LEGACY ENTREPRENEURS

OWNER RESOURCE / FIRE PROTECTION

The Fire Protection Business Owner's Exit Guide

A practical roadmap to understanding value, preparing for buyers and navigating a confidential fire protection business sale.

01 What fire protection buyers evaluate

Buyers assess sustainable earnings, contract retention, licensed technical capacity and transferable operations.

Recurring inspections
Testing, maintenance and monitoring agreements, renewal history and service margins.

Customers and retention
Top-account concentration, property managers, institutions and contract duration.

Technical workforce
Inspectors, licensed personnel, technician credentials and depth of management.

Service mix and margins
Sprinkler, alarm, extinguishers, suppression, repair and installation profitability.

Project backlog
Signed work, expected margins, project timing and labor requirements.

Owner independence
Estimating, licenses, major relationships and leadership beyond the seller.

RECURRING SERVICE, LICENSED TEAMS AND DOCUMENTATION SUPPORT TRANSFERABILITY.

Build a buyer-ready business

Preparation can reduce friction even when a sale is not imminent.

A Pre-sale readiness checklist

- [ ] Three years of financial statements, tax returns and supported add-backs
- [ ] Inspection, testing, maintenance and monitoring agreements; renewal history
- [ ] Revenue and gross margin by inspection, service, installation and system type
- [ ] Customer concentration, contract terms and important renewal dates
- [ ] Licenses, certifications, inspector qualifications and permit records
- [ ] Technician roster, management roles, compensation and retention risks
- [ ] Signed backlog, project profitability, job schedules and pipeline quality
- [ ] Inspection and service records, safety practices, insurance and open claims
- [ ] Owner responsibilities in licensing, estimating, operations and key accounts

SELLER EXERCISE
Which licensing, estimating, customer or technical duties still depend on you? Identify two that can be delegated or documented.

B Six stages of the selling process

01	Define exit goals	02	Understand value	03	Prepare for market
04	Market confidentially	05	Negotiate and diligence	06	Close and transition

Anticipate due diligence

Clear, organized answers help buyers understand opportunities and assess risk.

Earnings
Can normalized earnings, margins and owner adjustments be supported by reliable records?

Recurring contracts
What revenue comes from inspections, testing, maintenance and monitoring? How strong is retention?

Customer risk
How concentrated are the largest accounts, and are relationships tied to the seller?

Licensed team
Which licenses, credentials and qualified employees are needed to operate after closing?

Backlog & compliance
Are job margins, project schedules, inspection records and safety documentation up to date?

Transition & terms
How will licenses, staffing, working capital and owner handoff affect the deal structure?

! Three avoidable mistakes

01	Pricing from revenue alone rather than supportable, transferable earnings.
02	Overlooking key-person risk in licenses, inspections or major customer relationships.
03	Waiting until buyer diligence to organize contracts, compliance files and backlog.

Your first 30 days

Four focused weeks to move from wondering about an exit to having a practical starting point.

WEEK 01

Establish exit goals

Define your sale timeline, financial priorities and willingness to assist after closing.

WEEK 02

Map recurring revenue

Separate inspection, maintenance, monitoring, repair and installation margins.

WEEK 03

Document operations

Review licenses, technician coverage, inspection records, customer contracts and owner-led tasks.

WEEK 04

Plan the next steps

Discuss valuation and readiness with a broker and qualified legal and tax advisers.



READY TO DISCUSS YOUR FIRE PROTECTION BUSINESS EXIT?

Confidential guidance from valuation and buyer outreach through closing.

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Educational information only. Transaction outcomes depend on individual facts and conditions. Consult qualified legal, tax and financial advisers.