

The Upside Diligence Checklist

Twelve questions to put to any revenue-upside figure for a trades business before it goes into the model, with the evidence to request for each.

The Revvy team · October 8, 2026

In ten minutes: One upside claim marked up question by question, and a list of evidence to request.

Before an upside figure from a teaser or a deal memo goes into your model, test three things: the records it counted, the target it measured them against, and the arithmetic in between. These twelve questions do that, and turn each gap into a line on a data request.

They are the rules Revvy holds its own figures to, written as questions you can put to anyone's.

What this is for

This is operating-records diligence on revenue-upside claims about HVAC, plumbing, roofing and electrical businesses. It asks one thing of a figure: do the business's own leads, quotes, jobs, spend and schedule support it?

It sits beside a quality-of-earnings review and legal diligence, never in place of either. It is not investment advice, and it is not a valuation. The U.S. Small Business Administration's guide to buying a business says:

Once you know whether you want to franchise or buy a business, you'll need to evaluate each specific opportunity. In short, it boils down to this: do your due diligence.

U.S. Small Business Administration, Buy an existing business or franchise ^[1]

This checklist covers one slice of that work: the upside story.

How to use it

1. Pick one upside claim: a line in a teaser, a figure in a memo, something a seller said. One figure at a time.
2. Answer each question for that figure: supported, partly, unsupported or not asked.

3. Wherever the answer is not "supported", note the evidence to request. For "partly", write down which part is missing. Each question suggests a line; write your own if you have a better one.
4. Print the data request the worksheet builds, and send it.

"Not asked" is an answer, and it goes straight onto the data request. The worksheet only counts: it gives no score and no money figure, and the boxes clear when you reload the page.

Mark up one upside claim

Your numbers

Pick one figure from a teaser, a memo or a seller conversation. Answer each question for that figure, and note the evidence to ask for.

Nothing you type here is saved or sent. It clears when you reload the page.

1. Does each figure name the records it counted?

☐ Supported ☐ Partly ☐ Unsupported ☐ Not asked

Evidence to request (optional)

2. Is the target rate stated with its reasoning, and if it is called a benchmark, what is the source?

☐ Supported ☐ Partly ☐ Unsupported ☐ Not asked

Evidence to request (optional)

3. Is it a range or a single number?

☐ Supported ☐ Partly ☐ Unsupported ☐ Not asked

Evidence to request (optional)

4. Are booking, close-rate and ticket gains added together even though they act on the same jobs?

☐ Supported ☐ Partly ☐ Unsupported ☐ Not asked

Evidence to request (optional)

5. How many days of records sit behind a yearly figure, and is seasonality addressed?

☐ Supported ☐ Partly ☐ Unsupported ☐ Not asked

Evidence to request (optional)

6. Are one-time lists, such as open quotes and lapsed customers, kept apart from yearly figures?

☐ Supported ☐ Partly ☐ Unsupported ☐ Not asked

Evidence to request (optional)

7. Is it revenue or gross profit, and is a margin on file?

☐ Supported ☐ Partly ☐ Unsupported ☐ Not asked

Evidence to request (optional)

8. Can the schedule run the added jobs, and was capacity recorded or inferred?

☐ Supported ☐ Partly ☐ Unsupported ☐ Not asked

Evidence to request (optional)

9. What share of leads comes from the top source?

☐ Supported ☐ Partly ☐ Unsupported ☐ Not asked

Evidence to request (optional)

10. Which checks had no data, and were they left out or counted as zero?

☐ Supported ☐ Partly ☐ Unsupported ☐ Not asked

Evidence to request (optional)

11. Does any valuation use an earnings basis and a multiple you chose?

☐ Supported ☐ Partly ☐ Unsupported ☐ Not asked

Evidence to request (optional)

12. Can you rebuild each figure from its working?

☐ Supported ☐ Partly ☐ Unsupported ☐ Not asked

Evidence to request (optional)

Your data request

The twelve questions

1. Does each figure name the records it counted?

A good answer. Each figure says what it counted and over which dates: how many leads, quotes or jobs, from when to when. A figure that cannot name its population cannot be checked. Revvy will not show a money figure that cannot produce its full working.

Evidence to request. The record counts behind each figure, and the dates they cover.

2. Is the target rate stated with its reasoning, and if it is called a benchmark, what is the source?

A good answer. The figure names the rate it was measured against, and why that rate. If the memo calls it a benchmark, typical or standard, you can open the source and see who it describes. Revvy labels each of its own targets "a judgement and not an industry figure", because it holds no benchmark data.

Evidence to request. The target behind each figure, the reasoning for it, and the source of any benchmark.

3. Is it a range or a single number?

A good answer. A low, a mid-point and a high, and what sets the width. Revvy gives every money figure as a range, because a single number claims more precision than a sample of records can support. Its band widens from $\hat{A} \pm 20\%$ to $\hat{A} \pm 45\%$ as the sample shrinks.

Evidence to request. The low and the high for each figure, and what sets the width.

4. Are booking, close-rate and ticket gains added together even though they act on the same jobs?

A good answer. Gains that act on the same jobs are combined, not added. Booking more leads produces more quotes, closing more quotes produces more jobs, and raising the ticket raises those same jobs, so adding all three counts one job three times.

Revvy counts one of booking and close rate in full and the other at a share, 40% by default, a judgement you can change. It shows the average-ticket what-if beside the total and never adds it in, and it shows the total line by line.

Evidence to request. How gains that act on the same jobs were combined.

