Fit Small Business

Questions to Ask Before Buying a Business

Use this checklist to guide your due diligence when buying a business. The right questions help you spot red flags, confirm strengths, and avoid costly surprises.

Financial & Legal

- Is the business financially healthy (revenue, profit, cash flow, debt)?
- Are there add-backs or inflated profits in the financials?
- Any pending lawsuits, compliance issues, or contract liabilities?
- Asset sale or stock sale, and what are the tax implications?

Operations & People

- Can the business run without the seller?
- Who are the key employees, and are they staying?
- What's the staff turnover rate?
- Are employee contracts, pay, and benefits documented?

Customers & Revenue

- Where is revenue coming from — recurring, seasonal, or one-off?
- Is there high customer concentration (one client = big % of sales)?
- What do customers really think (NPS, reviews, satisfaction)?
- How does the business compare to its top competitors?

Growth & Risk

- What's the upside, and what could go wrong?
- What digital or tech risks should you care about (cybersecurity, licenses)?
- Does the business culture, values, and ESG practices align with yours?
- What's the 100-day post-acquisition integration plan?
- Why is the seller really selling, and will they help with transition?