

What Is A Buyer's Profile?

Buyers buy a business for many of the same reasons that sellers sell businesses. It is important that the buyer is as serious as the seller when it comes time to purchase a business. If the buyer is not serious, the sale will never close. Here are just a few of the reasons that buyers buy businesses:

- Laid-off, fired, being transferred (or about to be any of them)
- Early retirement (forced or not)
- Job dissatisfaction
- Desire for more control over their lives
- Desire to do their own thing

A Buyer Profile

Here is a look at the make-up of the average individual buyer looking to replace a lost job or wanting to get out of an uncomfortable job situation. The chances are he is a male (however, more and more women are going into business for themselves, so this is rapidly changing). Almost 50 percent will have less than \$100,000 in which to invest in the purchase of a business. In many cases the funds, or part of them, will come from personal savings followed by financial assistance from family members. The buyer will never have owned a business before, and most likely will buy a business he or she had never considered until being introduced to it.

Their primary reason for going into business is to get out of their present situation, be it unemployment or job disagreement (or discouragement). Prospective buyers want to do their own thing, be in charge of their own destiny, and they don't want to work for anyone. Money is important, but it's not at the top of the list, in fact, it probably is in fourth or fifth place in the overall list. In order to pursue the dream of owning one's own business, buyers must be able to make that "leap of faith" necessary to take the risk of purchasing and operating their own business.

Buyers who want to go into business strictly for the money usually are not realistic buyers for small businesses. Keep in mind the following traits of a willing buyer:

- The desire to buy a business
- The need and urgency to buy a business
- The financial resources
- The ability to make his or her own decisions
- Reasonable expectations of what business ownership can do for him or her