

# How To Buy A Good Business At A Great Price©

## **Course content and objectives**

The materials cover each step in the process of buying a business and are presented in jargon-free language. The objective is to provide you with a complete knowledge base and blueprint to successfully navigate every stage in the process and will equip you with real-world and proven solutions for each situation you will face.

Concepts, strategies, and education are presented in a step-by-step format with accompanying examples. The program is geared to individuals that have little or no experience buying businesses. Similarly, experienced business buyers will significantly broaden their knowledge base with a wealth of new strategies. The entire program can be easily completed in 24 total study/reading hours.

## **How the program is configured**

The program is broken into 23 lessons in a pdf format with each one mirroring the exact steps in the business buying process and the order in which they are to be followed. Interactive resources, resources to print, and exhibits are in Word, Excel, and pdf formats.

## **Consulting**

The program includes unlimited consulting support. You will receive a unique email address to forward your questions, and we will reply within 24 hours or we will set up a call with you for more complex situations.

## **Lesson List - Table of Contents**

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**Next pages:** Detailed list of all topics covered in each module

# Course Details by Lesson – all subjects covered

## **Lesson # 1 - WHY BUY A BUSINESS AND WHAT TO CONSIDER**

This foundational module will set the stage if you're just starting out and if you've already been looking for a while, it will address issues and concerns that will arise along the way as you evaluate your decision.

This section covers the upsides, downsides, and all the personal, professional and family considerations that must be factored into your decision. There is only one reason 'why' you should buy a business: because you want something better than whatever it is that you are presently doing. Most people spend their whole life making a living and completely forget to make any money! There is absolutely no better investment vehicle than owning a good business when compared to other investment opportunities. Whatever it is that you can possibly want in life from a financial and lifestyle perspective can be gained from owning your own business.

### **In this section, you will learn:**

- Understanding and outlining your reasons for buying
- Why business ownership is the quickest route to wealth
- Forming the right attitude to buy that will immediately set your head straight for this project
- The financial benefits and future lifestyle business ownership will bring
- Controlling your own destiny and the challenges to consider
- How to creatively attack every potential business purchase
- Financial considerations you must make
- Learn 12 things you must do today to get your finances to make a purchase
- Why there is no such thing as a secure job unless you own the company
- How your past career has already prepared you for the risks you may face
- A rational discussion of the downside possibilities
- A three-step system that will overcome any lack of experience you may have

- Understanding the objections and situations you may face with family members and how to include, not exclude them
- Deciding if you are window-shopping or committed to buying
- Why 90% never buy and how their endless looking paralyzes them
- The tax benefits of business ownership
- The pros and cons of looking for something specific and why you must keep an open mind
- Ready! Aim, Aim, Aim! Learn why others don't take that final step to close a deal and how to avoid the same dismal fate
- Preparation and completion of your Personal Financial Statement - interactive worksheet

## **Lesson # 2 - THE TEN COMMANDMENTS**

We have compiled the ten most critical fundamentals and rules that were common in over 1000 successful business purchases where the new owner thrived after they bought the company.

The most fundamental issue you must determine when evaluating a company is whether it is a rock-solid business that is sustainable and has lots of potential to grow after you take over. These ten rules cannot be bent, avoided, or broken. Any business you consider must pass all ten of these proven principles. Each of these are discussed in great detail in the module; here's an overview of each:

**In this section you will learn:**

### **Commandment # 1 – Pay For The Past, Consider The Present, But Buy It For The Future!**

- The past financials will help determine the purchase price, but they do NOT guarantee what the business will look like in the future.
- You must evaluate the business for what it can expect to provide you with after you buy it.

### **Commandment # 2 – Buy A Good Business and Make It Great!**

- Don't look to buy a cheap business; it's like a bad used car. You'll spend all your time trying to patch leaks and you'll have little, or no time left to build the business.

- Buy a good business, a rock-solid one, that through your talents, can grow and flourish. Start off with a strong foundation and build from there!
- All good businesses possess certain common features; you'll learn how to determine whether the one you're considering already has these in place.

### **Commandment # 3 – Ingredients Are NOTHING Without A Recipe**

- After the purchase, can you put all parts of the business together into one cohesive unit poised for growth, and at what cost?

### **Commandment # 4 – Fall In Love With the Profit, NOT the Product!**

- You'll learn how this traps so many others when they get emotional about the business before they buy it, and their judgment becomes clouded. You must remain logical and objective!

