3 Quick Steps To Calculating the Value of Your SaaS Business (+ How to Know if It's the Right Time)

Ever wondered what your bootstrapped SaaS might be worth? Use this free and simple checklist to find out the value of your business, as well as how to determine if it's the right time for you to sell.

- [ ] Calculate your SDE.
  - [ ] + Business Profit before taxes
  - [ ] + Founder(s) salary
  - [ ] + Founder(s) benefits
  - [ ] + Depreciation
  - [ ] + Adjustments for any other non-essential expenses
- [ ] Calculate your long-term potential value with SaaS multipliers.

  Examples: **Assume ~3X if your numbers look like this:**

  Profit Margin = 25%, MRR = 20K, YOY Growth = 20%, Churn Rate = 15%

  And 5X+ if your numbers look like this:

  Profit Margin = 75%+, MRR = 100K+, YOY Growth = 100%+, Churn Rate = 0%
- [ ] Consider these questions to get to a whole number you're happy with.
  - [ ] Is the buyer offering cash, or does the deal need to be financed?
  - [ ] What do other founders say about the buyer?
  - [ ] Is the buyer offering you a full or partial exit?
  - [ ] How easy are you to replace?
  - [ ] What opportunities is the buyer offering for your business and team?

How to know if it's the right time to sell. Consider selling if...

- [ ] You have multiple projects going on and the desire to focus on one and sell the others
- [ ] You've hit a growth or risk ceiling and want an exit to secure your financial future
- [ ] You're experiencing a big life change or are preparing for one (children, marriage, moving, etc.)
- [ ] It feels like the right time for you (that's ultimately what matters most).