

10 Ways to Increase Your Chances for Success when Acquiring a Business...

Building Trust with lenders.

Bottom line...no business ownership transaction will be consummated without adequate funding. Consequently, from the beginning of negotiations, issues must be documented in accordance with lending requirements and based on appraised values. The owner of the business should have secured an independent third-party appraisal prior to placing the business on the market. This will save you the expense of securing one and give you a sense of security in making your offer.

Building Trust with the owners of the business.

It has been said that a person's house is their castle, but we know it's the business that pays for the castle. This is why business owners are emotionally attached to their business as well as financially concerned. Therefore you will need to build trust with the owner and his/her representatives before you will see much compromise in negotiations.

Identify your decision makers.

Don't waste time and money of the owner in providing information and discussions with persons who cannot make your final decisions. The owner, like you, is spending money on professionals and will soon lose interest if he/she is not dealing with the principals of your acquiring entity.



Be Up-front about your financial and geographical requirements, as well as your management abilities.

Don't waste anyone's time on anything that you cannot afford, is not within your geographical and personal requirements, or does not meet your ultimate earning goals. Voluntarily provide all of this information in your first meeting with the owner or his/her representatives.

Proceed in a timely manner!

Many things will appear on the list of actions in the acquisition of a business. From the initial request for information, on-site visit, negotiations, LOI (Letter of Intent), deal structure, financing, due diligence, final purchase agreement and through the consummation, you will want to keep things on a dependable time table to avoid suspicion that results in delays. Additionally, you must realize you are not the only one considering this business and you will want to proceed timely so as to not spend time and money in an effort that is lost to someone else.

Avoid Due Diligence Fatigue.

You are entitled to verification of everything promised; however, make the investigation an organized effort that avoids repeated expenses and time consumed by all parties. Organize an organized calendar that calls for speedy performance by all and wasted time by none. Once an issue is settled, do not reopen it, or you may find the other party not willing to honor other commitments, which you thought were settled.

Confidentiality is a requirement.

Propriety information and relationships is a significant part of what you are acquiring. Do not allow leakage or it could damage the value of what you are purchasing and/or expose you to liability.

Plan Well for the days after consummation.

What happens after your acquisition is important, so don't let anything happen during the process that will dampen the smooth transition to your new entrepreneurial adventure. Your relationship with employees, suppliers, regulators, clients and former owners must be maintained in an ongoing spirit of success. Plan a detailed process, build confidences and execute with precision to guarantee your success!

What to do if your attempt to acquire a business does not succeed.

The possible failure in an acquisition attempt may not be the end of your successful adventure; in fact, it may be a blessing in disguise. This is the time to secure the services of a Primary Business Consultant to represent your specific interest in locating a business that better fits your requirements.

This activity is known as a Targeted Business Search in which the consultant will confidentially search every existing business that meets your geographical, financial, professional, and personal requirements. For more information about our Targeted Business Search service, please call and ask for our *Guide to Entering Business Ownership*.



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