

PROCESS

What happens in due diligence when you sell a small business?

By Ayodele Olasiji, Optimax Commercial · Updated October 18, 2026 · 2 min read · Online at [optimaxdeals.com/guides/due-diligence-selling-a-business](https://www.optimaxdeals.com/guides/due-diligence-selling-a-business)

SHORT ANSWER

Due diligence is the period after you sign a letter of intent when the buyer, their lender and their advisors check that the business is what you said it is. They compare tax returns, bank statements and the profit and loss statement, read the lease and contracts, inspect equipment, and confirm licenses. Fast, complete answers keep deals alive; slow ones kill them.

How to, at a glance

1. Put every document in one shared folder before you sign the LOI
2. Make sure tax returns, bank deposits and P&L agree
3. Answer each request the same day if you can
4. Explain anything unusual before the buyer finds it
5. Keep running the business at full speed

Questions owners ask

How long does due diligence take?

It depends on the business, the lender and how fast you answer. Have documents ready before you sign the LOI to keep it short.

Can the buyer change the price after due diligence?

They can ask to, especially if they find numbers that do not match. Clean, consistent records are the best protection.

Do I have to give the buyer everything?

Give what is reasonable for a buyer to decide, under the confidentiality agreement. Customer lists and similar sensitive items are often shared last, close to closing.

What buyers and lenders ask for

- Three years of tax returns and the current year's profit and loss statement.
- Bank statements for the same period.
- The lease, or the deed and property tax bills.
- Equipment list and maintenance records.
- Payroll records and any contracts with suppliers or customers.

- Licenses and permits.
- Industry records: fuel and tank records for gas stations, occupancy for hotels, utility bills for laundromats, car counts for car washes.

What slows it down

- Numbers that do not match between returns, deposits and the P&L.
- A landlord slow to approve a new tenant.
- Third party reports: valuations, environmental reports, inspections.
- Owners who answer late or in pieces.

Keep the business running

Buyers watch the latest months closely. A dip in sales during due diligence can reopen the price. Keep staff, hours and service exactly as they were.

Thinking about selling?

Buyers already signed up and under NDA, including cash buyers. Matched directly, no public listing. 3% at closing, \$25,000 minimum, nothing upfront.

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