

Sunbelt offers a unique combination of expertise and market reach capability to help companies and individuals acquire or sell businesses. We have over 250 offices in the United States and 11 international locations, staffed with seasoned professionals hailing from various industry backgrounds. To address the specific needs of our target customers, we operate three divisions: **Main Street Business Brokerage, Mid-Market Mergers and Acquisitions and International Business Acquisitions.** The combined resources and the expertise in those divisions puts us in a unique position to help a wide range of clients reach their objectives in a timely and cost effective fashion. Since the inception of Sunbelt in 1981, we continue to strengthen our network, innovate on our processes and leverage new technologies to meet the evolving needs of our customers. Entrepreneur Magazine selected us as the top business brokerage franchise in the United States several years in a row. The 4000 transactions we concluded by 2005 bear testimonial to our performance. Qualified and experienced staff of professional business advisors are responsible for our continuous success and growth. They all have experience in starting, growing, managing, buying and selling businesses. As long-time local residents, all our business advisors are familiar with their region's economy and businesses. Their guiding business principles are always: **confidentiality, integrity and effectiveness.**

### **Main Street Brokerage**



"Main Street Businesses" constitute the largest section of businesses in the United States; they also constitute the bulk of Sunbelt's activities. Each year thousands of them change ownership for a variety of reasons. That transfer process can be fraught with potential difficulties if it is not managed properly. Sunbelt Business Sales & Acquisitions has made professional business brokerage services accessible to "Main Street Business" owners. We take pride in our ability to help them get the best value for their hard work and work with buyers to realize their dream of being their own boss and securing a better future with good opportunities. Each year, we make thousands of such transactions possible.

### **Mid-Market Merger and Acquisitions**



M&A transactions often involve a complex process requiring experienced professionals. In addition, the best buyers are often the furthest away. To address these needs, Sunbelt offers M&A representation utilizing experienced M&A professionals in Sunbelt's 250 offices in the US and 11 in other countries. Alternative representation on the level that Sunbelt offers has generally not been accessible and/or affordable for the mid-market. Investment bankers and boutique M&A firms either decline to represent the mid-market, due to the limiting size of billable fees, or charge relatively high upfront fees, which are prohibitive to most midmarket sellers. By leveraging upon Sunbelt's huge infrastructure, professional M&A services are now available to the mid-market with no or minimal upfront fees.

### **International Business Acquisitions**



The United States is a very attractive market for both corporate and individual investors from around the World. For corporate buyers, acquiring an existing business may be the best way to get established in the US market. The objective of individual buyers may be to secure a steady source of income or diversify their portfolio. Whatever your objective, Sunbelt has developed a process to help you succeed. Our International Practice will help you identify the type of company that best suits your objectives, with a specific emphasis on cultural compatibility. In order to handle the immigration related issues, we have teamed up with an experienced law firm specialized in immigration law. This provides our international clients with a seamless process to address all the issues related to a trans-border acquisition.

***We look forward to putting our expertise to work for you***



## SERVICES



The decision to buy or sell a business is a major one, but it need not be a complicated one if you retain the services of a qualified business brokerage firm. Our aim is to help you exceed your goals as you sell or buy a business.

### For prospective sellers

You have invested time, money and energy into building a successful business that you have now decided to sell. Our expertise is to work with you to get the best value for years of hard work, in a confidential and results-oriented manner. More specifically, we will help you with the following:

-  **Determining the fair market value of the business:** The sale price of a business is a function of several factors: past sales history, upside potential, location, industry trends, timing, etc. Using well defined rules and parameters, we assist in determining the fair market value of the business for a quick successful sale.
-  **Preparing the business for sale:** We will work with the seller to develop the information, data, financial history and facts that prospective buyers need to evaluate in order to make a buying decision.
-  **Packaging and marketing the business:** A business must be properly packaged and presented to prospective buyers. On the basis of the information the seller provides us, we develop a marketing plan, presentation materials and a list of prospective buyers from those already registered with our office. To get the best value for the business, we market it to a larger pool of buyers, locally, nationally and internationally.
-  **Screening and qualifying prospective buyers:** We obtain from each buyer a non-disclosure agreement to ensure confidentiality. We develop buyer profiles, which include financial resources, objectives and area of interest. This ensures that the business will be shown only to serious qualified buyers.
-  **Showing and negotiations:** We arrange the showing of the business at times that are convenient for the seller and that do not interfere with normal daily operations. The seller continues to focus his time and energy on running his company and leaves it to us to find the right buyer.

