What Actually Happens During Due Diligence and Why It Takes Time

After a buyer and seller agree on a transaction, the deal enters due diligence - the period where the business is reviewed, validated, and prepared for closing. For many sellers, this phase can feel uneven. You may wonder:

- Why was I very busy early on?
- Why does it feel quiet at times?
- 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 Doesn't Move in a Straight Line
Due diligence involves multiple workstreams that run in parallel, not sequentially. Different parties are responsible for different parts of the process, and those parties do not all work at the same time. What ultimately determines the pace of a transaction is how many external parties and approvals are required.

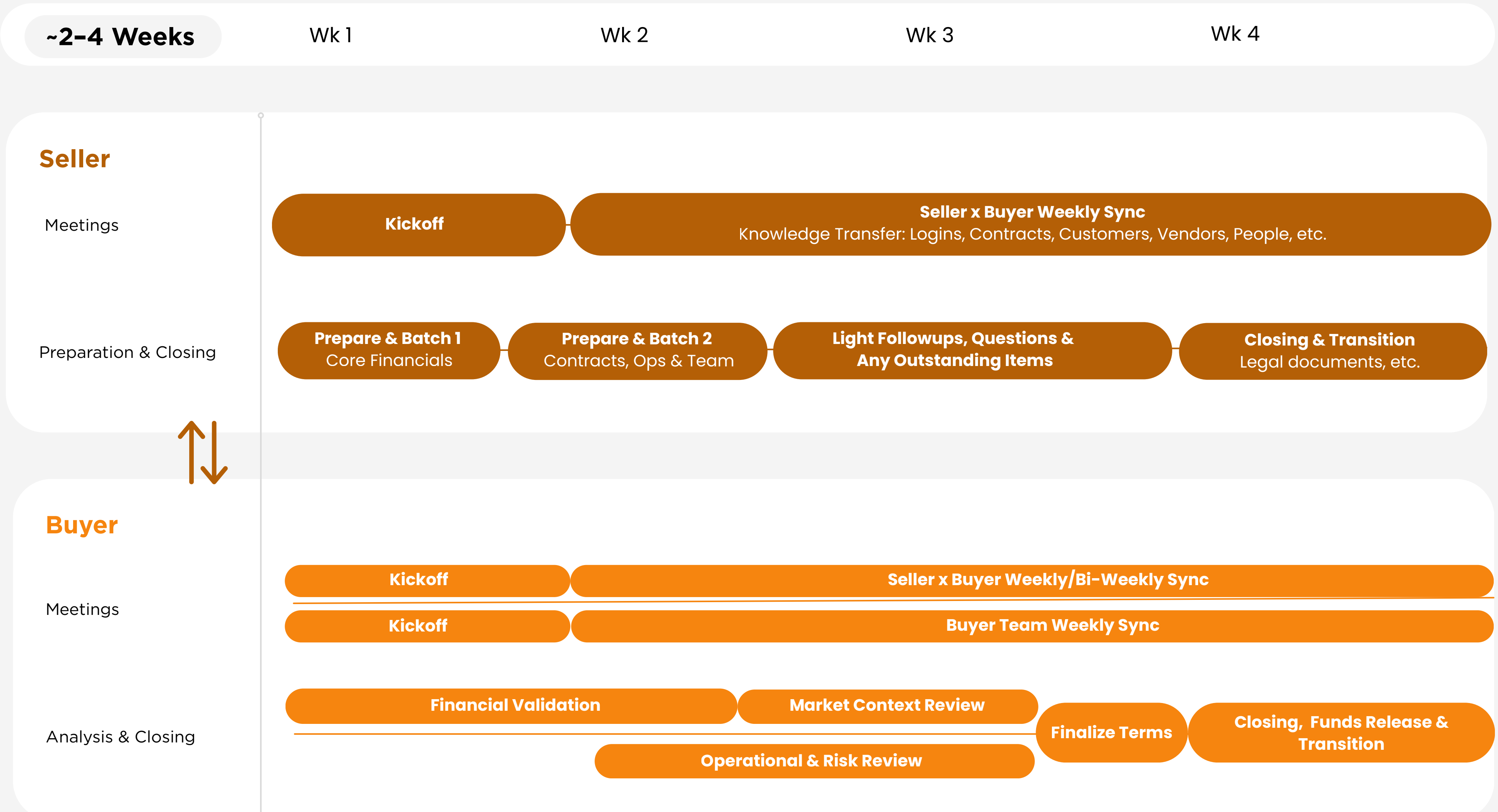
Some deals depend on third-party lenders, underwriting, and credit committees. Others are fully capitalized and buyer-led, allowing analysis, legal preparation, and closing logistics to move in parallel.

