

Questions Business Buyers Want Answers To

If you are even thinking about selling your business, it's important to know the questions that buyers generally want answers to. For example, the first question almost always asked by buyers is: If this is such a good business why is it for sale? How you answer this question can make or break a sale. A vague answer can discourage buyers from further consideration of your business, as they may assume the worst.



If you say you are “burned out” or just ready to try something new – that’s fine. If you’ve owned and operated the business for 10 to 15 years, buyers will most likely accept your reason for sale and continue their investigation. However, if you’ve only owned and operated the business for two years or less, a prospective buyer may find it concerning that you are already burned out or ready for something new.

If you’re sick, be open about what the problem is; otherwise buyers will think you are just sick of the business. The worst thing a seller can do is to fudge an answer or not provide a completely honest answer. Buyers will, most likely, see right through the given reason for sale and walk away. So, even if you really are tired of or just plain hate running your own business, be up front and explain why. Honesty is always the best policy.

It is also a good policy to engage the services of a professional business broker or M&A Advisor. Brokers and M&A Advisors have been through many transactions and can help a prospective seller deal with the reason for sale as well as the other questions a buyer may have. Here is a brief list of other questions buyers often ask and business brokers or M&A Advisors deal with all of the time:

- Why should I buy an existing business rather than start one myself?
- How are businesses priced?
- What should I look for?
- What does it take to be successful?
- What happens if I find a business I want to buy?
- Do I need outside advisors?

In addition, buyers often want answers to some more specific questions such as:

- How long has the business been in business?
- How long has the present owner owned the business
- How much money is the business making?
- Are the books and records readily available?
- Will the new owner help me learn the business?

These and many other questions are ones that business brokers and M&A Advisors deal with every day, equipping them to help you prepare honest and useful answers.

CK Business Consultants, Inc. has been dealing exclusively in the sale and acquisition of petroleum and propane related mid-market companies since 1976. We are qualified, experienced, and highly professional intermediaries working with both buyers and sellers in the successful transfer of business ownership. We handle all phases of the project including initial analysis, valuations, developing a confidential information memorandum, locating qualified buyers, negotiations, and execution of the transaction. For more information, please call or email Gary Papay @ 570-584-6488, gpapay@ckbc.net or visit our website @ www.ckbc.net.