### For prospective buyers

Whether you want to become your own boss, ensure a lifetime of employment or diversify your investment portfolio, we can find the right business. For each business available for sale, that meets your criteria, we will present to you all the information you need to make an informed purchase decision.

-  **Buyers needs assessment and validation:** We meet with the buyer to discuss and validate their needs and requirements in order to match them against businesses in our inventory.
-  **Specific domestic and international searches:** We then conduct a specific domestic and international search to locate businesses that correspond to your requirements.
-  **Industry trends:** As a registered Sunbelt buyer, you get automatic updates on our inventory including

# The Sell and Buy Process – Step by Step

## SELLER

### 1. Business Valuation

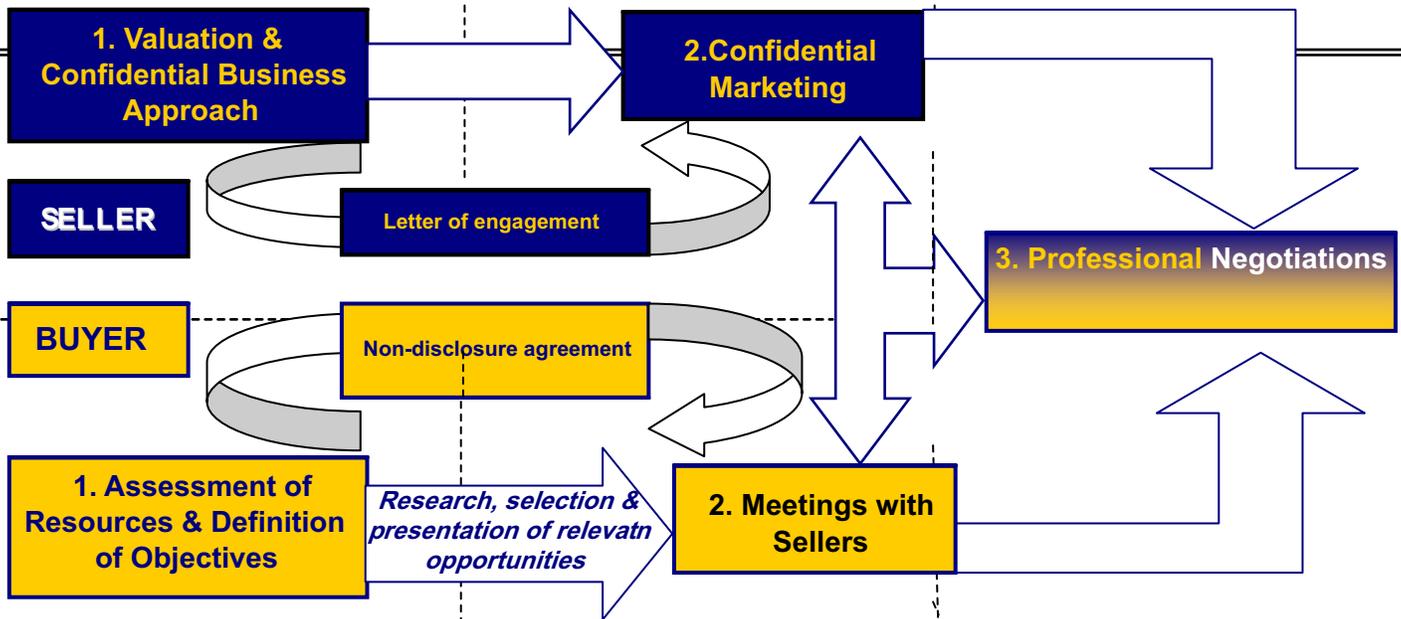
We gather information about your business and conduct an analysis to determine its fair market value. The analysis will help you decide to go to market or to wait to build value for a later exit plan.

