



Understanding how business buyers will make their final buying decision can be critical to selling your business.

As the business owner, you may have a clear idea as to what you're selling the fitout, the profits, systems, the location, the lifestyle, the brand and the years of hard work building the business.

What a buyer is actually buying is much simpler and it's often not the "lifestyle" or "independence" promoted to get their initial inquiry, the final buying decision will come down to the research process or due diligence.

This is a technical, highly involved research process that by its conclusion has stripped away the more romantic drivers to purchase in a business buyer. This reduces what a buyer is buying into its simplest form:

A business buyer is predominantly buying the future maintainable profits of the business, for which you can demonstrate, under predictable circumstances, they can and will be sustained for the next 3 to 5 years.

Of course, things like the fit-out, the lifestyle, the lease and location etc. are extremely important, however, you could have one of the most wildly attractive and profitable businesses available but you won't attract a buyer unless you can demonstrate continued future profits.

Whether you're selling today or in three years' time, you need to prepare the business for sale. Financial and legal documents are the basis for any due diligence that a buyer might conduct, and without a solid method of verifying your profits, turnover and tenure, most serious buyers will simply walk away.

By eliminating risks, doubts and uncertainties in your business you will earn buyers confidence and the likelihood is they will proceed. This scenario will normally also attract a better sale price in a shorter time frame, which is the perfect scenario to sell a business.

A handwritten signature in black ink that reads "Rod Russell". The signature is written in a cursive style and is underlined with a single horizontal stroke.