

BENCHMARK

BUSINESS SALES & VALUATIONS



12 Tips For Buying Your Business

A guide to maximising value when it's time to buy.

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Overview

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Benchmark Business & Valuations was founded in 1999. Today Benchmark Business Sales & Valuations is one of Australia's largest, and most progressive specialist Business Brokerages, with offices in Brisbane, Gold Coast, Sydney, Melbourne, Adelaide and Perth.

One of the original ideas the founder, Bruce Coudrey, had when establishing the company was to have specialists each working in one specific area. This way, each broker could focus their energy on that particular area and become an authority in that one field. This has become one of the distinguishing features of the Benchmark team - the focus on individual specialisation in areas such as service station sales, childcare centre sales, self storage, hair and beauty & registered training organisations. Specialisation in the sale of specific industry types has led to the establishment of many separate specialist divisions within Benchmark.

The advantages and benefits of specialisation are:

- You deal with Business Brokers who know what they are talking about.
- The Seller and Buyer feel more comfortable dealing with someone with industry knowledge.
- Business Brokers deal with the same pool of buyers.
- Specialist Business Brokers are familiar with lending criteria.
- Clients receive better service and results.

Committed to selling businesses, owner/operator to very large.

Areas of specialisation:

1. **Business Valuations**
2. **Hospitality Sales**
3. **Supermarket Sales**
4. **Childcare Sales**
5. **Salon Sales**
6. **Education (RTO) Sales**
7. **Service Station Sales**
8. **Franchise Sales**
9. **Transport Sales**
10. **Health & Fitness Sales**
11. **Professional Practice Sales**
12. **Self Storage Sales**
13. **Rural Business Sales**
14. **Construction Industry Sales**
15. **Automotive Industry Sales**
16. **Medical & Dental Practice Sales**
17. **Accommodation & Motels**
18. **Engineering & Manufacturing**
19. **Corporate Advisory**



Leading Business Brokers Reveal



How to pay the right price for a business



How to avoid being misled.



What to look for in a business.



How to save time & money.

The Decision to Buy a Business...

Of all the ways in which we can become financially independent and successful, owning a business is the only real means to acquire significant wealth.

More effective than property, shares, gambling, or working as an employee – owning a business is the most rewarding, most satisfying and immediate means to creating wealth.

The decision to buy (or start) a business is one of the most important decisions ever undertaken. The importance of this decision warrants the most careful planning, attention to detail, and professional consultation.

01 Get the best possible advice.

Once you've bought a business, you can't give it back if you don't like it, or if it's not right for you. It's not like buying a car, there isn't any warranty, and there is no instruction manual. So when you decide to buy a business you need to get good advice and guidance from experienced, caring, professionals before making the commitment. Be prepared to listen to the advice that is given to you, and be prepared to implement that advice.

It's a fact of life that you get what you pay for, and this is absolutely true in this case. Don't try to save a few dollars by either not seeking professional assistance, or by choosing an advisor simply because they are the cheapest.

Take the time to seek out the advisor that you feel most confident with. Someone that you feel really listens and understands your position, your goals, and your requirements. It can take a long time to find the right group of people but it is essential that you take the time, and seek-out, and put together the right team.

All the most successful business owners in the world will tell you the same thing – surround yourself with good people. Do not settle for second best. Don't stick with a professional advisor just because they have been with your family for years, or because they are a friend or relative – use them because they are the best.

You will need to put together a **team of advisors** which includes:

- A solicitor or lawyer
- An accountant
- A financial planner/superannuation consultant
- A financier
- A marketing advisor, or business planner.
- A business coach

Remember to put the best team together. Think of it like putting together a cricket team, or a football team - you are the selector. Have high standards, and expect the total attention from these people. You are their client, so expect them to look after you properly.....It will make a huge difference.



Analyse your strengths & weaknesses

If you want to achieve the best possible outcome, when looking to buy (or start) a business, there is no doubt that you must be completely honest. You have to be honest with yourself and the people that you deal with.