### 2. Confidential Marketing

We develop a strategic business plan and improve the packaging of your business to prospective buyers to maximize the value of your business. We also conduct a targeted qualified buyer search.

### 3. Professional Negotiations

Offers are submitted to us for review and forwarded to you. We guide you through each step of the complex negotiation process to optimize the sale value of your business.



## BUYER

### 1. Resource and Objectives Assessment

We work with you to better define your objectives and your resources and to discuss the buying process. You sign a non-disclosure agreement to ensure the confidentiality of the information shared with you .

### 2. Meeting Appropriate Sellers

We present to you pertinent data and facts about the businesses that meet your criteria. We also arrange and coordinate site visits and sellers meetings for the selected businesses.

### 3. Professional Negotiations

We receive and present your offer to the seller and guide you step by step through the complex negotiation process.





## **FACTS ABOUT SUNBELT**

- First began business brokering in 1981
- Total transactions in 2005 exceeded \$1 billion
- Over 4000 transactions
- 250+ US offices
- 11 International offices
- 1400+ business brokers

### **Sunbelt Divisions/Groups (New England Territory)**

- Business Sales & Acquisitions
- Mergers & Acquisitions
- Investment Banking
- Franchise Sales
- Franchise Resales
- Outsourcing Services
- Business Coaching

[www.sunbeltne.com](http://www.sunbeltne.com)  
[www.sunbeltnetwork.com](http://www.sunbeltnetwork.com)  
[www.blackbridgepartners.com](http://www.blackbridgepartners.com)  
[www.sunbeltmergers.com](http://www.sunbeltmergers.com)

## STANDARD REPRESENTATION SERVICES



### VALUING THE BUSINESS 1

- Sunbelt Business Valuation
- Third Party Valuation



### PREPARING TO SELL 2

- Asset List
- Lease Summary
- Federal Tax Returns
- Profit and Loss Statements
- Upside Potential Summary
- List of Sizzle Points
- List of Defects in Business
- Pre-qualify for SBA Loan, if appropriate



### PACKAGING THE BUSINESS 3

- One-page Summary
- Internet Listing Summary (Generic)
- Bound Marketing Presentation if appropriate



### MARKETING THE BUSINESS 4

- Prepare Marketing Plan
- Ad Composition
- Direct Mail Campaign, if Appropriate
- Newspaper Advertising
- Internet Advertising:  
Search Sunbelt Buyer Database



### QUALIFYING THE BUYER PROSPECT 5

- Non-Disclosure Agreement
- Buyer Interview & Profile

### SHOWING & NEGOTIATING 6

- Preliminary Discussion
- Show Business
- Prepare Seller for Buyer Meeting
- Assist in Deal Negotiations



### PREPARING THE PURCHASE AGREEMENT 7

- Due Diligence List
- Coordinate with Advisors for Preparation of Purchase Agreements



### CONDUCTING DUE DILIGENCE 8

- Checklist Development and Contingency Sign-Off
- Compilation of Due Diligence Materials
- Due Diligence Assistance



### ASSISTING IN FINANCING 9

- SBA Loan, if Applicable
- Seller's Promissory Note, if Applicable
- Other Third-Party Sources, if Appropriate
- 401(K)/Retirement plan loans



### CLOSING THE TRANSACTION 10

- Obtaining Lease Assignment, if Applicable
- Developing Orderly Turnover Plan
- Closing Coordination

# TYPICAL MARKETING PLAN

- Complete Packaging of the Business.
- Newspaper Advertising.
- Contact Buyer Prospects Database.
- Direct Mail Campaign
- Trade Publication Classified Advertisement( if necessary)
- List on the Leading Internet Sites (as appropriate):
  - Sunbeltnetwork.com
  - Bizbuysell.com
  - Mergernetwork.com
  - Bizquest.com
  - Mergerplace.com
  - Sellerworks.com
  - USBX.com
  - IBBA.com
  - USAbizforsale.com
  - Businessesforsale.com

## Why conduct a Business Valuation?

- Establish a listing price that maximizes value to the business owner
- Present the true economic value of the company
- Assemble and package all the information necessary to support the established value of the business
- Prevent “lost deals” caused by delays in researching the information required by the prospective buyer
- Showcase the business in the best light and a more professional manner
- Provide the back-up documentation required for the seller or buyer to obtain financing
- Allow the buyer to substantiate the value to his legal, accounting and professional advisors
- Enable professional advisors to do a better job of structuring the transaction
- Identify issues that need to be addressed in order to better position the business for future sale
- Facilitate the tax and estate planning by the business owner
- Sell the business faster - The International Business Broker Association has indicated that Businesses sell 35% faster when an investment is made in a business valuation.

