Retail Business Supplement

Additional document request for retail businesses

Use this supplement together with the Business Valuation Document Request List. It covers the items most important to valuing a retail business.

Not every item will apply. Gather what is available, check off each item as you collect it, and note anything that does not exist or is not applicable.

Business name: _____ **Valuation date:** _____

1. Inventory Quality & Movement

- ☐ Inventory detail by SKU (quantities, cost, retail price)
- ☐ Inventory aging report (0–30, 31–90, 90–180, 180+ days)
- ☐ Shrinkage reports for the last 3 years
- ☐ Inventory valuation method (FIFO/LIFO/weighted average)
- ☐ Documentation of seasonal inventory or obsolete stock
- ☐ Any third-party inventory counts or audits (highly recommended in retail)

2. POS & Revenue Verification

- ☐ POS system reports (daily/monthly sales summaries)
- ☐ POS vs. tax return reconciliation (3 years) — a key due-diligence step
- ☐ Same-store sales trends (36 months)
- ☐ Sales by product category
- ☐ Sales by location (if multi-unit)
- ☐ Cash vs. card sales breakdown
- ☐ Return/refund data and policies

3. Customer & Market Behavior

Retail is driven by foot traffic and customer patterns.

- ☐ Foot traffic data (manual counts or sensor data)
- ☐ Loyalty program data (if applicable)
- ☐ Customer demographics or segmentation
- ☐ Customer churn or repeat-purchase metrics (if tracked)
- ☐ Online reviews summary (Google, Yelp, etc.)

4. E-Commerce & Digital Presence

Most modern retail businesses have hybrid revenue streams.

- ☐ Website analytics (Google Analytics: traffic, conversion rate, CAC)
- ☐ Online sales reports (Shopify, WooCommerce, etc.)
- ☐ Social media engagement metrics
- ☐ Digital advertising spend and ROI
- ☐ Online customer acquisition channels

5. Store Operations & Physical Assets

Retail operations depend heavily on physical infrastructure.

- ☐ Store layout or floor plan
- ☐ List of fixtures, displays, shelving, refrigeration, POS hardware
- ☐ Age and condition of equipment (POS, security, refrigeration)
- ☐ Maintenance records for major equipment
- ☐ Security system details (cameras, alarms)
- ☐ Store hours and staffing schedule

6. Lease & Real Estate

Retail value is extremely sensitive to lease terms.

- ☐ Full lease agreement(s)
- ☐ CAM (common area maintenance) charges
- ☐ Rent escalation schedule
- ☐ Renewal options
- ☐ Landlord contact and assignment/consent requirements
- ☐ Any leasehold improvements and amortization schedules

7. Vendor & Supplier Relationships

Retail margins depend on supplier terms and stability.

- ☐ Vendor contracts and pricing agreements
- ☐ Minimum order quantities
- ☐ Exclusivity agreements
- ☐ Supplier concentration analysis
- ☐ Any owner-dependent vendor relationships (common in small retail)
- ☐ Delivery schedules and lead times

8. Staffing & Labor

Retail labor is often a major cost driver.

- ☐ Employee roster with roles, pay rates, tenure
- ☐ Manager compensation and responsibilities
- ☐ Turnover statistics
- ☐ Training manuals or SOPs
- ☐ Commission or incentive structures

9. Marketing & Promotions

Retail businesses often rely on promotions to drive traffic.

- ☐ Advertising spend (digital, print, local)
- ☐ Promotion calendar (seasonal sales, clearance events)
- ☐ Loyalty program structure
- ☐ Gift card liability reports

10. Retail-Specific Financial Schedules

Beyond standard financials:

- ☐ Gross margin by product category
- ☐ Markup policies
- ☐ Discounting practices
- ☐ Layaway or store credit balances
- ☐ Gift card breakage assumptions

Questions about any item?

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