You need to be brutally honest with yourself, and acknowledge what you can afford. You need to analyse your own strengths and weaknesses, - your skills and attributes. By doing this you can start to determine what is the right area, or type of business or industry for you. Be honest and realistic with yourself, you will save a lot of time and disappointment by being realistic.

So what are your strengths? What special qualities do you possess, that you can use to ensure your success, and maximise your income? Take time to analyse and consider what your career, and experience to-date have taught you. Most people are unaware that they possess many skills because we rarely take time to think about ourselves this way. Make a list of your skills and weaknesses, and how you can harness your skills, and eliminate your weaknesses.

Over the years we have found that people have basically three areas of expertise. These are rather broad, but most people will fall into only one main category. These are:

- **Administrator – Good with processes, systems, and usually numbers.**
- **Salesperson – Good at making sales, and keeping customers happy.**
- **Operations Manager – Skilled at finding the best way to get the job done.**

Think about which of these basic categories you feel you would fall into.

Then ask someone who really knows you what they think. Sometimes they know us better than we know ourselves.

How can you determine what is the right business or industry for you, if you don't really know yourself first?



Assess the five negative attributes.

Nearly every business will demonstrate at least one of five “negative attributes”. Being aware of these negatives can assist you to prepare for the purchase of a business. What are the Five Negative Attributes? They are:

1. **Need To Hold Stock**
2. **Debtors**
3. **Managing Staff**
4. **Long Trading Hours**
5. **Key person, product or client.**

Most businesses possess at least one or two of these “negatives”, and thinking about these areas can help make your acquisition of the business smoother and more successful. How can this benefit you? Well, first of all you need to bear in mind that there is more to buying a business than just the price, and how much profit you will make out of running the business. It is in these five areas that you also need to consider.

How much stock can you afford to carry?

- **How can you keep debtors under control, and to the lowest possible level.**
- **How to best manage staff. Is this something you are good at?**
- **Does your lifestyle allow you to trade long hours?**
- **Try and ensure that your business does not rely too heavily upon either one employee, the sale of only one or two products, or sales to only one or two clients.**

Buyers will always feel negative about these “nasty” areas, but by being aware of this, controlling these, you will help eliminate buyer resistance, and move forward towards a successful sale.

Looking to buy a business is a “process of elimination”, and by identifying which of these areas concerns you most, you will start to put together an outline of the kind of business you will buy. Together with an analysis of your own personal skills and weaknesses, you will start to understand what type of business is going to be right for you.

04 Funding & Finance

Two of the biggest mistakes people make when acquiring a business are that they either:

1. **Underestimate the total investment required.**
2. **Overestimate the amount that they have available to invest.**

To avoid these two basic errors you simply need to be aware of them, and calculate the total amount you can afford to invest, and the total cost of every business that you look at. It is often more than the asking price plus stock.

When buying a business you need to allow for the following acquisition costs:

- **Purchase Price**
- **Stock At Valuation (Wholesale Value)**
- **Stamp Duty (varies from state to state)**
- **Assignment Charges (franchise, lease, other)**
- **Legal Fees**
- **Accountant's due diligence, advice**
- **Loan establishment fees**
- **Set-up costs (stationery, uniforms, signs, advertising)**
- **Capital improvements**
- **Computer hardware & software**
- **...and more. These are often broadly referred to as "working capital".**

To avoid overestimating your financial capacity, it is wise to start off by arranging to meet with several finance brokers or bankers to determine what your limit (or budget) should be. Once you have set your budget it makes it easier to find the right business, and move forward with the acquisition without delay.

Remember that most experienced bankers and financiers will be aware of what to look at when buying a business. They are therefore a great source of free advice and assistance in appraising a business, and its value. After all they won't lend you the money if the business is not going to be able to repay the loan. Remember also, to calculate the "working capital" required.



How much should you pay for a business?

How much is a business worth? How much should you pay? The simple answer is that a business is worth what the market will pay for it. This is also the legal definition of value. But this definition doesn't quantify the value of a business, or help determine what a business is worth. Here is a quick & simple guide:

When considering what a business is worth you need to start thinking about what kind of return you expect from your investment. It is usual for us to want to receive a return of between 25% & 50% on the investment. So if a business is earning \$100,000 per year, on this basis it should sell for between \$200,000 (50% return) & \$400,000 (25% return on investment).