## Request for Additional Information

We will do everything possible to sell your business quickly, expeditiously and at the price and terms listed. We will submit all offers to you for your consideration. We will also contact you frequently to advise you on the reaction of the marketplace and what can be done to make the business more saleable.

In order to complete our file on your business and to prepare our presentation information and marketing program, we will need the following items that have been checked.

❖ Profit and Loss Statements/Balance Sheet for the years: **200\_\_**, **200\_\_**, and **200\_\_**.

❖ Federal Income Tax Returns For the years 200\_\_, 200\_\_, 200\_\_.  
(either Schedule C with addenda, Corporate or Partnership)

❖ Copy of the Lease and related documents, such as any assignments of the lease

❖ A current list of the Furniture, Fixtures & Equipment

❖ Documentation on the following loans against the business

❖ Copies of Equipment Leases if any

❖ A current, or most recent, schedule of inventory

❖ Other: \_\_\_\_\_

❖ Other: \_\_\_\_\_

❖ Other: \_\_\_\_\_

❖ **Name and telephone number of your outside professionals**

**Attorney:** \_\_\_\_\_ Phone \_\_\_\_\_

Address: \_\_\_\_\_

E-Mail: \_\_\_\_\_ Fax: \_\_\_\_\_

**Accountant:** \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_

E-Mail: \_\_\_\_\_ Fax: \_\_\_\_\_

**Other:** \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_

E-Mail: \_\_\_\_\_ Fax: \_\_\_\_\_

Any information you furnish is kept confidential and will be disclosed only to those buyers we feel are qualified to purchase your business.

## Selling Your Business? Follow These Ten Commandments To Avoid Wrecking the Deal.

1. Place a reasonable price on your business. Since an inflated figure either turns off or slows down potential buyers, rely on your business broker to help you arrive at the best "win-win" price.
2. Carry on "business as usual." Don't become so obsessed with the transaction that your attention wavers from day-to-day demands, affecting sales, costs, and profits. Since the selling process could take as long as a year, the buyer needs to keep seeing a healthy business.
3. Engage experts to insure confidentiality. A breach of confidentiality surrounding the sale of a business can change the course of the transaction. Expert intermediaries can channel the process and the parties involved to keep the sale within safely silent bounds.
4. Prepare for the sale well in advance. Be sure your records are complete for at least several years back and do all pertinent legal or accounting "housecleaning"--as well as a literal sprucing-up of the plant or store.
5. Anticipate information the buyer might request. In order to obtain financing, the buyer will need appraisals on all assets as well as information to satisfy environmental regulations (when real estate is concerned).
6. Achieve leverage through buyer competition. This can be tricky; you are wise to let your business broker, as a third party, create a competitive situation with buyers to position you better in the deal.
7. Be flexible. Don't be the kind of seller who wants all-cash at the closing, or who won't accept any contingent payments or an asset transaction. Depend on the advice of your intermediaries--their knowledge of financing and tax implications-- to keep the deal sweet instead of sour.
8. Negotiate; don't "dominate." You're used to being your own boss, but be prepared to learn that the buyer may be used to having his way, too. With your business broker's help, decide ahead of time when "to hold" and when "to fold."
9. Keep time from dragging down the deal. To keep the momentum up, work with your intermediary to be sure that potential buyers stay on a time schedule and that offers move in a timely fashion.
10. Be willing to stay involved. Even if you are feeling burnt-out, realize that the buyer may want you to stay within arm's reach for a while. Consult with intermediaries to determine how you can best effect a smooth transition.

