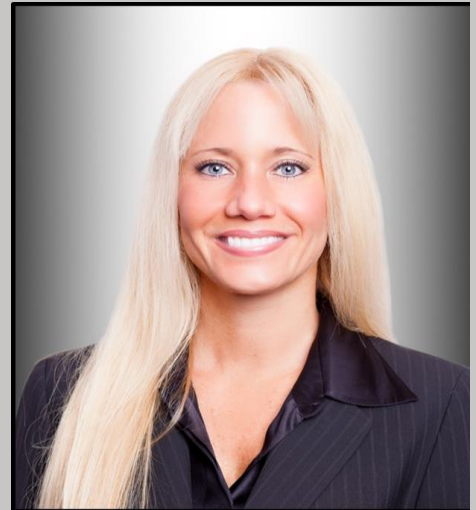


Grab the Opportunity to Buy a Business

JoAnn Lombardi, VR Business Brokers/Mergers & Acquisitions, President

More and more people have decided to become a small-business owner after being laid off from their employment. Many have determined that to do so gives them greater control over their future, and have gone down the road of acquiring an existing business. At the same time, however, there are a large percentage of these prospective buyers that are mulling over the decision to do so in this current economic recession.

Although it's understandable that many aspiring entrepreneurs are holding off until the recession ends because of the higher risk and lower profit margins; the time to buy a business is now.



JoAnn Lombardi, President

There are four reasons why you need to jump on the business opportunities available at VR Business Sales instead of sitting on the sidelines until the rain breaks.

1) Slow economy means reasonable deals

There are more than a few anxious sellers out there are willing to divest their businesses at a lower price in this recessive economy due to the indicators that are used to track business valuations. Since many business owners have a strong urgency to sell now and not tomorrow, the deals for would-be buyers are out there. If you are a potential buyer, you are in a better position to make a purchase on a business for sale in this economic climate than when it improves, otherwise you will miss the window of opportunity.

2) Finance through the seller instead of the bank

For most people, having the funds to buy a business is the biggest issue. The solution to this challenge is simple – seller financing. As some of you might know, seller financing is when the seller, rather than a professional lender, assumes responsibility for a percentage of the buyer's investment. Historically, this happens when the buyer cannot secure financing at the asking price of the owner. In this situation, the business owner selling the business can approach this in two ways:

1. He or she can lower the asking price.
2. Work with the buyer and provide financing to overcome a potential deal-breaker.

Nowadays, many business owners will offer seller financing before they even meet a buyer, since banks are not lending. This means that you can buy a business right now as many are willing to finance the deal themselves. So why wait until the economy starts to recover? You may find this hard to believe, but you can obtain a better rate from a seller than from a bank. In addition, you have more leeway to negotiate the down payment that works better for you, the loan length, monthly payments and interest rates. Many sellers will accept a discounted balance if you pay off the loan ahead of schedule.



3) The return of SBA loans

In the last few months, SBA lending has become unprofitable for many lenders, which has led to fewer people that want to start a business, being approved. However, the SBA has recently taken several steps to make SBA loans more profitable for banks by eliminating a variety of obstacles to government-backed lending. This will lead to credit becoming increasingly available and willingness from more banks to sit down and discuss the SBA 7(a) loan program that will allow you to buy a business.

4) The right factors provide the opportunity

Remember that the best entrepreneurs will never wait for perfect market timing so seize the moment now and don't wait. Companies such as Microsoft and Apple started in the midst of a recession during the 1970s. A variety of factors contribute to the reason that businesses that start or are bought in a down economy do better than those that don't:

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1. Since buyers of products and services are scrutinizing expenses, this allows market share to go up for grabs; furthermore, suppliers that are hungry for business may offer great deals.
2. With the increasing number of talented individuals available due to company layoffs, now would be a great time to hire a few that maybe available at more reasonable rates.

Once the economy recovers, you will not have these advantages. If you are a buyer, you will have greater business success as conditions improve if you consult with VR Business Sales and purchase a business that matches your background and professional goals.

