MONTAGE PARTNERS
PEOPLE CAPITAL

The Founder Briefing: What Buyers are Seeing

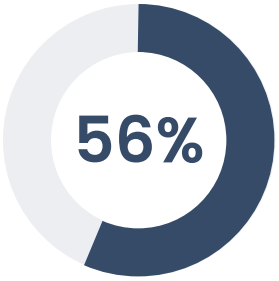
Q4 2026

What we're hearing from owners weighing their next move

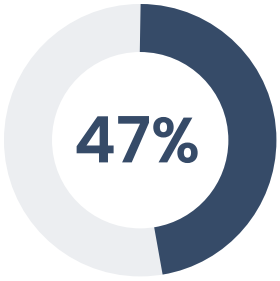
We talk with a lot of founders every quarter – owners working through whether now's the time, what a transition would actually look like, and what life looks like after. A few times a year we write down what we're hearing, names stripped out, and pass it along so you can see what others in your position are actually weighing. Here's the Q4 read from conversations between July and September.

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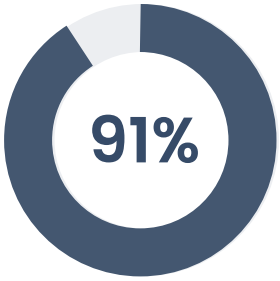
What's driving owners to the table right now, and whether those motivations are hardening or softening across the market.



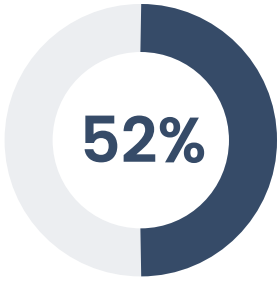
Want capital or a partner to grow



Taking some money off the table



Want to stay involved after a deal in some capacity



Named the partner as a key factor in choosing a buyer

Growth was the most common reason owners came to the table this quarter. **More than half wanted capital or a partner to take the business further than they could alone, whether that meant geographic expansion, more capacity, or an acquisition they'd had their eye on.** Taking some money off the table was close behind, and a lot of owners wanted both. Of the owners whose plans were clear, nine in ten wanted to stay involved after a deal, and a third planned to keep running the business. More than half said the partner, the fit or what happens to their team would weigh heavily in who they chose. When they described the right partner, they talked about someone who gets the business and can help bring in the people it needs next. Several said they wanted their team treated the way they'd treated them.

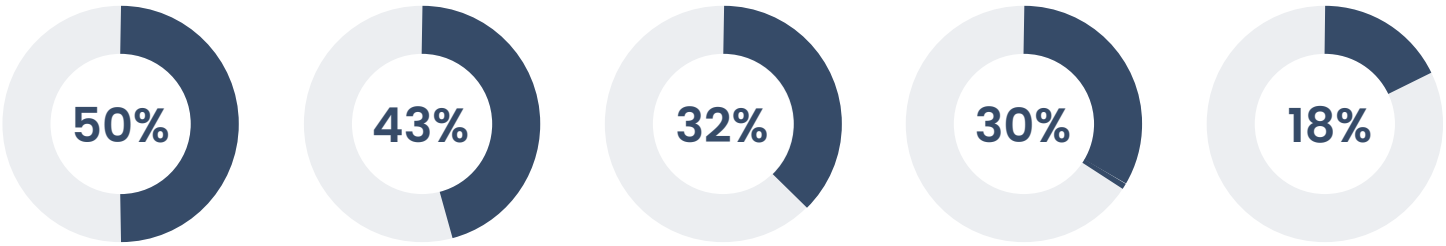
MOST OWNERS AREN'T SELLING ALL OF IT

Half the deals we looked at this quarter had the owner keeping a stake, rolling part of their equity into the business alongside a new partner. Only one in five was a full exit. For a lot of owners that's the point: some money off the table now, a partner to help grow it, and a share of what comes next. It does change what you're signing up for. You'd be a minority owner in a company you used to run, on a partner's timeline for the next sale. That's worth understanding early, along with how the rollover is taxed and how it fits your estate plan. A good CPA and wealth advisor make that conversation a lot easier.

From 44 deal conversations this quarter

02 | Common Gaps Buyers Flag

None of these are dealbreakers, and none mean you can't go to market – they're the things buyers reliably dig into, and a business is almost always in a stronger position having worked on them first.



The gaps worth knowing about shift from quarter to quarter. This quarter, nearly three in four businesses had at least one gap on the leadership bench, and most of them came back to the question a buyer is really asking: **how much of this still runs through you?** About half had meaningful customer concentration, and nearly a third had no finance leader ready for the work a sale involves. None of that means you can't go to market. It's just how buyers look at a business.

Who wins the customers, and how many there are

About half the businesses had meaningful customer concentration, and more than four in ten had no real sales engine. New business came through referrals, relationships and the owner's own reach. Buyers look at those together because they're asking the same thing: how much of the revenue depends on one person or one account? A long relationship or a steady contract helps, but it doesn't change the percentage. A repeatable way to win customers and a broader base make revenue look like it'll stay after you step back. Both are easier to build before a sale than to explain during one.

Owner dependency and succession

A third of the businesses leaned heavily on the owner or one other person. Dependency is about today: whether the business runs when you're not in the room. Succession is about later: who leads it after a deal. How much either one matters depends on what you want. If you plan to stay and lead, succession matters less. If you want to step back, both matter, and it's worth figuring out your answer before a banker gets involved.

The seat buyers ask about first: finance

Nearly a third of businesses had no finance leader ready for a deal. Most had a bookkeeper or controller keeping accurate books, and that matters. But a sale asks more of that role: answering months of diligence questions, explaining every adjustment to your earnings, and producing the monthly reporting a new partner and lender will expect. Buyers don't need a CFO on your org chart, and plenty add one after the deal. Without someone in that seat, the work falls to you. Owners who know their numbers cold can carry it, but it takes a lot of time while you're still running the business.

This quarter's read: your earnings only hold up if someone can explain them

More than four in ten businesses presented earnings a buyer is likely to challenge. Usually nothing was being hidden. The owner doesn't take a salary. Family is on the payroll at whatever made sense years ago. Some personal expenses run through the company because they always have.

All of that is normal in a founder-run business. It becomes a problem when the earnings figure (usually EBITDA, the measure buyers focus on) goes out first and the explanations come later, in answer to a buyer's questions. If a CPA or fractional CFO works through those adjustments ahead of time, putting a real salary on the books and separating out personal expenses, you'll know what your business really earns before anyone asks.

The Founder Briefing comes out a few times a year. If you ever want to talk through where you are – no process, no pressure – that's a conversation we're always glad to have.