



How Long Will it Take to Buy a Business?

The answer to this question is affected by how you define the words in the question. By business, do you mean one that has a strong propensity for profitable future earnings or do you mean a business that is losing money and needs to be turned around?

When it comes to defining "How Long", it is measured by "Willingness", "Timing", and Perseverance on your part. When you are searching for a business to buy, do not flatter yourself and think that the phrase "Customer Is King" reigns. No...in the current market, there are plenty of buyers for quality businesses. The problem is that there are very few quality businesses for sale.

Now that you have a little better feel for the market, you need to set realistic goals for the time, and money you have to devote to find your pearl. Your goals will vary depending upon what type of buyer you are. If you are an equity group, you understand the game and my words here would be wasted. However, if you are an individual, a finance buyer, that wants to go out and conquer your own little part of the business world, your best bet is to be un-employed. Yes, you heard me right. To put a deal together, you need a motivated Seller and a motivated Buyer.

Buyers who are not employed are the most motivated. They are out of the business world for the moment and are eager to join the game. They are not engaged in doing what they do best...growing businesses to the next level. Pride is also a great motivating factor. Most people actually like to appear as they are a part of the machine, making things happen, as opposed to being unengaged, just hanging out.

Timing is important as well. Just as there are seasons of life, there are seasons for buying businesses. It is difficult to close, much less start the negotiating process during the holidays or during summer vacations. Think your plan through. Lifestyles do come into play. Most of my deals are delayed due to all the player's time schedules, the sellers, the buyers, and all the advisors on both sides.

You must persevere. You will kiss many toads before you find royalty, but remember... your royalty will still have a few warts! Also remember an old, but true adage...the first business you look at may be the best business you look at. Understanding what the market really has to offer is often the hardest lesson of all. The bottom line, be prepared to spend from 6 months to a year to find your pearl, your kingdom...hang in there!

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