The next step to consider is risk. If a business is considered to be really "safe" and relatively risk-free a lower return on investment is usually acceptable. An example of this kind of business is a childcare centre. These are considered to be safe, have government support, a growing demand for the services provided, and only trade for five days. Therefore, these businesses have a return of around 20% (or five times earnings).

Businesses which are considered to be less "safe", and which represent a greater risk to the buyer – will provide a better return, to justify the risk. A buyer acquiring a "riskier" business will expect a 50% return on investment (or two times earnings).

So if the "safe" business, and the "risky" business are both earning \$100,000 per year, the riskier business will sell for \$200,000 (50% return) and the safer business will sell for \$500,000 (20% return).

Another way to think of this is to consider if the buyer needs to work in the business – or not. If you have to work in the business, it is like buying a 'job'. If you are not required to work – it is really a "business". "Jobs" are worth up to 2 times earnings, and a 'business' is worth 2 to 5 times earnings (or more).

Be aware that businesses in capital cities will sell for more than in rural areas. Many specific industries have peculiar rules that apply to what they will sell for. Some examples are: Newsagencies, Taxis, Childcare Centres, Supermarkets, Franchises and Rent Rolls. Experienced business brokers, accountants and financiers will be aware of the market forces and what a business should be worth. It is recommended that you always seek guidance from a qualified professional to assess the value of the business that you are looking at.

06 Secure your future.

There are three basic things being offered when a business is being sold:

- ✓ **Tangible Assets - Such as plant & equipment, stock, fixtures, etc.**
- ✓ **Intangible Assets - Goodwill, Intellectual Property**
- ✓ **Future Maintainable Earnings - or a degree of certainty**

This third area - Future Earnings is where your security and stability come from. You need to assess that earnings can be maintained into the future by addressing a couple of key areas. These key areas are:

- **Tenure** - The main thing that underpins "maintainability" is secure tenure. A secure lease, with an adequate amount of time left to run until the lease expires, is needed to provide certainty of the future income stream.
- **Staff** - In many businesses the staff play a key part in the profitability and smooth operation of the business. Maintaining the morale and enthusiasm of your team of employees is going to assist greatly in ensuring the business has a secure future. In assessing a business you need to look carefully at the personalities of the existing staff to make sure that you can work with them, and that they can work with you.
- **Suppliers** - It is not reasonable to expect a supplier to sign a contract to supply your business exclusively, especially if you are a new owner, and are unknown to the supplier. But it is important that the supply of products or services be addressed when considering a business. You should also look at alternative suppliers, and the potential to improve on current supplier arrangements.
- **Key clients** - Learn who the "Key" clients are. Assess how much of the total business is done through those key clients. If the reliance upon those clients is considered to be high, this can affect the value of the business -and the asking price.

Security is the main factor in determining the price of a business. More security - higher price, less security - lower price.

07 Prepare, prepare, and prepare.

Preparation is vital when buying a business, and there are plenty of little things to consider as being a necessary part of preparation. Some of the things to consider before you start are:

- **Calculation & provision of your own financial position.**
- **Decide what you do & don't want to do.**
- **Determination of your capacity or budget. What can you afford?**
- **Determine the other costs associated with the acquisition (working capital requirement). What is the total cost going to be?**
- **Preparation of long term plan or strategy**
- **Legal advice and preparation from solicitor or lawyer**
- **Tax planning & financial planning advice**

Once you've found a suitable business you will need to;

- **Assess the current management structure and processes**
- **Assess the past & future financial performance**
- **Assess the risk associated in the particular industry**
- **Review the Standard Operating Policy & Procedure Manual (if any)**
- **Register Copyright or Trademarks if necessary**
- **Improve presentation of business premises and personnel**
- **Eliminate reliance upon "Key People", key products, or clients.**
- **Calculate the working capital requirement**
- **Manage debtors**
- **Rationalise stock to the lowest manageable level**
- **Estimate value of Work-In-Progress & future orders**
- **Establish secure future trading conditions & tenure**
- **Check that all equipment, signage, and plant are in good condition**
- **Ensure future advertising and marketing are in place**
- **Consider changing trading name**
- **Create business, marketing & exit plans.**

Essentially, the thought and preparation involved at the outset can make a huge difference to the result you achieve in the end. Take the time to plan & prepare now, to save time & money in the future.