## Selling Your Business Yourself? NOT a Good Idea

The independent business owner who decides to sell is at the threshold of a major process involving the emotions as well as the marketplace. In many cases, the business for sale represents the seller's life work. Being the independent type to begin with--as well as someone who knows about deals and sales--the tempting notion sometimes arises: *Why don't I handle the sale of my business myself?* Those sellers with similar temptations should first take a look at the steps necessary for the successful business sale--and at the advantages of taking those steps in tandem with the best possible professional guide.

**Preparing the business for sale.** What looks good or just fine to the seller could make quite the opposite impression on prospective buyers. The weathered sign out front that the seller thinks is "rustic" might strike a buyer as in need of a fresh coat of paint. On the other hand, improvements planned by the seller may be either unnecessary or wrongly conceived. In either case, sellers would be wise to rely on the advice of a business broker--a professional with experience in dealing regularly with buyers and with the objectivity required to set the business scene to its best advantage. Of course, preparing a business for sale goes beyond outward appearances. Ultimately, a business will sell according to the numbers. A business intermediary can be invaluable in helping the seller provide financial records that are clear and up-to-date.

**Pricing and evaluation.** All sellers naturally want to get the best possible price for their business. However, they also need to be realistic about the true value of the company for sale and to understand that price is, in fact, dictated by the marketplace. To determine the best price, a professional business broker will use industry-tested valuation techniques, including ratios based on sales of similar businesses, as well as the historical data of the type of business for sale.

**Marketing and advertising.** The professional business broker is key to the marketing of a business. He or she will prepare a marketing strategy and offer advice about essential marketing tools: everything from a business description to newspaper advertising. Business brokers, through their data bases of buyer prospects, professional associations and other networks, can get the word out about the business far more effectively than any owner could manage on an individual basis.

**Presenting the business.** The professional business broker is experienced in handling the typical objections and negative "readings" many typical buyers will raise. Does the business lack parking space? Is its location less than ideal? The business broker has the skills to balance negatives with positives, or to point out that what appears to be a disadvantage is not always the case. In addition to skill, a business broker also offers the seller convenience. Sellers often fail to visualize the number of buyer calls they would have to field if handling the sale on their own. The business owner working with a broker can continue managing his or her business at the same time the selling process is underway.

## **Selling Your Business Yourself? NOT a Good Idea**

**Negotiating the business sale transaction.** The business broker will be the most vital advisor to sellers during any stage of the sale transaction. Steeped in knowledge about negotiating price, terms, and other key aspects of the sale, the broker will guide the seller each step of the way. During the early stages, while the buyer is still considering making an offer, the broker is the ideal person to follow up and keep the deal running smoothly. Sellers working alone could lose bargaining effectiveness by doing the follow-up themselves.

**Mastering the paperwork.** Even though business owners handle mountains of paperwork as a part of doing business, few of them have had training in the specialized contracts and forms required for the sale of a business. The business broker is an expert at sales transaction details. This expertise will help guard against delays, problems, and--that worst of all possible worlds--the "wrecked" deal.

**Qualifying buyers.** The business broker will determine the right buyer for the right business, focusing on those prospects who are financially qualified and who are genuinely (or potentially) interested in the type of business for sale. For locating and qualifying prospective buyers, a business broker uses computerized databases to access comprehensive lists of local, national and international buyers--all to increase the chances of selling a business at peak value, and almost as important, to avoid wasting the seller's valuable time.

**Maintaining privacy and confidentiality.** When a business broker is involved in the sale, bringing to the business only those prospective buyers who qualify, it is also easier to maintain confidentiality during the selling process. Until a purchase-and-sale agreement has been signed, most sellers do not want the word to reach their customers, competitors, employees, or even their bankers. A business broker helps by using nonspecific descriptions of the business, by requiring signatures on strict confidentiality agreements, by screening all prospects, sometimes phasing the release of information to match the growing evidence of buyer sincerity and trustworthiness.

Professional business brokers provide all these vital services, and more, for the seller of a business. This is one time where "do-it-yourself" just can't measure up--in terms of money, time, and the general success of the sale.

