

## Choosing the Right Business for You as a Buyer

**Peter C. King, VR Business Brokers/Mergers & Acquisitions, CEO**

When you are looking to buy a business, it is important to find the right business first before worrying about the right price. Never base your search simply on finding a good deal because you will find yourself ultimately in a place that you don't want to be.

The price must be considered secondary to your personal preferences relating to how you want to spend your time and energy. Remember that you will be spending between 40 and 80 hours a week at the business you choose to buy.



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### Deciding on the Business to Buy

How do you know which is the right business for you to buy? A good place to start is by speaking with a VR Business Intermediary that will lead you down the right path, based on your interests and needs. Here at VR, we have worked with thousands of people in many diverse situations, and can match you as the potential owner with a business that's best suited to your lifestyle.

### Evaluating the Business Intuitively

Once you have determined the general type and size of business that you want to buy, you must evaluate specific opportunities with focus and awareness - for example, if you wanted to own a retail computer supply business with \$100,000 to \$150,000 cash flow. To do this properly, you must combine both the intuitive side with the analytical.

On an intuitive level, you should begin to picture yourself running the business on a daily basis, and ask yourself the following questions:

- Does it feel right to you?
- Can you see yourself coming to this business every day for the next few years?

At the same time, you should be brainstorming with your VR Business Intermediary and the Seller about possible changes that would increase revenues, reduce expenses or otherwise improve the business. Ask the Seller what they would do to improve the business. If your visualizations of coming to work here and implementing changes are favorable, then you have found the right business.

### Giving an Initial Offer for Buying the Business

Your offer is based upon what you believe the business is worth to buy, which includes a down payment and terms of the payment agreement. Remember that as much as you want to a good price for the business, do not lowball the Seller. More often than not, the Seller will take offense and determine that you're wasting their time by taking their business to another potential buyer. Therefore, make a fair offer.



The assessment of the business up to this point is based on the information that has been presented by the Seller - asset values, sales revenues, adjusted cash flow and other pertinent information must be assumed to be materially accurate and reliable.