### **Commandment # 5 – Do What You Do Best and You'll Manage The Rest**

- Making certain you possess the skills the business needs.

### **Commandment # 6 – Autopilot – (putting the business on cruise control)**

- To grow a business, you must take advantage of technology – can this business improve its systems, processes, and run on its own so you can focus your attention on driving the profits?
- Where can you access the technology and what are the costs?

### **Commandment # 7 – Determining What Holds 'The Gold'**

- Nearly all businesses possess certain components that the current seller has not exploited.
- You'll learn how to identify the hidden growth value opportunities.

### **Commandment # 8 – The Three Personal Things That Every Business Must Possess**

- You MUST be able to explain it in simple terms to others.
- You MUST be able to explain it with great enthusiasm.
- It MUST be a business that makes you very proud.

### **Commandment # 9 – Evaluating and Identifying What’s Not Perfect Yet.**

- No business is perfect and every business needs attention. Sometimes the smallest improvements yield the greatest results. You’ll learn how to identify them all.

### **Commandment # 10 – What’s It Worth To YOU?**

- Only you can truly evaluate the benefits of any venture. You’ll understand how to take a realistic approach to this crucial exercise.

## **Lesson # 3 - THE RIGHT BUSINESS FOR YOU**

The single most important step of the entire business buying process is to be sure you buy a business that is absolutely right for you. There’s no margin for error. The good news is that after completing this module and following the very specific steps we outline; you will be fully confident in knowing what type of business is the perfect match for you.

Most people spend countless hours searching through endless business for sale listings trying to figure out which, if any, is right for them. It’s the completely wrong approach! First you must determine the specific business type that is right for you, then it is easy to find and buy it. We’ll show you exactly how to do it.

If we were forced to reduce this entire module to one sentence, it would be this: “Whatever it is that you do best must be the single most important driving factor of the revenue and profit of any business you consider purchasing”.

The most successful people are those who realize that they don’t know it all. You must focus your search on businesses that will grow from your strengths and not suffer from your weaknesses. If you match your greatest strengths to the right business, you can’t help but be successful.

This is a very comprehensive lesson with specific follow-up. You will work through a series of very pointed questions which will allow you to very quickly identify the types of businesses that you should be focusing your attention upon.

### **In this section you will learn:**

- You’ll have a blueprint system (we call it the ‘laboratory’) to efficiently analyze countless business types and determine with complete certainty which one(s) is a perfect match for your skillset, goals, passion, and financial situation
- A complete review and evaluation of the knowledge you already own (but may not know it)

- Identifying potential businesses that can benefit from your strengths
- Honestly identifying your weaknesses, how to deal with them, and understanding their potential impact
- Discussion of your areas of familiarity
- Evaluating and exploiting a niche or opportunity within your job or industry
- Targeting businesses that you've always liked – the ideal business for you may be staring you right in the face
- Establishing expectations that are realistic and achievable
- Clearly identifying what drives you (money, the need to build something, control of your own destiny, independence?)
- Identifying the job functions that you like to do (we tend to be better at the things we enjoy)
- Recognizing specific tasks that you don't enjoy
- Income expectations
- Turning a hobby into a business (NOT A GOOD IDEA)
- Understanding that taking on a sales role can be a huge part of what many business owners do. Yet, many people are uncomfortable or even fearful of it. Your worries are over! We will discuss how anyone, regardless of experience or personality, can excel in a sales role. All great salespeople possess seven distinct characteristics which can be easily learned by anyone – we'll cover them all.

#### **Lesson # 4 - TIMING and SCHEDULING**

82% of our clients who use our ongoing support buy a business within 6 months. The reason they do this in one-third of the time that most people spend looking and never buy is because they follow our playbook and have the knowledge, discipline, and guidance to spend their time buying, not looking. The longer you look, the greater the chances you'll never buy!

This lesson will set your schedule to devote to each stage of the buying process and how to avoid wasting time whether you are doing this on a full or part time basis. Your search will be laser beam focused, and your attention will be on businesses that make sense for you.

**In this section you will learn:**

- Managing your time effectively
- The specific steps to take to cut the average buying time by 70%
- Buying process timeline and schedules to be met from today through closing a deal
- Learn what traps most people and paralyzes them into becoming chronic lookers
- The rationale and strategy you need to follow to get this done quickly and right
- How to get all the information and documentation you need for any business without spending a dime
- How to get the seller and broker to work on your timeline
- Dealing with brokers and sellers who procrastinate at every chance and what you must do to keep things moving
- 7 things to do at once so you won't get delayed later

**Lesson # 5 - WHERE TO LOOK**

Quality deal flow is a challenge for buyers at every level – that's about to end for you.