08 Where to look to find a business.

The best way to get to know the market, and to refine your ideas on what kind of business is going to be most suitable, and enjoyable for you, is to start comparing – to find out as much as you can, about as many businesses as you can.

There are some great resources available to start with. Here are a few:

- **The internet.** Many brokers have very descriptive websites, which can provide lots of information without having to talk to anyone.
- **Business “For Sale” magazines.** A quick way to get a guide on what is available, and what prices are being asked.
- **Franchisor companies.** Often these companies are looking for new franchisees. They can supply loads of information about the business and what returns you can expect.
- **Accountants.** Often good accountants will be aware of their client’s positions and will be able to advise what they know is available for sale, and what kind of price range they believe should apply.
- **Business Brokers.** Good brokerages will be able to enter you on their database, and then send you details on what is available, and when a new listing comes onto the market. Often a good business will come up for sale and will never be advertised because the buyers on the database will buy it before it gets into the papers.
- **Newspaper Classifieds.** Ten years ago the papers were full of advertising for businesses for sale. Now, it is not such a good source of information, but it is still one of the most accessible and immediate ways of looking for a business, or property.
- **Industry Associations.** Many types of industries have an association of some kind. By contacting these associations you will usually be able to find out who is selling, how much to pay, and much more.
- **Business Valuers.** Business valuers are not common, but are very experienced and well-informed professionals. A business valuer is well qualified to provide you with advice and referral.



Knowledge is power

and when you have acquired enough knowledge you will have the power to make good decisions and be confident in committing to those decisions.



What to be careful of

In any business transaction we need to be careful and take precautions before making a commitment. When buying a house we get a property inspection, when buying a car we arrange for the vehicle to be inspected before purchase. So naturally it is wise for us to have an expert check-out the business before buying.

The big difference here is that building inspectors and motor mechanics become very familiar with the items being inspected and know what to look for. With businesses it is not so clear what potential problems or issues should be looked at and checked out. Here are a few things that we have found you need to watch out for when assessing a business:

- **Potential.** When someone bases their offer to you largely on potential, remember that the potential for the business to improve is matched by the potential for the business not to improve.
- **Cash.** When someone sells a business and advises you that there is much more cash income in the business than the books suggest, don't believe them. If they lie to the taxman, then they'll lie to you too!
- **Profit.** Be careful when looking at business profit. Check to see if it includes owner's wages, if it excludes depreciation, interest, or if it is real - or a "projection".
- **Projected Earnings.** Business value is based on historic earnings, not future profits. If you buy the business you will be the one doing the work to realise the projected earnings, so you should not pay for that privilege.
- **Leases.** Property leases can have "demolition clauses" and all sorts of potential hidden problems contained within them. Be careful, get an experienced lawyer to check a lease thoroughly before putting your name on it.
- **Staff entitlements.** There are laws and legislation that require staff entitlements to continue through a change of business ownership. Make sure that the Seller has made provision for these entitlements and passes this on to you at settlement.
- **Work In Progress.** Many businesses will have orders in hand, and unfinished work "in progress" at the time of settlement. There is a "standard condition" that deals with this in the Business Contract, but you will need to consider this and negotiate with the Seller as to how you wish to deal with this. The point is, this can be an extra expense.
- **Equipment condition.** When you buy a business it usually includes the equipment (unless otherwise stipulated). The equipment is sold in an as-is condition. It is recommended that the day before settlement, an audit of the equipment be completed to ensure all equipment is working. If something is not working it should be fixed by the seller before settlement. This process also establishes that everything is working at settlement, so that there are no ongoing issues after the transaction is completed.
- **Future advertising.** It is possible that a business owner planning to sell will cut-back, or cancel future advertising (in order to save money), knowing that the business will be sold. Check that future advertising (such as Yellow Pages) is in place prior to settlement.



