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I want to buy a business. Now what?

Congratulations for choosing to enter the world of business ownership. You've dreamed of being your own boss, creating financial independence for your family and taking advantage of certain tax incentives that are available to business owners.

Because the odds of survival are stacked against start-up ventures, you've wisely chosen to purchase an existing business. Existing businesses generally have name recognition, repeat customers, and experienced employees. These elements combine to provide an immediate cash flow and working capital.

Working with the right Business Broker or Merger & Acquisition Intermediary can make the difference between success and failure in finding the right business and paying the best price.

We strongly suggest that you clearly define your acquisition criteria, including but not limited to:

- Industry preference,
- Geographic preference,
- Willingness to commute and/or travel,
- What skills you possess and how those skills will translate to ownership success,
- How many, and which hours are you willing to work,
- Time frame for making the acquisition,
- The amount of money you have available for a down payment, and
- Source of acquisition funds.

Now, will you pursue a pot luck, hunt & peck approach or an active, defined approach?

Many business buyers use the pot luck, hunt & peck approach, but it is less likely method for locating the best business for you. A pot luck, hunt & peck approach involves contacting local Business Brokers and M&A Intermediaries to introduce yourself as a business buyer. You will be required to submit a Confidentiality/Non-Disclosure Agreement and Buyer Profile. You will have to offer some evidence of your financial resources and ability to obtain acquisition financing. When those steps have been completed, the Business Broker or M&A Intermediary will discuss with you the businesses they represent that best match your acquisition criteria. It is important for you to remember that, in these situations, the Business Broker or M&A Intermediary represents the Seller, not you. Although the Business Broker or M&A Intermediary is obligated to treat you fairly, his/her fiduciary duty is to the seller.

Another important item to remember is that if a business is listed for sale, then there may be an undetermined number of competitors who are also interested in purchasing the same business you are. This is not a strong negotiation position of strength.

Because the decision to buy a business is probably the largest financial decision you will ever make, and because of the impact it will have on you and your family, the active, defined approach should be the method of choice. This method involves hiring a Business Broker or M&A Intermediary to represent you.

The business that best fits your acquisition criteria may not be on the market for sale. As such, you may be the only potential purchaser in discussions with that business owner. With no buyer competition, you are in a strong negotiation position. As your professional representative, we can approach the owners of non-listed business to determine their level of interest in selling, and present you and your capabilities as a potential buyer.

Dailey Resources has a history of successfully representing buyers of privately held businesses. Types of Buyers (Strategic, Financial, and Job Finder) include Corporations, Private Equity Groups, and high net-worth individuals. Members of our Deal Team will work with you to identify, screen, and initiate conversations with potential acquisition or investment targets.

To learn more about our Buy Side Representation, please call us (817-663-0001 or 972-354-1000) or send an email to mjdailey@daileyresources.com to schedule a confidential, no obligation consultation.

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