How to Read the Timelines in This Packet
The timelines that follow illustrate three common acquisition paths:
- Fully Capitalized transactions, where capital is committed and controlled directly
- Conventional bank-financed transactions
- SBA 7(a) bank-financed transactions

Each timeline is designed to:
- Show where seller involvement is required
- Show where buyer analysis occurs
- Set realistic expectations
- Explain why quiet periods are normal
- Show how different capital structures affect speed and certainty

All timelines reflect typical ranges, not guarantees. Actual timing depends on deal complexity, advisor availability, and the order in which materials are provided.

Due Diligence Timeline: Fully Capitalized



Typical fully capitalized acquisition timeline is ~2-4 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.

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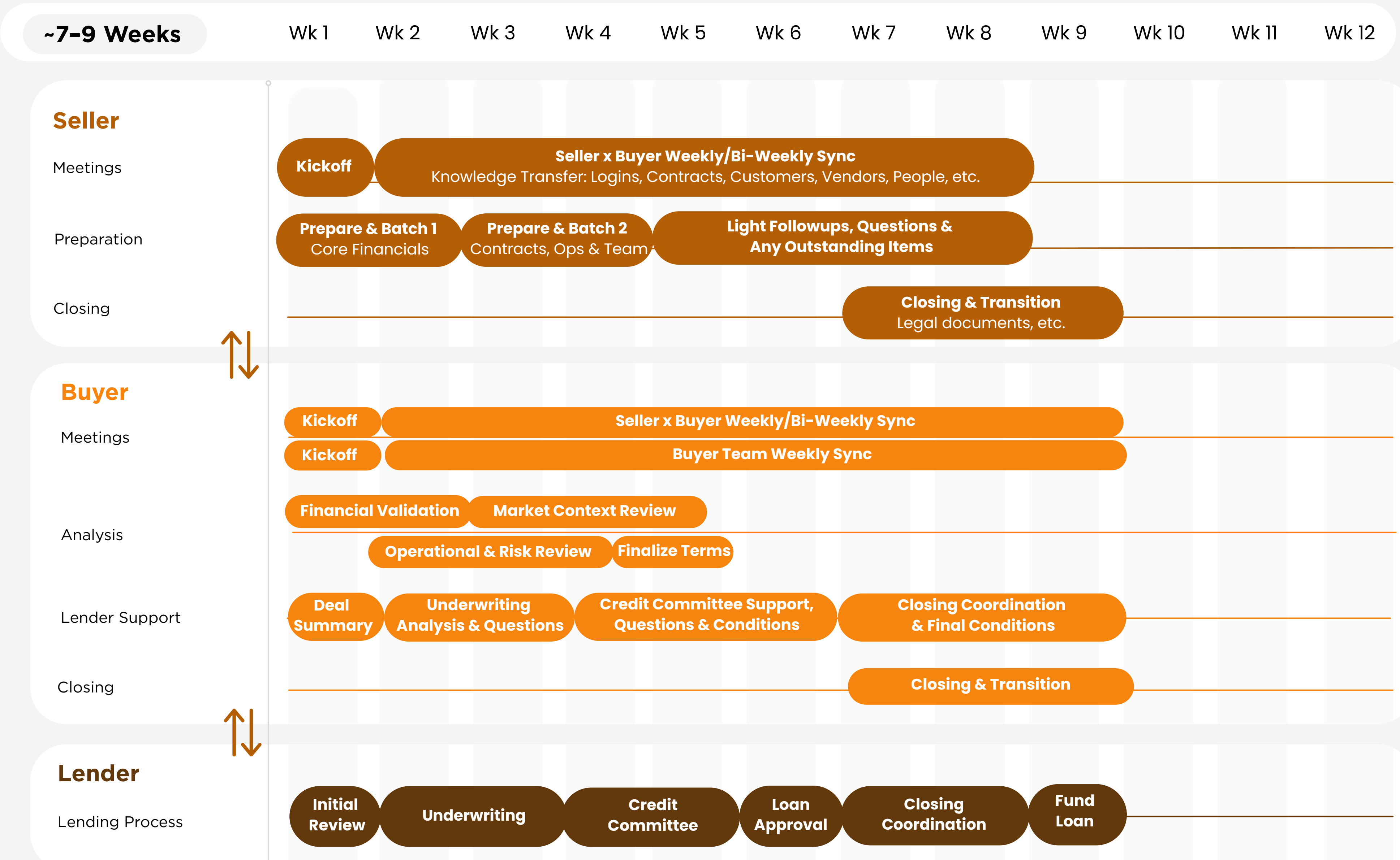
Due Diligence Timeline: Conventional Loan



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.