What to be careful of continued...

- **Stock.** The usual practice with stock is to pay the “landed invoiced cost” price for stock – or the wholesale price. You do not pay GST on stock, as it has already been paid by the Seller when they bought it. You do not need to pay for damaged or out-of-date stock. You can also limit how much stock you are prepared to buy with the business, by completing the Business Contract accordingly.
- **GST.** When buying a business, you do not have to pay GST on the purchase price – as long as it is deemed to be a “going concern”. Be careful! There are a few potential traps here. For example, a new franchised business is not a “going concern” and will attract GST. Another tricky situation can exist if you acquire a property with the business. If there is no lease between the owner of the land, and a tenant in place, it will not be a “going concern” and will attract GST. This could be a significant extra cost.
- **Debtors.** Sometimes when buying a business the Seller will require that you “buy the debtors” from them. This has the advantage of tying the client to the new owner, and allows you to acquire an immediate client base. The down side is that you have no idea about what these clients purchased to create the debt, and how quickly they will pay the debt. If you agree to “buy the debtors” it is a good idea to negotiate a discount.
- **“Key” Staff, Products, or Clients.** Nearly every business is going to rely heavily upon either “key” staff, products, or clients for its income. This is not a bad thing, it’s simply something to be aware of, and to allow for when assessing a business.
- **Interest Rates.** Rates of interest will cycle up and down every few years, as they have over the past 150 years. Be aware of this and allow for fluctuating rates in your budgeting and business plans.
- **Underestimating the cost & overestimating your capacity.** This is addressed in the section headed Funding & Finance, and it simply means that you should consider all the establishment costs and how much you can really afford to spend to acquire a business, before you get started.
- **Client audit.** Often when buying a business it is a good idea to talk to existing clients of the business to ascertain the perceived strengths and weaknesses of that business. The problem here is that you will need to be aware of the confidentiality agreement that you have with the Seller. Under such agreement you are not allowed to talk to staff, clients, suppliers, etc without the express permission of the owner. Most owners will not allow you to do this until the sale is “unconditional” – by which time it is too late.

These tips are offered to assist you to be aware of the types of things that you should look out for and consider as a part of the whole process. It sounds like a lot of areas where things can go wrong, but it’s similar to a car. When you break it down into the components there seems to be a lot of things that can go wrong, but it’s the sum of all these parts that you need to consider. This also reinforces the need to have professional advisors working with you to properly assist you to audit the business and ensure that all is in order.

10 Confidentiality

When someone decides to sell their business they are making one of the most important decisions they will ever make. Usually after having done a lot of planning and thinking.

Selling can be a very unsettling and disturbing process for the owner, as they don't want to upset staff, suppliers or clients who may leave, and go elsewhere if they find out the business is for sale. Business owners have put a great deal of time and effort into building their business, and they (rightly) need to protect their business from competitors and from sabotage.

Accordingly, it is essential that we respect the business owner's right to privacy, and confidentiality. In meeting this requirement there will be certain restrictions and processes that will be adhered to. As a genuine and sincere buyer you should have no reservations about meeting those requirements.

It is probable that you will also wish that your enquiry remain confidential, and this process is designed to work both ways, with both parties obliged to maintain confidentiality throughout the transaction.

The challenge with maintaining confidentiality is that often you don't get to meet (or talk to) the staff, suppliers and clients of the business until after your purchase of the business is "unconditional". If this represents a significant challenge for you then it will be necessary for you to have either a business broker, or a solicitor, arrange for you to meet these parties prior to the contract becoming "unconditional".



What Is Net Profit?

There are many versions and definitions of profit. Business buyers need to be aware of the subtle differences in terminology used to describe profit, so that they can understand the impact and implications of these differences.

