What Actually Happens During Due Diligence and Why It Takes Time

After a buyer and seller agree to a sale, the transaction enters due diligence - the period where the business is reviewed, validated, and approved for closing. For many sellers, this is the most confusing part of the sale. You may wonder:

- Why does this take so long?
- Why was I busy early, and now it feels quiet?
- Is something wrong if I'm not being asked for anything?

In most cases, the answer is no. What feels like silence is usually work happening behind the scenes.

Why Due Diligence Feels Uneven
Due diligence doesn't move in a straight line. Different parties are responsible for different pieces of the process, and they don't all work at the same time.

The timelines in this packet show three groups working in parallel:

- Seller - document preparation, clarifications, and legal closing
- Buyer - analysis, coordination, and lender support
- Lender - underwriting, approvals, and funding

Seller work is usually front-loaded, buyer work continues throughout the process, and lender work happens in strict stages. That sequencing, especially on the lending side, is what often determines how long a deal takes.

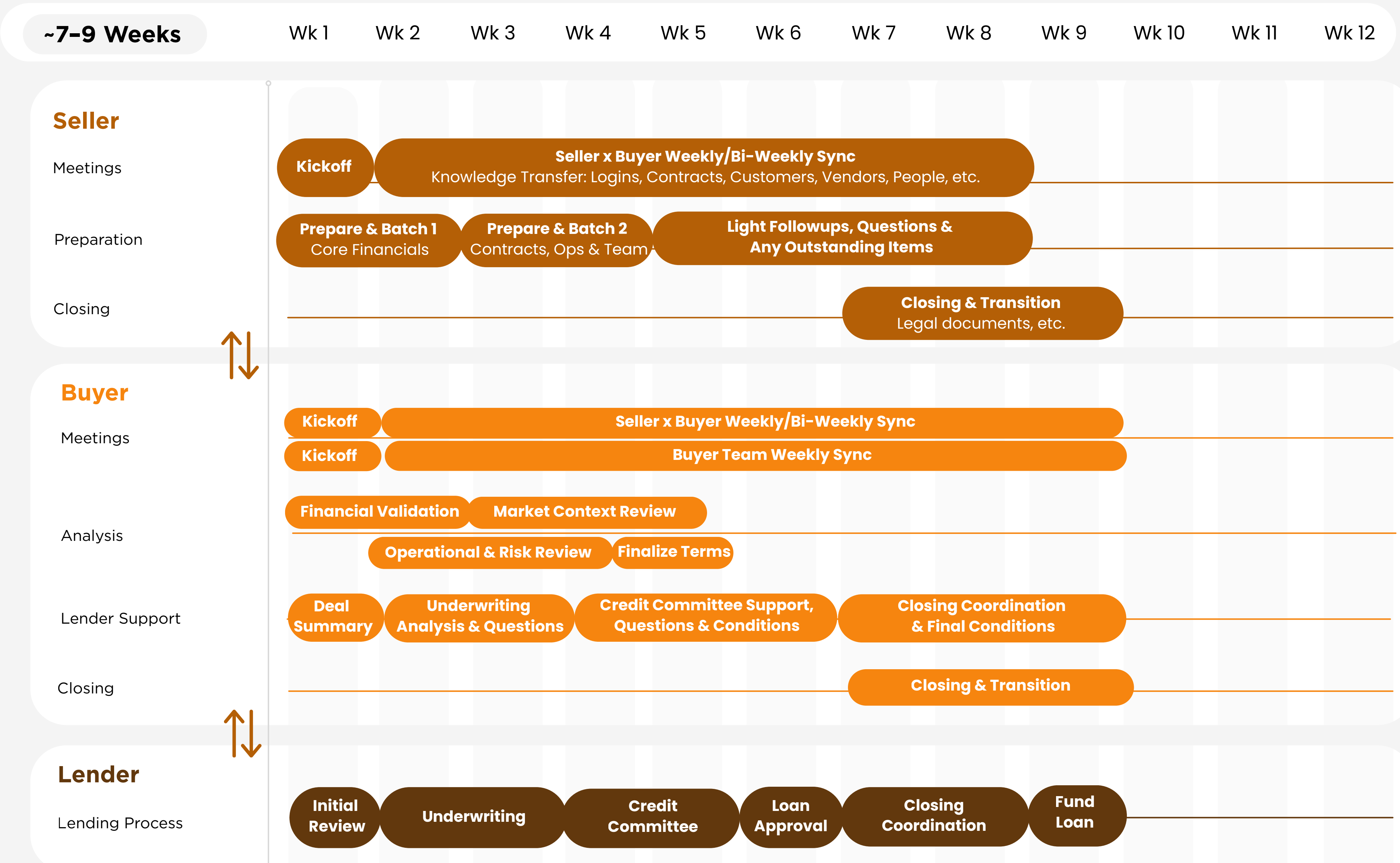
Why These Two Financing Paths Are Shown
Most small business acquisitions involve third-party financing, most commonly through: a conventional bank loan, or an SBA 7(a) loan.

