THE SALE PROCESS, STEP BY STEP

From the first conversation to closing day: what happens, how long it takes, and how to keep the deal on track.

TYPE: GUIDE REVIEWED: NOVEMBER 2026 TIME: 9 MINUTES LEVEL: INTERMEDIATE

AT A GLANCE

- Selling a business often takes **6 to 12 months**, sometimes longer.
- The main stages: **prepare, market, meet buyers, letter of intent, due diligence, purchase agreement, closing, transition**.
- Keep **running the business well** throughout. Falling results can lower the price or end the deal.

Why it matters

Knowing the stages helps you plan, avoid surprises and stay calm. Most deals that fall apart do so during due diligence or because the business's results slip during the process.

The stages

Stage	What happens	Typical time
1. Prepare	Valuation, clean books, data room, advisors. See **X-04 Getting Your Business Ready to Sell**.	1 to 3 months (after longer-term preparation)
2. Market	Advisor prepares a summary and a detailed overview; contacts buyers confidentially	1 to 3 months
3. Meet buyers	Buyers sign NDAs, review information, meet you and visit	1 to 2 months
4. Letter of intent (LOI)	You choose a buyer and agree on the main terms. See **X-07 Letters of Intent and Purchase Agreements**.	2 to 4 weeks
5. Due diligence	The buyer checks everything: financials, legal, customers, operations	1 to 3 months
6. Purchase agreement	Lawyers draft and negotiate the final contract	Often alongside due diligence
7. Financing	The buyer arranges loans or funding	Often alongside due diligence
8. Closing	Documents signed, money transferred	A day
9. Transition	You train the new owner and introduce key relationships	Weeks to years, as agreed

Keeping it confidential

- Buyers sign **NDAs** before getting detailed information.
- Use your advisor as the first contact.
- Plan **when and how to tell employees**, usually near or after closing, often with the buyer.
- Keep sensitive details, like customer names, for later stages.

Keeping the deal on track

1. **Have your data room ready.** See **R-21 Setting Up a Data Room**.
2. **Answer due diligence requests quickly** and completely.
3. **Disclose problems early.** See **R-20 Getting Ready for Due Diligence**.
4. **Keep growing results.** Buyers watch monthly numbers until closing.
5. **Stay flexible** on smaller points; hold firm on what matters most.
6. **Rely on advisors** to negotiate the hard parts.

> EXAMPLE
>
> **Joseph's** shop sale took seven months: one month to prepare, two months marketing, a month of buyer meetings, an LOI, and three months of due diligence and financing. During due diligence, the buyer found two years of unfiled equipment property tax returns. Because Joseph's accountant fixed them within two weeks, the deal stayed on track.

Common mistakes

- **Neglecting the business** during the sale.
- **Slow responses** to buyer requests.
- **Surprises found in due diligence.**
- **Telling employees or customers too early.**

Your checklist

- ☐ Prepare your data room before marketing
- ☐ Plan confidentiality and employee communication
- ☐ Set a weekly routine to answer buyer requests
- ☐ Keep monthly results on track
- ☐ Plan your transition role

Where to go next

- **X-07 Letters of Intent and Purchase Agreements**
- **X-05 Working With Business Brokers and Investment Bankers**
- **R-21 Setting Up a Data Room**

IMPORTANT
This guide is general education from the Project Underdogs Founder Library. It is not legal, tax, accounting, immigration or investment advice, and it is not an offer of investment or a promise of funding. Figures are general examples and ranges, not quotes. Rules change and every business is different, so check your situation with a qualified professional. Full terms: LIB-03 Disclaimer and Terms of Use.