Some of the different methods used in reporting profit are:

- **Owner Operator.** The pre-tax return earned by a working owner – includes the owner's wages.
- **EBIT.** Earnings Before Interest & Tax. Does not include owner's wages.
- **PEBIT.** Proprietors Earnings Before Interest & Tax. Includes owner's wages.
- **EBITDA.** Earnings Before Interest, Tax & Depreciation Allowance. Does not include owner's wages.
- **PEBITDA.** Proprietors Earnings Before Interest, Tax & Depreciation Allowance. Includes owner's wages.
- **After Tax Profit.** The profit after adjustment, and after paying company tax. Used by publicly listed companies.
- **Adjusted Net.** The Profit after adjusting for abnormal or personal expenses and income.
- **Annualised Net.** The profit calculated by taking a part-year's profit, and dividing by the number of months, then multiplying by twelve to estimate a year's result.

Every business is run differently to suit the individual needs and requirements of the owners and shareholders. In order to accurately compare one business with another it is necessary to make adjustments to the income and expenses. These adjustments are often referred to as "add-backs".

On the income side the type of adjustments that are made are; exclusion of interest received, exclusion of profit on sale of assets, and sometimes the correction of opening or closing stocks.

On the expense side there can be many expense items that are on the accounts simply to minimise tax. Such items often adjusted are; accountancy, interest, depreciation (debatable), personal phone, motor vehicle, owners wages, or owner's family member wages, some taxes, and some rebates.

It is essential that when looking at a set of accounts, all adjustments are shown and itemised. Often these are not itemised, and it is important that you look carefully at these numbers to ensure their source and their relevance to how you would operate the business.

At this stage you should be starting to calculate what you believe the profit is. The expression of profit can be a subjective matter, rather than fact. Your ability to understand the accounts presented to you, and what you believe the profitability to be, will form the basis of your plans for the business, its growth, and your management of the business.

Banks lend on the past profits, or historic accounts of the business, yet it's the future profits that are going to repay the bank that loan. We need to recognise that the historic figures are the proven results of the business's trading, and the future is unproven. It is therefore wise to prepare both historic accounts and forecasts and use both of these tools to analyse and assess the business.

It's also wise to remember that the business you are going to buy is more than just numbers, and profits. Obviously profit is essential, but you have to have a passion for your business and really enjoy what you're doing. Look for a business that you will be proud of. One that rewards you in more ways than simply financial rewards.



12

Finding a perfect business.

Want to find the perfect business for you? Sorry it does not exist. No matter how hard you look, or where you search, you will not find the perfect business for you. Whatever you look at, and whatever business you consider there will always be something that is not “just right”.

Remove any thoughts of finding the perfect business, as the search will be futile. What you are really looking for is something close to perfect. A business that you can live with. You will need to compromise somewhere, and once you comprehend this fact, you will be liberated from the paralysis that afflicts many business buyers.

Because the perfect business does not exist it is often tempting to look at starting a business from “scratch”. There are many benefits in this approach. No goodwill. No compromise. A fresh new start. And more. There are also many challenges with the start-up approach, for whilst it seems like a simple process to start a business, it is actually far more complex, and risky, than buying an existing business.

Have you ever heard that statement that “most small business fails in the first three years”? What they are referring to is new start-up businesses, not existing businesses. An existing business has a historical track record, it has all the administrative infrastructure in place, the systems, the clients, the suppliers, existing advertising, phone numbers, known location, staff, processes, and more. All these things are in place to allow you to focus entirely on running the business, and growing the business. You have a platform from which to build on. In a start-up, you have to create the platform.

When you start a new business from scratch, you add a competitor to the market. This creates more competition for the same client base, and eventually makes each competitor’s share a little smaller. Acquiring an existing business to build upon does not have the same effect.

For these reasons it is suggested that an existing business is usually going to be a safer, more successful option.

One more thing...

There is no doubt that a good business will sell if it is properly priced, full financials are provided, and it is properly advertised and widely marketed. It would seem that none of these three basic steps require an experienced business broker to perform them.