5. How many days of records sit behind a yearly figure, and is seasonality addressed?

A good answer. A yearly figure rests on a full year of records, or says how many days it scaled up and that trades work is seasonal. Revvy scales nothing to a year below 60 days of records, and adds a seasonality note from 60 to 364 days.

Evidence to request. The first and last record date behind each yearly figure.

6. Are one-time lists, such as open quotes and lapsed customers, kept apart from yearly figures?

A good answer. Open quotes and lapsed customers are a stock that exists today. A sound figure counts them once, totals them apart from the yearly figures, and never multiplies them up to a year, which would invent quotes and customers that do not exist.

Evidence to request. Which figures are one-time and which are yearly.

7. Is it revenue or gross profit, and is a margin on file?

A good answer. The figure says which it is. A profit figure uses the business's own gross margin, from its books, for the same period. Revvy leaves profit blank when no margin is on file, rather than borrow an industry average.

Evidence to request. Gross margin for the same period, from the books.

8. Can the schedule run the added jobs, and was capacity recorded or inferred?

A good answer. Added jobs are checked against the crews and the schedule. Capacity recorded by location and week is better evidence than an estimate, and an estimate says how it was made. Revvy scales a figure down when the added jobs need more open slots than the schedule has, and says so when no capacity is recorded.

Evidence to request. Recorded schedule capacity by location and week, or how it was estimated.

9. What share of leads comes from the top source?

A good answer. Leads by source over a full year, so you can see how much of the pipeline rests on one channel. A gain priced on a business that gets most of its leads from one source depends on that source staying as it is. Revvy's acquisition view shows lead-source concentration for each business.

Evidence to request. Leads by source for at least twelve months.

10. Which checks had no data, and were they left out or counted as zero?

A good answer. The checks with no data are named, with the reason, and left out of any score or total. Counted as zero, a check nobody could run reads as a clean bill of health. Revvy leaves such a check out of the score entirely, numerator and denominator, and shows its data coverage beside the score.

Evidence to request. The checks with no data, and how each one was treated.

11. Does any valuation use an earnings basis and a multiple you chose?

A good answer. Any value put on the business names its earnings basis and its multiple, and both are yours to choose, not the seller's. Revvy's valuation scenario asks the user for both and labels the result a scenario, not a valuation.

Evidence to request. The earnings basis and multiple behind any value, and who chose them.

12. Can you rebuild each figure from its working?

A good answer. You can redo each figure from its formula, the records it counted, its target and its range, and land on the same number. In Revvy every money figure opens to that working, and the total is built line by line so anyone can rebuild it.

Evidence to request. The working for each figure: formula, records counted, target and range.

Three answers from the demo

Revvy's demo data covers three demo businesses. Each one answers some of the questions above the way a sound figure should.

Demo

Fabrikam Roofing: questions 5 and 10

Fabrikam Roofing has 19 days of records, from around a September hailstorm. Revvy gives it no score, not a score of zero, and scales nothing to a year. Every check says "not enough data", with its reason.

Demo

Northwind Heating & Air: a low score is not a weak business

Northwind Heating & Air, an HVAC business with three locations, is the strongest operator of the three demo businesses. It has the lowest Opportunity Score of the three, 8 out of 100 as the app shows it, at 100% data coverage.

The score measures supported upside, not health, and a well-run business has less headroom. In the demo, each of Northwind's figures opens to the records it counted, its target and its range, so you can see why the total is small.

Demo

Contoso Plumbing & Drain: question 4

Some of Contoso's opportunities act on the same jobs, so Revvy does not add their full values: one counts in full and the others at a share, 40% by default, a judgement you can change. Figures that add jobs are also scaled down to fit the open slots on the schedule.

Turn the gaps into a data request

Every question you marked partly supported, unsupported or not asked lands on the data request at the foot of the worksheet, with your own evidence line or the suggested one. Print it.

For the operating records themselves, use the buyer version of the Records Checklist

(<https://revvyrocket.com/resources/records-checklist/#buyer-version>): six exports, the fields that matter in each, and the period to ask for.

CHECKLIST

The Records Checklist →

A gap list of exports and fields, and how many days of records you have.

What Revvy will not do

Revvy will not say what a business is worth. Its acquisition view has a valuation scenario, and that scenario needs your own earnings basis and your own multiple. The result is labelled a scenario, not a valuation.

It holds no industry benchmarks, and no figure appears that is not in the records or worked out from them.

The acquisition view in the demo

The acquisition view sets businesses side by side on revenue, the profit information on file, Opportunity Score, data coverage, lead-source concentration, sales conversion, repeat business, capacity and the estimated improvement, with downside, base and upside cases.

In the demo data it holds all three demo businesses, and the demo opens with no sign-in, as a demo analyst. [Open the acquisition view in the demo \(https://app.revvyrocket.com/acquisition\)](https://app.revvyrocket.com/acquisition).

For how to read upside in a memo, question by question, see [Upside in a deal memo: 12 questions before the model \(https://revvyrocket.com/blog/upside-in-a-deal-memo/\)](https://revvyrocket.com/blog/upside-in-a-deal-memo/).

Sources

1. U.S. Small Business Administration. Buy an existing business or franchise

<https://www.sba.gov/counseling/plan-your-business/#buy-franchise>. No date shown on the page.

General guidance, not specific to the trades. The page lists documents an attorney and accountant typically review: letter of intent, confidentiality agreement, contracts and leases, financial statements, tax returns, sales agreement, purchase price adjustment.