



WHAT TO LOOK FOR WHEN BUYING A BUSINESS...

Here are some items you might want to check when considering the purchase of a business:

1. How long the business has been in operation.

A business with a long track record means there are good reasons for that business to be operating. It will be well known in the area, and people will be used to patronizing the business or using its services. The longer it has been in operation, generally, the better the business.

2. How long the present owner has owned the business.

The longer the present owner has been in business, the more likely he or she has been successful. People don't stay in business if they are not making money.

3. Why the present owner is selling.

The reason why the owner is selling is important. The more valid the reason for sale, the more realistic the seller will be in considering your offer. However, keep in mind that after five or six years or more, people do get restless or "burn-out" sets in, or people look for new challenges. Why the seller is selling is an important question – get the answer.

4. Why Books and Records are important.

The financial records of the business are a good indication of how well the business has been doing over the years. Keep in mind that tax records are not designed to show the business in the best light; no one likes to pay more taxes than they have to, and owners of businesses are no different. Generally, tax returns are a worst-case scenario. You need to be able to look at the expenses and discover which ones are non-cash items, such as depreciation, and business use of home and vehicles. How important was the business trip to Singapore or Chiang Mai? A professional Business Transfer Specialist can point these items out to you. When in doubt, however, seek outside assistance.

Also, in Thailand and in the case of many small businesses, proper books may not be kept. In those cases the Business Transfer Specialist can suggest other methods of verifying the financial information the seller has provided.

These are just some suggestions and ideas that we feel might be useful to you in the process of selecting a suitable business to buy.

Thank You!

The Biz X-change™, Opening the Door to Owning Your Own Business...