

HVAC Sale Readiness Checklist

Brooks Crankshaw | Managing Director | Forbes Partners
Brooks.Crankshaw@Forbes-Partners.Com

Selling your HVAC business is a big step — and the better prepared you are, the smoother it goes. Think of this as your friendly roadmap to getting “sale ready.” It helps you identify your strengths, uncover opportunities to enhance value, and position your business to stand out to qualified buyers when the time comes.

1. Leadership & Management Depth

- Develop a **leadership team that runs daily operations** beyond the owner
- Build strong **second-tier managers** in service, operations, and sales
- **Document succession plans** and key employee retention strategies
- Invest in **technician training** and career development

2. Recurring Revenue & Service Contracts

- **Increase recurring maintenance** and service contract revenue
- Keep **all contracts documented** with clear terms and renewal dates
- **Track** customer retention and **renewal rates** to show stability
- **Highlight cross-sold services** that demonstrate diversification

Brooks Crankshaw is a Managing Director at Forbes Partners in Denver, Colorado. He advises owners of commercial business services companies—including HVAC, plumbing, electrical, and facilities services—on selling their business, raising capital, or growing through acquisition.

HVAC Sale Readiness Checklist, Cont'd

3. Differentiation & Technology

- Adopt smart building, IoT, or predictive maintenance solutions
- Highlight data-backed growth and energy-efficiency opportunities and storyline towards Revenue and EBITDA growth

4. Key Value Drivers

- Emphasize recurring revenue, retention, and strong cash flow
- Showcase scalability, low capital intensity, and technician strength

5. Customer & Market Position

- Diversify across key end markets to limit exposure to downturns
- Quantify backlog and emphasize what differentiates your service

6. Risk Mitigation & Compliance

- Keep licenses, insurance, and records current and organized
- Resolve legal, safety, and compliance issues before diligence

7. Exit Planning

- Define your goals, timing, and post-sale involvement
- Gather valuation data and prepare core diligence materials

8. Financial & Operational Clean-Up

- Maintain clean, CPA-reviewed financials and steady cash flow and EBITDA to cash conversion
- Reduce customer concentration and manage supplier longevity

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