Give Yourself **The Best Opportunity** - Work With A Qualified Broker

To start with, there is much more involved than these three basics. A qualified, experienced business broker will provide the following services:

- ✓ **Appraisal of business value.**
- ✓ **Assistance with planning for the sale of the business.**
- ✓ **Production of advertising & marketing plan.**
- ✓ **Identification of business attributes & selling points.**
- ✓ **Production of comprehensive Business Information Package.**
- ✓ **Confidential qualification of buyer enquiry.**
- ✓ **Use of buyer database, of local, interstate, and overseas buyers.**
- ✓ **Find a buyer willing to acquire the business.**
- ✓ **Assistance for buyers with finance, legal assistance, & more.**
- ✓ **Negotiation of a satisfactory price.**
- ✓ **Preparation & assistance with Contract of Sale.**
- ✓ **Assistance with transition process.**
- ✓ **Satisfactory completion of transaction.**

It is common that business owners trying to sell their business will get buyers to look at the business, but find it difficult to progress past that point. This is where the skill and expertise of a professional broker will come to the fore. A broker will be able to identify the right way forward for both buyer and seller, and create a win-win outcome for all.

Business brokers know what is available on the market; they often know what is coming up for sale soon, and what the market value for a business should be. They know the things to watch out for, and the best way to achieve a result for all parties. After all, the business buyer will one day become

What to do.



STEP	RESPONSIBLE PARTY	DATE DUE	DATE COMPLETE
Business Value & Sellability Assessment	Agent		
List Business / Sign Authority	Agent / Seller		
Prepare Presentation & Financials	Agent / Seller		
Certificate Of Clearance (if required)	Agent/Seller		
Implement Marketing Plan	Agent		
Buyer Confidentiality Agreement in place	Agent		
Inspection/Meeting of Buyers & Seller	All Parties		
Negotiate Terms of Sale	All Parties		
Letter of Offer	Agent		
Demonstrate Timeline to All Parties	Agent		
Obtain Buyer & Seller Details	Agent		
Advise Stamp Duty & Legal Costs. Check FIRB	Agent		
Contract Signed	Agent		
Pay Deposit	Buyer		
Bank Deposit & Provide Trust Account Receipt	Agent		
First Right of Refusal offered (if applicable)	Agent		
Send Contracts to All Parties	Agent		
Advise Solicitors of Landlord, Landlord's Solicitor	Agent		
Meeting of Buyer & Seller	All Parties		
Franchise Application Form Completed	Buyer		
Staff Details Supplied to Buyer	Seller		
Interview with Franchisor/Landlord - Disclosure Docs, Business Plan	Buyer / Franchisor /Landlord		
Organise Supply Agreement	Buyer		
Organise ESA, Testing, Council Approvals	All Parties		
Finance Approval	Buyer		
Book Stocktaker	Agent		
Provide Security - Bill of Sale	Buyer		
Training by Seller	Buyer / Franchisor		
Confirm Buyer Approval by Landlord	Buyer / Agent		
Due Diligence	Agent / Buyer		
Meeting of All Parties - EFT, Phone, Power	All Parties		
Agree on Stocktake Procedure	All Parties		
Advise Staff & Suppliers of Changeover	Seller / Buyer		
Commence Tuition	Seller / Buyer		
PPSR cleared	Buyer		
Franchisor Training Clearance	Buyer		
Confirm Lease / Agreement	Agent		
Right Of Entry cleared by lawyers	Seller		
Silver Chef leases checked (if applicable)	Seller		
Order Uniforms	Buyer		
Organise Power, EFT, Phone, etc	Seller / Buyer		
Check Solicitors are Satisfied with Conditions	Agent		
Licence, Permits, Rental arrears paid,	Buyer's Solicitor		
Audit of Inventory. Payout leased equipment	All Parties		
Stocktake	All Parties		
Adjust Pre-paid Accounts, Deposits, etc	Seller / Buyer		
Adjust for sub-leases,	All Parties		
Safety Certificates for motor vehicles	Seller		
Keys, Security Devices, Codes Passed Over	Seller		
Settlement	Buyer		
Insurance, Work Cover, ATO Registration	Buyer		
Pay for change float, ATM,	Buyer		
Discharge Deposit. Pay Commissions.	Agent		
Vendor Assistance	Seller		



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