## **Rating Today's Business Buyers**

Once the decision to sell has been made, the business owner should be aware of the variety of possible business buyers. Just as small business itself has become more sophisticated, the people interested in buying them are becoming more divergent and complex. The following are some of today's most active categories of business buyers:

### **Family Members**

Members of the seller's own family is a traditional category of business buyer: tried but not always "true." The notion of a family member taking over is amenable to many of the parties involved because they envision continuity, seeing that as a prime advantage. And it can be, given that the family member treats the role as something akin to a hierarchical responsibility. This can mean years of planning and diligent preparation, involving all or many members of the family in deciding who will be the "heir to the throne." If this has been done, the family member may be the best type of buyer.

Too often, however, the difficulty with the family buyer category lies in the conflicts that may develop. For example, does the family member have sufficient cash to purchase the business? Can the selling family member really leave the business? In too many cases, these and other conflicts result in serious disruption to the business or to the sales transaction. The result, too often, is an "I-told-you-so" situation, where there are too many opinions, but no one is really ever the wiser. An outside buyer eliminates these often-insoluble problems.

The key to deciding on a family member as a buyer is threefold: ability, family agreement, and financial worthiness.

### **Business Competitors**

This is a category often overlooked as a source of prospective purchasers. The obvious concern is that competitors will take advantage of the knowledge that the business is for sale by attempting to lure away customers or clients. However, if the business is compatible, a competitor may be willing to "pay the price" to acquire a ready-made means to expand. A business brokerage professional can be of tremendous assistance in dealing with the competitor. They will use confidentiality agreements and will reveal the name of the business only after contacting the seller and qualifying the competitor.

### **The Foreign Buyer**

Many foreigners arrive in the United States with ample funds and a great desire to share in the American Dream. Many also have difficulty obtaining jobs in their previous professions, because of language barriers, licensing, and specific experience. As owners of their own businesses, at least some of these problems can be short-circuited.

These buyers work hard and long and usually are very successful small business owners. However, their business acumen does not necessarily coincide with that of the seller (as would be the case with any inexperienced owner). Again, a professional business broker knows best on how to approach these potential problems.

## **Rating Today's Business Buyers**

Important to note is that many small business owners think that foreign companies and independent buyers are willing to pay top dollar for the business. In fact, foreign companies are usually interested only in businesses or companies with sales in the millions.

### **Synergistic Buyers**

These are buyers who feel that a particular business would compliment theirs and that combining the two would result in lower costs, new customers, and other advantages. Synergistic buyers are more likely to pay more than other types of buyers, because they can see the results of the purchase. Again, as with the foreign buyer, synergistic buyers seldom look at the small business, but they may find many mid-sized companies that meet their requirements.

### **Financial Buyers**

This category of buyer comes with perhaps the longest list of criteria--and demands. These buyers want maximum leverage, but they also are the right category for the seller who wants to continue to manage his company after it is sold. Most financial buyers offer a lower purchase price than other types, but they do often make provision for what is important to the seller other than the money--such as selection of key employees, location, and other issues.

For a business to be of interest to a financial buyer, the profits must be sufficient not only to support existing management, but also to provide a return to the owner.

### **Individual Buyer**

When it comes time to sell, most owners of the small to mid-sized business gravitate toward this buyer. Many of these buyers are mature (aged 40 to 60) and have been well seasoned in the corporate marketplace. Owning a business is a dream, and one many of them can well afford. The key to approaching this kind of buyer is to find out what it is they are really looking for.

The buyer who needs to replace a job is an excellent replacement. Although owning a business is more than a job, and the risks involved can frighten this kind of buyer, they do have the "hunger"--and the need. A further advantage is that this category of buyer comes with fewer "strings" and complications than many of the other types.

### **A Final Note**

Sorting out the "right" buyer is best left to the professionals who have the experience necessary to decide who are the best prospects.

## **You can help!**

We look forward to working with you in finding a suitable buyer for your business.

You, as the seller, are likely to offer a few friendly recommendations that will help in our marketing efforts.

It might also be helpful if you took a good look at your business from the perspective of a buyer. Try to put yourself in the place of a prospective purchaser of the business. What would you do to make it more attractive or more saleable?