This is a full examination of all the resources available to you and a clear direction for the best places for you to find potential opportunities. You'll learn how to properly review every listing source and database where businesses are listed for sale. You'll understand what to look for specifically in the individual broker listings, so you quickly identify good prospects and eliminate the garbage (and there's lots of those).

Later, Module 8 will cover direct solicitations and in combination with this one, will provide you with steady, quality deal flow.

**In this section you will learn:**

- How to avoid hours of useless searching
- Examination of all the resources available to you online
- The best places for you to find what you are looking for
- How to interpret the broker listings
- Which ones to keep, what to toss aside

- How to get more information than is published
- How to identify and handle ‘for sale by owner’ listings – it takes an entirely different approach than ones listed by brokers
- Tear apart buyer-listing sheets and focus solely on what’s right for you
- Trade Associations – a great resource overlooked by nearly every buyer - who to contact to get great industry information and potential available businesses nobody knows are for sale
- Leveraging networks of lawyers and accountants and how to get them to solicit businesses for you at no cost
- Networking with banks, other lenders, and investors
- Using The Chamber of Commerce as a tool and how to get in even if you don’t qualify for membership
- Getting the word out and networking with a wealth of business contacts you already have in place

## **Lesson # 6 - GETTING ORGANIZED**

Buying a business is a project that involves countless tasks. Every step is important, like spokes on a wheel. A common concern expressed by those who failed to ever buy a business is feeling overwhelmed by the documentation, paperwork, and relentless follow-up required. Organization is key as you progress, so you do not overlook any details. We’ve compiled a proven system for you to follow to keep everything in order and flowing.

Whether you use ‘old-school’ systems of paper, or you prefer everything digitally, having and maintaining a system that works is the key.

### **In this section you will learn:**

- Making organization a priority
- A complete list of all the items that you will need to begin the search
- Specific folders to set up initially and for every business you decide to pursue
- The system to use to manage all the documentation
- Keeping all the information under control and at your fingertips
- Organizing the Multiple Listing Sheets and individual business decks and profiles



- What to highlight and identify on individual business listings
- Discussion of Non-Disclosure Forms and what you should and should not sign
- Dissecting the financial information
- How to catalog individual businesses
- A system to organize all the thoughts, ideas, and things to do that will come into your head (usually at the craziest times!)
- Creating your post purchase notes, to do items, and files
- Review of the money required for the search stage

## **Lesson # 7 - USING BUSINESS BROKERS EFFECTIVELY**

Many inexperienced prospective business buyers make the terrible assumption that all they must do is contact or hire a business broker and presto - the right business will come to them. Nothing is further from the truth!

A business broker's goal is to sell you ANY business and your objective is to buy the RIGHT one!

Will they do everything in their power to ensure you get a good deal? No, they won't.

A good broker can help you, but the wrong one will prove to be a monumental waste of your time! Remember, a business broker represents the seller – ALWAYS! The seller pays their commission and so there's an immediate conflict of interest.

Business brokers can play a role in this process, but they only sell about ten percent of all businesses, so in cases where you do work with one, they can help you in three specific areas:

1. Provide access to available businesses for sale
2. Deliver bad news to the seller
3. They can help move deals along and the information flowing

### **In this section you will learn:**

- Why and how you should 'use' business brokers
- Understanding why you must show them you're a serious buyer (because they probably won't even return your emails/phone calls until then)

- What's in it for them
- Who pays their commission and why this is important
- Is their commission negotiable and how to get them to reduce it to help you pay for business
- The obligations you have to the broker
- How to find a good broker
- Your strategy on your first call to the broker
- Setting up a meeting with a potential broker
- 18 Questions to ask each broker when you interview them
- Checking out their references
- The 17 Questions to ask their current clients
- Getting the broker to show you all the listings including the ones that may be 'reserved' for their preferred clients
- Understand how the brokers negotiate with the seller
- The danger of using the broker's contacts - lawyers and accountants, etc.
- How to handle businesses that you may find on your own
- Review and case study of the Broker Listings, Non-Disclosure Forms, Multiple Listing Sheets
- Exhibits and forms they will want you to sign (understand why you can't agree to some of them).