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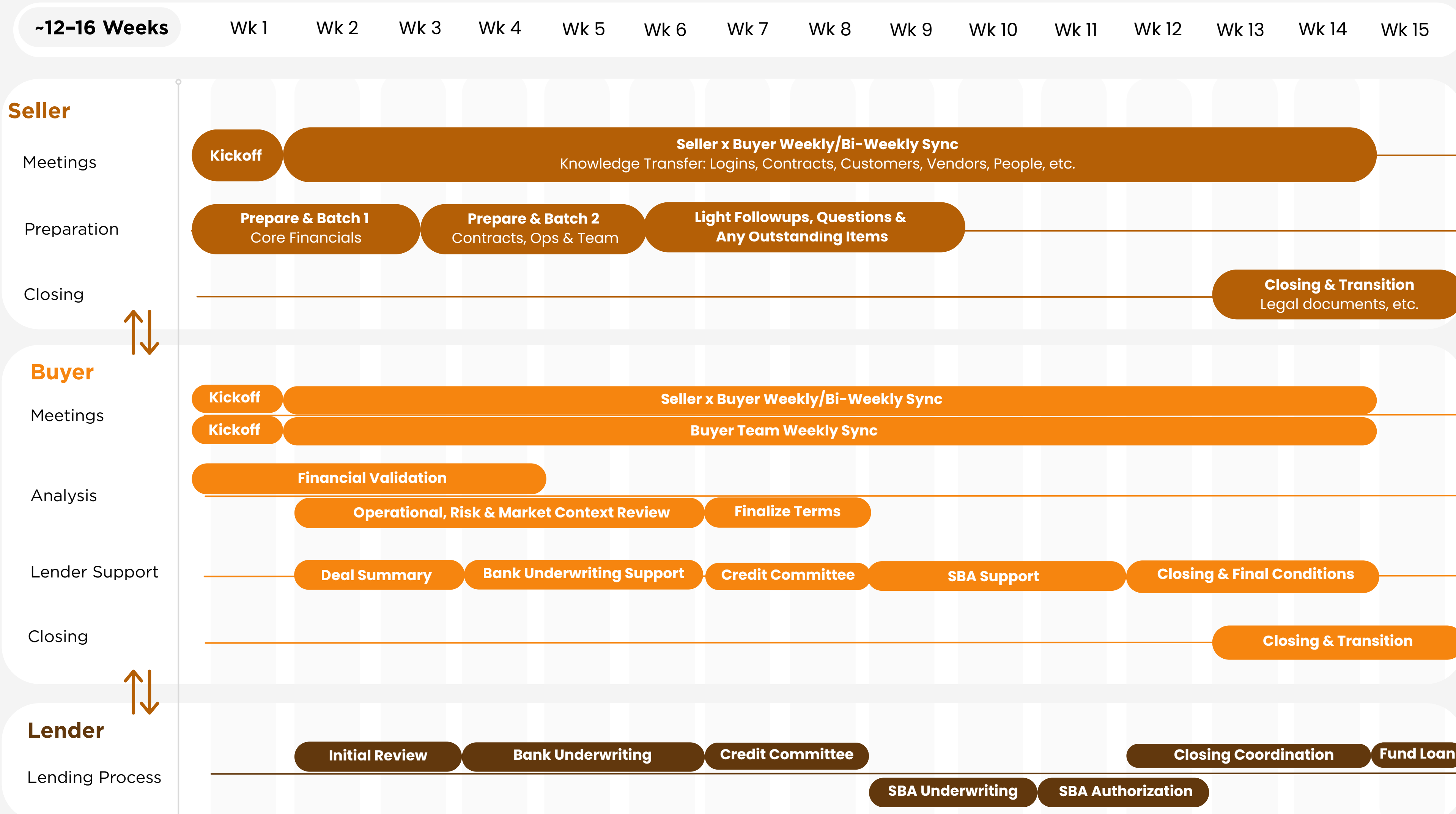
Due Diligence Timeline: SBA 7a Loan



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.

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