Obviously, the financial records of your business are critical to the sale of your business, but how it looks is also important. First impressions really count! If a potential buyer doesn't like the appearance of your business, the rest of it may never get a chance.

Certainly if you have any questions, please don't hesitate to call us. It is only by working together that we will get the best results. You might want to check the following to see if any of them are applicable:

- ☺ Keep normal operating hours. There may be a tendency to "let down" when you put your business up for sale. However, it's important that prospective buyers see your business at its best.
- ☺ Repair signs, replace outside lights, etc. You don't want your business to look as if it has been neglected.
- ☺ Maintain inventory at a constant level. If you let your inventory slide, your business will look neglected. If anything, increase it so your business will look busy.
- ☺ Remove items that are not included in the sale or unnecessary items, especially if inoperative.
- ☺ Repair non-operating equipment or remove it, if you are not using it. ."Tidy-up outside premises.
- ☺ Spruce-up the inside of the business.

*Thank you*

## **Information You Should Be Aware Of**

As your business broker we will be furnishing you with this list of provisions that we generally follow in our business dealings with our sellers. We recommend that you review these provisions carefully. We believe that by understanding and utilizing them, many misunderstandings can be avoided. If you have any questions, please don't hesitate to contact us.

### **1. Selling Price**

The term 'selling price' shall include: (a) the selling price of the assets acquired plus any obligations assumed by the purchaser, (b) if the sale becomes one of stock, then the selling price will be all of the assets plus all of the liabilities of the corporation plus the value of any covenants not to compete, employment and/or consulting agreements plus the value of any allocations for goodwill and/or intangible assets.

### **2. Documents**

The seller agrees that the broker will receive copies of all documents pertaining to the sale at the same time as the seller, and that the seller will instruct their legal counsel and/or escrow professional to include the broker in all distribution of documentation pertaining to this sale.

### **3. Stock vs. Asset Sale**

The seller agrees that the (broker) has been retained to sell only the assets of the business. If the (broker) procures a buyer and the sale subsequently becomes one of capital stock, the seller agrees that the broker is entitled to the total fee stated in the listing agreement, as if the sale was one of assets only.

### **4. Withdrawn From Sale Provision**

Seller agrees that if this listing is canceled or the property withdrawn from sale during the listing term by seller, the commission shall become immediately due by seller to broker. If seller refuses or is unable to comply with the listing terms for any reason, thereby preventing disposition of the property during the listing term upon the terms set forth above, the commission shall become immediately due by the seller to the broker.

### **5. Accessing Information**

Prior to closing, the seller will provide to the buyer, his advisors and agents, access to all of the businesses' books, financial records, contracts and any other pertinent information concerning the businesses' affairs, that the buyer reasonably requests. This inspection will be conducted during normal business hours.

### **6. Submission or Offers**

Upon the seller's acceptance of an offer to purchase, letter of intent or deposit receipt made by a prospective purchaser, the broker need not advise seller of any subsequent offer(s), etc., received by the broker on the seller's business until the prospective purchaser forfeits, fails to meet predetermined deadlines or the agreement becomes null and void.

### **7. Additional Collateral**

In order to facilitate the sale of the Business, seller shall finance a portion of the purchase price. Seller's financing shall be documented by the following:

- (1) A Promissory Note signed by the buyer. If the buyer is a corporation, buyer's principal shareholder shall personally guaranty the obligation to the seller.
- (2) A Security Agreement granting seller a security interest in the assets of the business (the collateral).
- (3) U.C.C. Financing Statements to be filed as public records of seller's financing.

Seller acknowledges that the buyer shall not be required to grant to seller an interest in any assets other than the assets of the business to secure the seller's financing to the buyer.

## Important information

Selling your business is a major decision! You have devoted your time, money and energy to building, running and operating your business. It may well represent your life's work. You have decided that now is the right time to sell, and you want the very best professional guidance you can get. This is when working in tandem with a professional business broker can make the difference between just getting rid of the business and selling it for the very best price and terms!

Following are some of the most common questions asked by sellers. The responses are based on both experience and knowledge. If you have any questions that we have not covered please don't hesitate to contact us.

