

You and your buyer are watching different numbers.

The numbers that set your price are the ones your ledger was never built to produce.

01 What the buyer focuses on

Your monthly reporting comes off the P&L: revenue, gross margin, customer count, growth. The buyer's investment memo, strategic or sponsor, focuses somewhere else: net and gross revenue retention, logo churn, cohort curves, CAC payback and the magic number. None of them can be built from the P&L alone. They need revenue by customer by period, with new, expansion, contraction and churn told apart. Call it the customer cube.

The P&L tells a buyer how big you are. The cube tells them what multiple to pay.

02 Clean books, wrong answer

Your controller has a big job: invoices, contract extensions and amendments, customer changes, sales tax, all bound by a byzantine set of GAAP rules. That work is necessary, but it isn't what the corporate development lead at a strategic or the partner at a sponsor is writing about. Their investment memo is built on the customer numbers, and the memo is what sets the price.

In diligence, the buyer builds its own cube from your billing data. Say a customer renews a month late. They never stopped using the product and your revenue is the same. But the buyer's data shows a lost customer and then a new one, so churn goes up and retention goes down. If you don't have your own numbers to show otherwise, the buyer's worse version goes in the memo, and it costs you on price for no reason.

03 The workflow nobody owns

It's a second workflow, run next to the close from the same documents, and owned by no one. The controller's mandate ends at the standard; the CEO assumes accounting covers it. So it tends to get built when someone says it's time to sell, the one moment it can't be done well. Run alongside the close, it's routine.

Buyers will assume your GAAP is correct, but the economic tracking is where they'll spend most of their time and internal debate.