While all-cash or seller-financed deals do occur, they represent a smaller share of transactions and are often used alongside bank financing rather than on their own. Because conventional and SBA loans are the most common paths sellers encounter, the timelines that follow focus on these structures.

How to Use the Timelines
These visuals are meant to help you:

- See where work is happening, even when it's not visible
- Understand why quiet periods are normal
- Set realistic expectations between agreement and closing

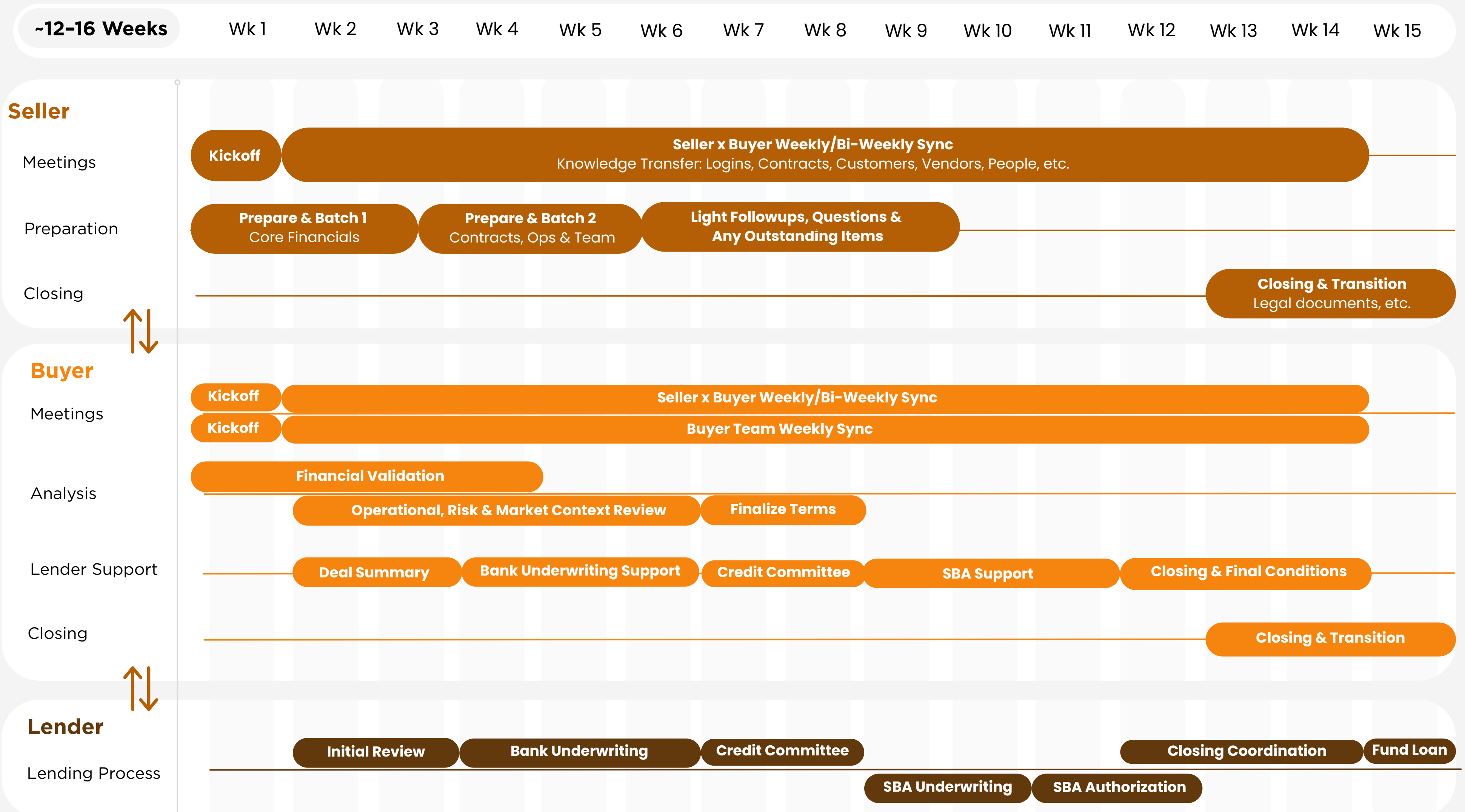
Due Diligence Timeline: Conventional Loan



Typical conventional (non-SBA) bank-financed acquisition timeline is ~7–9 weeks. Actual timing may vary based on deal complexity, advisor availability, and the order in which materials are provided. This graphic is a high-level overview to illustrate parallel workstreams, not a guaranteed schedule.

AWEISZ@AWSMBPARTNERS.COM | (980) 409-2965 | AWSMBPARTNERS.COM

Due Diligence Timeline: SBA 7a Loan



This timeline reflects a typical SBA 7a bank-financed acquisition timeline is ~12–16 Weeks. Actual timing may vary based on deal complexity, advisor availability, and the order in which materials are provided. This graphic is a high-level overview to illustrate parallel workstreams, not a guaranteed schedule.

AWEISZ@AWSMBPARTNERS.COM | (980) 409-2965 | AWSMBPARTNERS.COM