## **Lesson # 8 - WHY EVERY BUSINESS IS FOR SALE – FINDING OFF-MARKET BUSINESSES**

This section is huge! You will learn a game-changing strategy to uncover businesses to buy that nobody else knows about.

Every business is for sale; some owners just don't know it yet!

Once you complete module 3 and determine the specific type of business that's right for you, why limit yourself to what's publicly listed for sale? In this lesson, you'll learn how to creatively approach businesses in the 'hidden market'.

Business owners are bombarded with inquiries from brokers and other buyers like you. The good news for you, is they all use the same old techniques for outreach and rarely generate any interest – we will teach you a MUCH, MUCH better way that has achieved incredible high-quality deal flow and results for our clients.

### **In this section you will learn:**

- The 'Hidden Market' – it's massive and where many of the best deals can be found without competition from any other buyers
- Proven strategies to approach businesses not currently for sale
- Understanding why every business owner will sell
- The 6 conditions by which sellers choose to sell
- Identifying undervalued and potential candidates
- Learn to tune in to every business you come across and see their strengths and weaknesses
- Why the ideal business may be staring you in the face

This module includes sample solicitation letters that have been refined and perfected to elicit incredible conversions. You'll also learn a specific method of sending these that will get the owner to take your interest seriously unlike the tons of inquiries they get from other buyers and never respond.

## **Lesson # 9 - FRANCHISES - SHOULD YOU EVEN CONSIDER ONE?**

Under the right conditions and for certain buyers, a franchise provides a wonderful option that is may be worth investigating. However, they are definitely not for everyone.

IMPORTANT: You should only consider buying an existing franchise location, one that's already operating successfully, rather than trying to find, buy, and build a new one. This way, you marry the best of a franchise and an existing business. This lesson will teach you precisely how to do it because many existing franchises change ownership without ever being listed for sale.

When you approach a Master Franchisor regarding a new location they will bombard you with market studies. They will tell you that IF their study proves correct and IF the passing traffic trends continue and IF the area continues to grow at the same pace and IF the industry continues to thrive and IF you follow their steps and IF you buy all their promotions then you should do well. And IF you were born into the royal family, you wouldn't have to work for a living! That's why, if you're a candidate for a franchise and not everyone is, a resale is your best option.

### **In this section you will learn:**

- The only way to make a lot of money in franchise ownership
- Learn the three big advantages that a franchise can offer
- Understand why franchises are not for everyone
- The exact steps to find available resales
- Why franchisors cannot guarantee your success
- Getting the Master Franchisor to cooperate
- Find resales that aren't 'officially' for sale
- Evaluation of new versus existing franchises
- When to get into a franchised concept
- Franchise contracts - their importance, the details, and what you must be on guard for
- The **25** things you absolutely must know about the franchise contract
- How to avoid making a deal with a franchisee and having it vetoed by the Franchisor
- How the Master Franchisor may be your competitor

- Getting the owner to pay the transfer fee
- Conducting Due Diligence and why it's so different from a non-franchised business
- 17 critical areas to be investigated
- How you can 'test drive' a franchise
- Key questions to ask other franchisees
- 15 crucial questions to ask the Franchisor to ensure that they are the right group
- Resources to find available franchises

## **Lesson # 10 - WORKING WITH PROFESSIONALS**

Regardless of what size business you are looking to purchase, you'll need to use the services of both an accountant and lawyer. The smaller the business, the less you'll need them, but you will need them. The accountant will help validate all the financials and for attorneys, they will make certain that anything that you agree to is legal, binding, protects you, and they will ensure you are well aware of any risk or exposure.

### **In this section you will learn:**

- Complete discussion of accountants and lawyers and the way they operate
- Understand why they can ruin every deal
- The protection they can offer
- Do you need them?
- How they can help you
- Leveraging their contacts
- **11** surefire ways to save money on their fees (this is bulletproof!)
- What role can they play in getting you a better deal
- How to avoid the traps that many fall into and pay a fortune for services you can easily do on your own
- How to choose them
- **9** key questions to ask them to be sure that they're right for you

- Checking their references
- Getting free information from them
- Outlining the scenarios where you need a specialist
- Setting parameters and financial budgets
- 20 key points to cover in your first meeting
- What are their costs
- Negotiating their fees (Everything is negotiable!)
- Why you must ask certain questions first
- How to keep them focused on your work
- Why big fees do not necessarily mean that they're any good
- Making sure that they are interested in your business

## **Lesson # 11 - UNDERSTANDING ACCOUNTING FOR A BUSINESS PURCHASE**

A fear or lack of knowledge of accounting must not and cannot prevent you from buying a business. The beauty of accounting is that it's based on numbers and **numbers don't lie. Sellers may lie, but not numbers.**

Financial Statements follow a similar pattern from one business to the next so the format will become familiar to you quickly and our approach will have you confident and comfortable within a few hours – no experience required.

