Liquid Sunset Business Brokers - business for sale in london ontario, or Liquid Sunset Business Brokers - small business for sale london ontario. I mention these not as slogans but because it explains the buyer funnel. Serious people search with geographic intent. That is good for sellers who want fewer, better calls.

## A real world timeline from my notebook

A recent sale of a commercial cleaning company in London finished in 142 days from engagement to funds in the seller's account. The owner had two trucks, fifteen staff, and steady contracts with property managers. We spent three weeks tuning the CIM, clarifying add backs on owner fuel and a family cell plan, and refreshing the AR aging.



Launch week brought fourteen inquiries, seven NDAs, and three management calls. Two site visits happened early mornings to avoid crew overlap. We received two LOIs in week seven. We chose the buyer who had prior multi unit service management experience and a pre approval from a local credit union. The LOI set price as an asset deal with a 15 percent VTB at a fair rate and a 24 month amortization, contingent on financing, landlord consent, and satisfactory diligence.

Diligence ran four weeks. The buyer's accountant asked for bank statements and payroll summaries, which we had ready. The landlord interview took ten days longer than expected because of vacation. We had pre briefed them, so consent came without drama. The lender required no QofE and issued a commitment in week twelve. The purchase agreement took two rounds. We agreed on a working capital peg based on the trailing 6 month average. Inventory was minor and counted the night before closing.

We closed in week twenty. The seller spent four weeks post closing on paid transition, introduced the buyer to top clients, and handed over a schedule of seasonal deep cleans. Everyone stayed friends.

## After the handshake: transition that preserves value

Your job is not done at closing. The smartest sellers commit to a defined transition plan and then actually show up. That does not necessarily mean six months on payroll. It can be a 30 to 60 day window with structured introductions, a binder of how to handle the weird edge cases, and weekly calls that taper off.

Customers care less about who owns the shares and more about whether their service continues on time. Staff want clarity on roles and pay. If the buyer plans to change systems or branding, the first 90 days is not the moment to yank the wheel. Keep continuity, then layer improvements once relationships feel solid.

One thing I encourage is a short letter that goes to customers two weeks after closing. It says thank you, introduces the new owner, and gives a personal phone number. It signals accountability. I have seen that letter avert churn more than once.

## **Why patience and sequencing pay**

Most owners sell a business once. Buyers and lenders do it every week. That mismatch is where nerves creep in and where a broker becomes part translator, part project manager, and part therapist. The timeline from listing to closing will never be perfectly smooth, but it is predictable enough if you respect the order of operations: prepare before you announce, screen before you tour, agree on structure before you negotiate price, and paper the big points before you argue over footnotes.

Do that, and a sale in the London, Ontario market can move at a steady clip, preserving confidentiality and price while keeping your team focused on serving customers. When in doubt, ask for the next concrete step, book it on a calendar, and keep the file moving. That is how deals get done.