



## PURCHASER'S PROFILE

Buying a business is not easy; you will have questions and concerns. Selling a business creates just as many questions and concerns for the seller. You can often get a significantly better price and terms by being aware of the seller's needs and removing some of his/her uncertainties.

### **Resume and Financial Statement**

The more information the seller has on your experience, qualifications and financial situation, the more likely he/she will be to accept your offer to purchase. By extending financing to you, the seller is acting as your banker and he needs to feel comfortable with you. Remember, once the seller accepts your offer, he is committed, but you still have contingencies to remove before moving ahead.

### **Most Offers to Purchase**

Most Offers to Purchase have contingencies, that is, they become void unless certain things happen. All offers are contingent upon, or subject to your price and terms being accepted.

An offer could also be contingent upon:

- Books and records approved (to your satisfaction)
- All equipment being in working condition
- Assignment of lease
- The business being sold free and clear of debt
- Ability to get necessary licenses and permits
- Business passing necessary inspections

If any of the contingencies in an offer are not met within the time frame you set, the offer is void and your deposit is returned to you.

Most offers also have conditions imposed on the seller, such as:

- Providing a non-compete agreement
- Agreeing to a specified training period for the buyer
- Confidentiality of the terms and conditions of the sale

### **A Fair Offer**

A fair offer is one that realistically satisfies the needs of both you and the seller. Sometimes this results in an offer that is different from the listed terms. We help develop a win-win Offer to Purchase. A word of caution: What about unreasonable offers? They can damage your relationship with the seller, possibly reducing your chances of getting the business for a fair price.

### **Reasonable Down Payment**

Every buyer wants to conserve cash, but a very low down payment can indicate a buyer's lack of commitment to the business. The number one concern of sellers is the safety of taking a note from the buyer. If the seller questions a buyer's commitment or seriousness about the business, the seller may not negotiate seriously with that buyer.

### **Quick Removal of Contingencies**

It's to everyone's advantage to proceed through the contingency removal phase in a quick but thorough fashion.