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THE OWNER DASHBOARD

5 Metrics That Determine What Your Business Is Actually Worth

Sophisticated buyers that can generate a premium exit track these five numbers on every deal.
Use this to see your business through a buyer's eyes.

01
Cash on Hand

WHAT IT MEASURES
Months of operating expenses covered by cash on hand (burn rate)

BENCHMARK
<6 months: Danger Zone | 6-12 months: Good, Not Great
12-18 months: Good Cash Runway | 18+ months: Freedom to Grow

WHY BUYERS CARE
Cash is king. Buyers want to know that your business is generating enough cash to operate and grow. When cash is low, it immediately red flags risks that the business is not stable.

02
EBITDA Margin

WHAT IT MEASURES
Operating earnings as % of revenue, before interest, taxes, depreciation & amortization

BENCHMARK
15%+ is the threshold | 20-25%+ earns premium multiples
Buyers want to see margin expansion over time

WHY BUYERS CARE
The primary valuation multiplier. Every margin point moves your multiple. Never include add backs or quote SDE%. Add backs immediately signal lack of confidence in your numbers.

03
Revenue Growth Rate

WHAT IT MEASURES
Year-over-year top-line growth, measured over a 3-year historical trend

BENCHMARK
10-15%+ YoY is strong | Flat or declining compresses multiples

WHY BUYERS CARE
Growth trajectory answers what every buyer is really asking: am I buying an asset or a liability? Buyers want to see both margin AND revenue growth.

04
Pipeline Coverage

WHAT IT MEASURES
Total sales pipeline value as a multiple of your forward revenue target

BENCHMARK
3x minimum | 4-5x is strong | Below 2x is a red flag

WHY BUYERS CARE
Pipeline coverage is the best indicator of future revenue. Buyers want predictability, not guesswork. Think forward pipeline, not backward-looking forecasts.

05
Concentration Risks

WHAT IT MEASURES
Customer concentration, vendor concentration, key man risks

BENCHMARK
Top 3 combined customers under 30% of revenue
No sales rep accounting for 30%+ of sales | Vendor contingencies

WHY BUYERS CARE
Risk is the number one deal killer. Key man issues alone cause a 50% valuation decrease. Sophisticated buyers want to protect their money, not lose it.

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Fractional Operating Partner | Exit Preparation for $3M-$50M Businesses