

# The Smart Exit Guide for Waikato Manufacturing Businesses

A practical guide  
to preparing your  
manufacturing  
business for sale  
and maximise value

## Who this is for

Owners and directors of small to medium sized manufacturing companies within the following industries:

- Food and Beverage
- Engineering and Fabrication
- Agri-Tech and Services
- Timber Processing
- Plastics and Packaging Products

If you're thinking of selling and ready to exit (now or in 6+ months) or simply want your business to be more attractive and achieve a premium value, then this guide is for you.



## How to use this guide

- 0.1** Skim the Top 10 tips to see where you might have some gaps.
- 0.2** Scan the Common Deal Killers to avoid costly mistakes.
- 0.3** Complete the Readiness Scorecard.
- 0.4** Find out what your business is really worth.



# Part 1:

# Top 10 Tips to Prepare Your Manufacturing Business for Sale

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## 01. Clean and Accurate Financials

**Why it matters:** Buyers and banks need confidence in your numbers to value and fund the deal. This is the first step towards building trust.

**Quick action:** Produce or prepare 3 years of clear accounts, remove discretionary (non-business related expenses), monthly reports and a simple add-back schedule.

## 02. Streamline Operations

**Why it matters:** Documented processes, audits and quality checks prove your business is compliant, efficient and scalable.

**Quick action:** Document and update H&S, Production and Quality processes.

## 03. Reduce Owner Involvement

**Why it matters:** Businesses that run smoothly without the owner provide confidence about the team, processes and attract higher offers.

**Quick action:** Build the team, create a performance metrics chart with clear roles and responsibilities and delegate tasks.

## 04. Diversify Customer Base

**Why it matters:** Relying on one big client is risky, a broader base reassures buyers.

**Quick action:** Review your Top 10 customers by revenue and retention.

## 05. Strengthen Supplier Contracts

**Why it matters:** Secure supply and price stability protect continuity and margins.

**Quick action:** List supplier agreements, lead times, and backup options.

## 06. Maintain Equipment and Buildings

**Why it matters:** Well maintained machinery reduces risk and supports valuation.

**Quick action:** Create a register with service history and accurate records.

## 07. Show Growth Capacity

**Why it matters:** Demonstrating headroom for expansion shows potential to grow.

**Quick action:** Prepare a simple growth and capacity plan.

## 08. Tidy the Balance Sheet

**Why it matters:** Audited reports show strong financial management reduces buyer risk.

**Quick action:** Clean up - old stock, chase debtors, and reduce short-term debt.

## 09. Protect IP and Certifications

**Why it matters:** Patents, trademarks, and compliance build confidence and add value.

**Quick action:** List IP assets and certification renewal dates.

## 10. Time the Market

**Why it matters:** Selling when profits and demand are strong maximises value.

**Quick action:** Monitor your order book and industry trends to choose the right moment.

# Part 2:

## Common Deal Killers (and How to Avoid Them)

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### 01. Poor or inconsistent financial records

**Why it kills deals:** Buyers and banks lose confidence if the numbers can't be trusted.

**Fix it:** Engage your accountant early, prepare monthly reports and add-backs.

### 02. Hidden liabilities

**Why it kills deals:** Surprises in due diligence can derail negotiations.

**Fix it:** Run a vendor due diligence review, disclose issues early.

### 03. Unrealistic price expectations

**Why it kills deals:** If the seller insists on an inflated price, buyers walk away and trust is lost.

**Fix it:** Base valuation on market multiples and buyer appetite.

### 04. Confidentiality breaches

**Why it kills deals:** Staff, customers, or competitors finding out too soon can create instability and reduce value.

**Fix it:** Use NDAs and control who knows what, and when.

### 05. Over-reliance on the owner

**Why it kills deals:** If the business can't function without the owner, buyers see it as too risky.

**Fix it:** Develop management depth and succession plans; consider part-time consultancy post-sale.

### 06. Customer or supplier concentration

**Why it kills deals:** Relying on one major client or supplier makes revenue vulnerable.

**Fix it:** Diversify pipeline, strengthen contracts, and demonstrate contingency.

### 07. Declining performance during sale

**Why it kills deals:** Buyers assume the decline will continue, reducing the price or ending interest.

**Fix it:** Treat the sale like a second job. Maintain performance and margins during the sale process.

### 08. Poor timing

**Why it kills deals:** A business marketed when performance is weak looks distressed.

**Fix it:** Start preparation early and launch when results are strong.

### 09. Financing barriers

**Why it kills deals:** If buyers can't access funding, no transaction can proceed.

**Fix it:** Present bank-ready information; be open to vendor finance.

### 10. Ego, emotions and lack of trust

**Why it kills deals:** Personality clashes or defensiveness erode trust, even when the numbers stack up.

**Fix it:** Keep negotiations professional, focus on data, and use your broker as a buffer.



# Part 3: Exit Readiness Scorecard

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Score each item 0-2 (0 = not in place, 1 = partial, 2 = strong). Add your total.

| Area  | Score (0-2) |
|---|-------------|
| 01. Clean, normalised financials for 3 years                |             |
| 02. SOPs/quality system documented; KPIs tracked            |             |
| 03. Management depth; low owner reliance                    |             |
| 04. Customer diversification (<30% any one client)          |             |
| 05. Supplier stability; dual sourcing                       |             |
| 06. Equipment register and service records                  |             |
| 07. Demonstrable capacity to grow                           |             |
| 08. Tidy balance sheet; inventory and debtors under control |             |
| 09. Protected IP/certifications                             |             |
| 10. Timing and trend is positive or strong                  |             |

## Interpret your score

**0-8:** Start foundation work now; allow a few months to be sale-ready.

**9-15:** You're on the right track; focus on the weakest 2-3 areas for a valuation lift.

**16-20:** You're market-ready; talk to your broker about timing and buyer targeting.

# Part 4:

## What is Your Business Worth?

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When it comes time to sell, knowing your true business value is the difference between walking away satisfied or leaving money on the table. A value appraisal is not just a number, it's the foundation for a smart, confident exit strategy.

### Why take this step now?

- Understand a realistic price range for your business.
- See what buyers pay extra for and what could hold you back.
- Get a simple action plan to boost value and prepare with confidence.

### How it works:

- Schedule a confidential call.
- Share your most recent financials (secure and private).
- Receive a no-obligation value appraisal, tailored feedback, and actionable recommendations.

## Your Waikato Manufacturing Business Broker

### Sunil Patil — LINK Business Brokers

Sunil is a trusted business broker aligned with LINK Brokers Waikato who combines expertise, strategy, and professionalism to achieve the best value. He specialises in helping Waikato manufacturing and industrial businesses prepare, position, and sell for premium outcomes. With a deep understanding of the sector, he knows what buyers look for and how to structure a deal that works for both sides.

### Ready to find out what your business is really worth?

Book your free confidential, value appraisal today and take the first step towards a premium exit.

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Confidential. No obligation. Straight-up advice on value, timing, and the smartest path to sale.

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