

The 8 Key Drivers of Business Value

What sophisticated buyers actually measure — and what you can do about each one.

Most business owners are focused on one number: revenue. Sophisticated buyers evaluate on eight. The following drivers determine not just what your business is worth today, but what multiple the market will apply to your earnings — and how much of the gap between those two numbers you can close before any transaction takes place.

01**Financial Foundation**

Clean, normalized financials with consistent margins and reliable cash flow. Buyers pay multiples on earnings quality — not revenue alone. SDE and EBITDA normalization is where value visibility begins.

02**Revenue Sustainability**

Recurring contracts, diversified clients, and predictable income streams reduce buyer risk and support higher multiples. No single client should represent more than 20% of revenue.

03**Growth Potential**

A credible, documented growth trajectory — supported by market position, pipeline, and operational capacity — signals that the business can deliver returns beyond the current owner's tenure.

04**No Single Point of Failure**

Independence from any single customer, supplier, or employee. Businesses that are resilient across their relationships command a structural premium over those that are concentrated.

05**The Hierarchy of Recurring Revenue**

The type and quality of recurring revenue matters as much as the amount. Contracted, auto-renewed revenue is valued more highly than relationship-based or project-by-project income.

06**Monopoly Control**

A defensible market position — through brand, proprietary methodology, geographic advantage, or exclusive relationships — creates a moat that makes the business harder to compete with and more attractive to buyers.

07**Customer Satisfaction**

Documented satisfaction — through NPS, retention rates, testimonials, or case studies — reduces the perceived risk of customer attrition post-transition. It makes the revenue feel durable.

08**Owner Independence**

The degree to which the business operates independently of the owner is the single most scrutinized factor in any transaction. A business that runs without the founder is transferable. One that doesn't is not.

These eight drivers are grounded in the **Value Acceleration Methodology™**, developed by the Exit Planning Institute. Grey Monks advisors hold the **CEPA® designation** and apply this framework in every client engagement.

Ready to know where your business stands across all eight drivers?

Book a Discovery Conversation — no cost, no obligation.

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