### **What Can Business Brokers Do And What Can't They Do ?**

Business brokers are the professionals who will facilitate the successful sale of your business. It is important that you understand just what a professional business broker can do - as well as what they can't. As your business broker we can help you decide how to price your business and how to structure the sale so it makes sense for everyone - you and the buyer. We can find the right buyer for your business, work with you and the buyer in negotiating, and coordinating every step of the way until the transaction is successfully closed. We will also help the buyer in all the details of the business buying process. Most businesses are saleable if priced and structured properly. You should understand that only the marketplace can determine what a business will sell for. The amount of the down payment you are willing to accept along with the terms of the seller financing can greatly influence not only the ultimate selling price, but the success of the sale itself.

### **How Long Does It Take To sell My Business?**

It generally takes, on average, between six to twelve months to sell most businesses. Keep in mind that an average is just that. Some businesses will take longer to sell, while others will sell in a shorter period of time. The sooner we have all the information needed to begin the marketing process, the shorter the time period should be. It is also important that the business be priced properly right from the start. Some sellers, operating under the premise that they can always come down in price, overprice their business. This theory often "backfires," because buyers often will refuse to look at an overpriced business.

It has been shown that the amount of the down payment may be the key ingredient to a quick sale. The lower the down payment, generally 40 percent of the asking price or less, the shorter the time to a successful sale. A reasonable down payment also tells a potential buyer that the seller has confidence in the business's ability to make the payments.

### **Why Is Seller Financing So Important To The Sale Of My Business?**

Surveys have shown that a seller who asks for all cash, receives on average only 70 percent of their asking price, while sellers who accept terms receive on average 86 percent of their asking price. That is a difference of 16 percent! In many cases, businesses that are listed for all cash just don't sell. With reasonable terms, however, the chances of selling increase dramatically and the time period from listing to sale greatly decreases. Most sellers are unaware of how much interest they can receive by financing the sale of their business. In some their business. In some cases it can greatly increase the amount received. And again, it tells the buyer that the seller has enough confidence that the business can indeed, pay for itself.

### **What Happens When There Is A Buyer For My Business?**

When a buyer is sufficiently interested in your business, we will help in the preparation of an offer or proposal. This offer or proposal may have one or more contingencies. Usually, they concern a detailed review of your financial records and may also include a review of your lease arrangements, franchise agreement (if there is one) or other pertinent details of the business. The buyer's proposal will be presented to you for your consideration. You may accept the terms of the offer or you may make a counter-proposal. You should understand, however, that if you do not accept the buyer's proposal, the buyer can withdraw it at any time.

We will submit all offers to you for your consideration. At first review, you may not be pleased with a particular offer; however, it is important to look at it carefully. It may be lacking in some areas, but it might also have some pluses to seriously consider. There is an old adage that says "The first offer is generally the best one the seller will receive. This does not mean that you should accept the first, or any offer - just that all offers should be looked at carefully.

When you and the buyer are in agreement, we will work with both of you to satisfy and remove the contingencies in the offer. It is important that you cooperate fully in this process. You don't want the buyer to think that you are hiding anything. The buyer may, at this point, bring in outside advisors to help them review the information. When all the conditions have been met, final papers will be drawn and signed. Once the closing has been completed, money will be distributed and the new owner will take possession of the business. As your business broker professional, we will work with you throughout the entire sales process.

### **What Can I Do To Help Sell My Business?**

You can cooperate fully with us and any other professionals that you are using. A buyer will want up-to-date financial information. If you use accountants, you can work with them on making current information available. If you are using an attorney, make sure they are familiar with the business closing process and the laws of your particular state. You might also ask if their schedule will allow them to participate in the closing on very short notice. If you and the buyer want to close the sale quickly, usually within a few weeks, unless there is an alcohol or other license involved that might delay things, you don't want to wait until the attorney can make the time to prepare the documents or attend the closing. Time is of the essence in any business sale transaction. The failure to close on schedule permits the buyer to reconsider or make changes in the original proposal.

And, finally, your team of advisors must all be working towards the common goal of selling your business for the best price and terms available in the marketplace, and closing the sale as quickly as possible! Remember that, as your professional business broker we are on your side. Only by being as cooperative as possible with us can we best handle your business interests.