Don't get nuts about the financials. You must review in detail of course to be sure they are accurate, and to give you a sense of what the immediate future holds, but they reflect the past not the future. They are part of your evaluation, not all of it. You don't buy a business for the past unless you're planning on going backwards.

### **In this section you will learn:**

- A complete overview of accounting in simple terms for the most inexperienced buyer
- If you can add, subtract multiply and divide you've got most of it covered
- You will learn how to properly interpret Financial Statements in 1-2 hours

- Understand why a lack of accounting cannot prevent you from purchasing
- Why expertise in accounting is overrated
- Learn what aspects of accounting can give you a glimpse of the future
- A case study that will clearly define the basics of accounting
- Understanding time and its relationship to accounting
- Understanding Cash and Accrual Accounting
- What statements to request and what to look for in each
- How to determine if they are true and accurate
- Learn all the buzz words so sellers will know you're an expert
- Real life examples, worksheets and case studies.
- The different periods in the life of a business
- The Balance Sheet (interactive worksheet)
- Defining Net Worth
- Valuing Assets
- Understanding Liabilities
- Determining Owner's Equity
- The Income Statement (interactive worksheet)
- Learn how to uncover the inconsistencies
- Learn all the ways sellers will typically manipulate to artificially inflate profits
- Perform an interactive exercise that can save you thousands not to mention a lot of aggravation.

## **Lesson # 12 - THE SELLER AND THEIR IMPORTANCE**

The market is flooded with prospective buyers. You must separate yourself from the crowd and the best way to do this with sellers is to establish a meaningful relationship with them.

All the documentation you need will eventually be provided, so don't get into the weeds right away with a seller. Talk with them, not to them. Don't push. Get to know them and let them get to know you on a personal level. Get them to become a fan of yours. It can prove to be your biggest advantage because when sellers like the buyer and see them as the person to take over their legacy, they will go out of their way to get a deal done with them.

The seller is the second most important part of the equation; you, of course, are first. The seller must 'pull the trigger' from the other side to complete the deal. You will come to discover that the seller can be a wealth of information for you throughout the process. After all, who better than the owner to know the business?

**WARNING!** No matter how decent, kind, reasonable and helpful a particular seller may be, never forget that they want to sell you something! Will they lie to you? Maybe. Will they 'stretch' the truth? Always! Be aware that they see you as their way out and they will say and do what they must to sell you. They want to close the deal, so while they can be a wealth of information, you must verify everything or face the consequences later.

### **In this section you will learn:**

- The Mental Aspect
- Seven things you must do immediately with each Seller
- How they can help you
- How they can hurt you
- How to deal with uncooperative sellers
- Why you must get them to become a fan of yours
- Getting them to agree to finance the purchase
- Seller's Remorse – it happens in nearly every deal – learn how to recognize it early
- How to qualify the information they will give you
- How to establish a direct negotiating link with them
- Investigating the information they provide
- The approach to use when they 'stretch the truth' (also known as BSing you)



- Being sensitive to their concerns and fears
- Gaining their trust
- How to play it cautiously with them and limit your exposure
- Understanding that you are each trying to sell each other

#### Post sale training:

- The training that you need them to provide (get them to stay twice as long as they've offered)
- How to work with the owner after closing
- Determining whether they should stay and for how long
- What to do after the training period
- Defining the past owner's role to the employees
- Preparing for the obstacles you will face
- How to terminate the training period early if necessary
- Why you must listen to what they have to say
- Keeping them available for future questions
- Review of all the possible agreements to set up if you need them for longer

### **Lesson # 13 - FOCUSING YOUR SEARCH**

This is the first stage where the buying process claims its victims. It's where the 'lookers' remain lookers, or where they are converted into buyers.

As a side note, I find it really bizarre that there's this new trend for prospective business buyers to call themselves 'Searchers'. It's a ridiculous term – it implies endless looking. From today forward, don't refer to yourself as a Searcher - you are a FINDER!

