

The Buyer's Ten Commandments

1. Thou Shalt Not Be Greedy!

Sellers deserve a fair price for the years they have spent developing their businesses. Be prepared to pay for the goodwill of the business.

2. Thou Shall Have A Good Reason For Buying!

Buying a business is hard work! It takes a commitment! Spend time deciding why you want the responsibility of owning a business.

3. Thou Shalt Provide Background Information!

Be prepared with a resume and financial statement. Remember, the seller will most likely be a part of your financing sources and will want to know that you can run the business successfully.

4. Thou Shalt Keep An Open Mind!

There are no perfect businesses.

5. Thou Shalt Keep In Mind Tax Benefits!

Remember tax benefits are realized from intangible as well as tangible assets.

6. Thou Shalt Offer A Reasonable Down Payment!

A low down payment indicates a lack of commitment. When sellers question commitment, serious negotiations are in jeopardy.

7. Thou Shalt Realize Businesses Are Priced On Profits!

A business making huge profits with few assets could save you money later in capital outlay for expansion.

8. Thou Shalt Remember Time Is Of The Essence!

After all parties have agreed upon price and terms it is important to quickly proceed toward closing.

9. Thou Shalt Be Prepared To Meet the Landlord!

Landlords usually have little to gain by cooperation. Therefore, come to meetings armed with resume and financial statement. Business Owners who own the business property personally generally will offer reasonable T's & C's.

10. Thou Shalt Avoid Surprises!

Disclose pertinent information early and avoid surprises that might destroy your credibility. Be sure to review this with your Intermediary as they can help you explain any issues to the Seller prior to making a decision to pursue the business.