

## Five Tips when buying a business

### 1. Develop a buying criteria

Develop buying criteria so that every business you view can be analysed based on your predetermined criteria. For example how much can you spend, how much do you want to earn, what do you want to do, what don't you want to do, which industries do you like or dislike, where can it be based, what kind of products or services does it offer etc. Instead of searching aimlessly sit down and write out exactly what boxes your dream business needs to tick.

### 2. Get finance arranged before you start searching

Too many buyers assume they are able to get the funds to purchase. Unless you're using cash, you need to get finance approved or arranged prior to starting your search as this can effect your budget. Go to your bank or finance broker and have them assess your situation in detail, even set up finance facilities if possible, so that you know to the cent of what you can borrow or pay for a business. After all, it's no fun finding your dream business only to find out three weeks later your can't pay for it.

### 3. Be confident

If you're serious about buying, ie. you're willing to sign a contract, then act confidently. Having finance in place and a buying criteria will ensure you're able, but ask yourself are you willing? Acting confident when buying a business will ensure you don't miss a good opportunity. In today's market, good businesses don't come up very often, when they do you want to act quickly and confidently to avoid hesitating and missing out.

### 4. Get the right advisors

You're going to need a good accountant and good solicitor that specialise in business. This often may not be your existing advisors. Try to get referrals from other successful people in business and make sure you interview a few before making a choice. Not all accountants and solicitors are created equal and their fees vary dramatically so make sure you do your home work.

### 5. Do your home work

There's a lot of horrible business out there and you really don't want to own one. Make sure you do proper due diligence when buying a business. Don't just have your accountant verify figures, research the industry, the owners and history of the business etc. You need to know two things. One that the business actually performs the way it has in the past and secondly that its able to continue to do so in the future.

For further information on how to buy a business please contact us today for a confidential discussion.

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