

The Data-Ready Business: **How Early Preparation Drives Higher Valuations**

Contributors



ALAN CHETTIAR
Partner, M&A Advisory
achettiar@firepowercapital.com



OREN HOROVITZ
Managing Director, Value Maximization
ohorovitz@firepowercapital.com



RIESHDAH GABIER
Director, M&A Advisory
rgabier@firepowercapital.com

WHY EXIT PLANNING NEEDS TO START NOW

For many business owners nearing retirement, succession planning feels as overwhelming as watching your youngest leave home. You think of the sleepless nights, the make-or-break moments, the milestones, and with all that potential still ahead, letting go is an emotional decision.

But here's the truth: whether you plan to sell in five years or fifteen, the foundation for a strong exit is built long before an exit is even considered.

START EARLY, STAND OUT LATER

Exit planning doesn't mean you've given up on growth. Quite the opposite, it's about creating options, protecting your legacy, and ensuring you're in the driver's seat when the time comes.

“Data readiness is about leveraging the information you already have to improve margins and drive smarter decisions.”



In today's deal environment, buyers are cautious, due diligence takes longer, and securing acquisition financing has become more complex. Dealmakers are looking for clean financials, clear value drivers, and businesses that can demonstrate strength without relying on the founder. The earlier you start considering structure, reporting, and operational independence, the more prepared your business will be for a sale and the more control you'll have over the outcome.

“An exit isn't just a transaction, it's a transition. And like any meaningful transition, the best

outcomes stem from preparation, not improvisation,” says Alan Chettiar, Partner, M&A Advisory, FirePower Capital.

WHY DATA READINESS IS THE NEW DIFFERENTIATOR

As the use of AI becomes more prevalent and the capabilities of large language models are evolving, telling a business’s story that is supported by data is becoming easier. What used to be a maze of systems and data can now be a road map that supports a data-driven growth strategy, and it’s fast becoming a value driver in mid-market M&A transactions.

Think of it like staging your house; not with aesthetics, but with structured insights that demonstrate how efficiently and profitably the company operates. It’s about identifying areas where margins can be expanded, pinpointing inefficiencies, and assessing the scalability of the operation. Quite frankly, a data strategy can be valuable independent of an impending sale.

“Improvements to margins, recurring revenue, and operational efficiency don’t happen overnight, but... they can drive significant premiums.”



“Data readiness is about leveraging the information you already have to improve margins, drive smarter decisions, and tell a stronger story to potential investors or buyers.”, says Oren Horovitz, Managing Director, FirePower Value Maximization (VMX).

“We work with owners to structure and analyze their existing data, complement it with secondary data to provide benchmarks and expose trends across operational functions, all to maximize EBITDA,” explains Horovitz.

This isn’t only about flashy dashboards. It’s about real business impact.

“Early preparation isn’t merely about cleaning up; it’s about building the kind of value buyers pay for. Improvements to margins, recurring revenue, and operational efficiency don’t happen overnight, but when in place, they can drive significant premiums,” says Chettiar.

REAL IMPACT: HOW EARLY DATA WORK TRANSFORMED A DEAL

Take VL OMNI, a SaaS platform offering data integration for eCommerce businesses. When the founding shareholders began planning for a business exit, their timelines weren’t aligned; one was ready to retire, the other wanted to remain involved and keep building value.

FirePower's VMX team engaged early, allowing improvements to take hold and unlock meaningful value ahead of the transaction.

VL OMNI had recently onboarded several enterprise clients, and while revenue was growing, their pricing model hadn't kept up. Some customers were exceeding usage thresholds without being monetized appropriately.

The Data & AI team analyzed platform usage, segmented customer tiers, and modeled new pricing scenarios based on actual perceived value. The result? A 65% increase in annual recurring revenue with minimal attrition, and a much stronger valuation heading into the deal process.

When the M&A team ran a tailored sale process, the robust data readiness and thorough preparation enabled the team to respond to due diligence questions quickly and with confidence.

Ultimately, we secured a strategic fit in eHouse Studio, backed by Periscope Equity. One shareholder exited fully. The other rolled equity and stayed on to help drive post-close growth. Both left the table with a deal aligned to their goals.

YOU DON'T HAVE TO SELL SOON BUT YOU DO HAVE TO START

The most successful exits are the result of careful, deliberate planning that starts years in advance. Whether you're considering how to grow, planning to sell your company, bring in a partner, or pass it on to the next generation, doing so successfully and on your terms requires one thing above all else: being ready.

"We work with owners to structure and analyze their existing data... all to maximize EBITDA before going to market."



FirePower Capital works exclusively with mid-market Canadian business owners to help them exit, raise capital, or bring in strategic partners. If you're exploring your options, even informally, we'd be happy to have a confidential conversation.

For more information, contact Rieshdah Gabier at rgabier@firepowercapital.com

FirePower Capital is a team of 60+ individuals who are passionate about working with the owners and management of Canada's lower mid-market companies.