



BUYER INFORMATION PACKET

WHY USE A BROKER?

You've decided to buy a business but how do you find one that is right for you? What is a fair offer? How do you negotiate the deal? What are the other considerations?

Partnering with a Business Broker or M&A Intermediary provides you with a significant advantage that can literally make the difference between a successful outcome and a failed deal. Your Business Broker will work with you through all aspects of the search, offer, due diligence and closing of a transaction.

Your Coldwell Banker M&A team provides:

- * Experienced analysts and dealmakers to help you refine your search criteria and find a business that fits your requirements
- * A selection of businesses that you would not be able to find on your own
- * Dozens of pre-qualified acquisition candidates that may meet your criteria
- * Market information and industry trends
- * Negotiating and problem solving



Mergers & Acquisitions

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BUYER TUTORIAL

This Buyer Tutorial provides the basic steps to business ownership and other important information that should be considered throughout the buying process. Because buying a business can be a complicated process, this tutorial cannot replace the advice and services of a professional business broker, attorney and CPA.

AM I READY TO OWN A BUSINESS?

Going into business for yourself is a big step, one that can be as stressful as it is exciting. Since 90 percent of all those who purchase a small business have never owned a business, it is important to have a professional business broker who can guide you through the process – and the start of that process is determining if owning your own business is right for you.

Running your own business is more than a job; it is a lifestyle change. You may find yourself working longer hours and you'll need to be able to make all of the decisions. Be sure you have clear goals for business ownership – is this an investment? Are you trying to expand your existing business through a strategic acquisition? Are you familiar with the marketplace and industry trends? What are the risks of business ownership? Be sure to discuss these questions with your business broker.

Once you've decided purchasing a business is the right move for you, you need to find the right opportunity.

FINDING THE RIGHT BUSINESS

Finding the right business opportunity is as important as being sure you are ready for business ownership. If you are working with a Business Broker, you'll have access to many unique and successful businesses that you won't be able to find on your own. When you find a business you are interested in, there are a myriad of considerations, including:

- * How long has the business has been in operation?
- * How long has the present owner has owned the business?
- * Why is the present owner is selling?
- * What is the company's financial situation?
- * What are the terms and conditions of the sale?

It is important to know how much money you are willing to invest in a business and how much income you require to meet your basic financial needs.

BUYER TUTORIAL (CONT'D)

Once you've found a good match, it's time to take a more in-depth look at the business.

CHECKING OUT THE BUSINESS

Visiting the business affords an opportunity to evaluate the location and the appearance of the business. Your business broker can set up a site visit which will allow you to tour the facility and meet the current owner. It is important at this point that a buyer not compromise the confidential nature of this type of transaction.

We will provide a profile of the company that outlines the opportunity.

Be sure to ask a lot of questions that will help you determine if this is the business you want to buy. Is the space rented or leased? What is included in the sale (equipment, proprietary information, etc.)? Are there any key employees you should meet?

MAKING AN OFFER AND PERFORMING DUE DILIGENCE

Once you have your questions answered and you decide to purchase the business, it is time to make an offer. Your offer should be subject to verification of all the information you have received. The main purpose in making an offer is to see if the seller will accept your terms, price, and structure of the sale itself.

If the offer is accepted, you may need the assistance of your business broker and other advisors to verify the seller's information and the contingencies of the deal.

Unless you are very familiar with the type of business, it is often a good idea to include a post-closing consultation period with the seller as part of the deal.