After completing this module, you will know how to review business listings and identify good potential ones and eliminate the garbage. There are more than 70 individual initial items to review, and we'll provide you with the specific things to look for with each of them!

Focusing on the right targets is crucial, but it's no use looking until you know what to look for specifically. This section incorporates worksheets, real-life examples, and case studies

so that you will efficiently analyze potential businesses for sale and focus 100% of your attention on the ones that make sense for you.

**In this section you will learn:**

- Recognizing an entire group of available businesses that must be eliminated immediately
- Examination of all the resources available to you
- The best places for you to find what you are looking for
- Slashing the choices to ones that make sense for you
- How to interpret the Broker listings. Review of 'For Sale by Owner' businesses and learn the exact approach you must use for these (if you don't, you'll mess it up and then you can forget about the opportunity)
- Sample letters and specific techniques to approach private sellers in the 'Hidden Market'
- Useful online publications to reference
- Leveraging your network of family, friends, business associates, lawyers and accountants (they have incredible networks)
- A realistic review of your income expectations
- Multiple Listing Sheets – a line-by-line analysis/case study and detailed examination of everything that you will find on the preliminary listing sheets or one-pager documents that brokers/sellers will send to you – what to look for, common inconsistencies, and misleading information
- Which prospects to keep, which to toss
- Complete review of the financials provided

This module includes Interactive worksheets, real-life examples

## **Lesson # 14 - VISITING BUSINESSES – The key questions to ask every seller**

You're going to love this module. You will be so prepared to meet business owners, sellers, and brokers that they will be certain you've been buying businesses for years!

In this section you'll learn how and what to prepare, the specific questions you must ask, the answers to look for, point-counter-point strategies, and techniques for every possible situation. You'll know what the seller will ask you, what answers to give, how to uncover the real answers, the true reason why they are selling, and tons of other practical, proven tips.

### **In this section you will learn:**

- Preparing for the meeting - background research, formulating the meeting agenda, documentation required, timing, your appearance, conduct, and conveying a sense of urgency
- The 36 questions that you MUST ask - each comes with an explanation and a strategy for any answers they may give and counter-questions to ask
- Utilizing the four-part Prospective Business Portfolio™ to prepare and evaluate
- Understanding why you must ask your questions first
- Detailed listing of typical questions you'll be asked and suggested answers
- A post-meeting follow-up checklist
- How to gather information in the interim
- Evaluating the business after the first meeting
- Sample letters to send to all parties (seller, brokers) recapping your meeting
- Sample letter to send after one week to keep them informed
- Second meeting preparation, strategy and agenda.
- Understanding and defining your next meeting's goals
- Techniques to use to get confidential information prior to the second meeting
- The things to look for to determine the owner's level of interest and enthusiasm
- How to determine for a fact whether any other buyers are interested in the business (the seller and broker will tell you "There's lots of other buyers" – usually a lie)
- Clarifying the secrets you've discovered

- The 13 questions that must be answered during these follow up meeting
- How to review the financials even if they are not ready to hand them over to you
- Your post- second meeting follow-up checklist
- Sample letters to be sent to all parties outlining the next steps

## **Lesson # 15 - GATHERING INFORMATION ON THE INDUSTRY & COMPETITION**

This module is crucial to give you a head start on the formalized due diligence and provide you with industry and competitive intelligence that can significantly influence whether to move forward with a potential business.

**GOING UNDERCOVER:** For most, gathering information on the industry and the competition is an exceptionally interesting and educational aspect of the buying process. You will utilize some superbly creative techniques to get the information you need quickly and effectively, and you will discover that these strategies will be a great asset for you in the future as well. Yes, you're really going to be playing 'detective'.

**SALESMEN CAN'T SHUT UP!** Want to know the best way to gather information on anything from any source? Call their sales rep! In their haste to get an order from a new client, most of them forget to even qualify the prospect. The most successful way to find out exactly what you need from the competitors or anyone in the industry is to just call them and speak to a rep. Let them think you want to buy something. Then, fasten your seat belt because they won't stop talking. We'll provide you with all the questions to ask them and you'll learn more on one phone call than the seller could tell you in a month.

### **In this section you will learn:**

- A complete checklist of everything that you need to know about the industry and the competition
- Learning techniques to uncover information that the seller will never disclose voluntarily
- Resources to get the data you need
- A step-by-step strategy to get all the information you need from Industry Associations, Trade Publications, the seller's employees and customers
- Evaluating competitive marketing strategies
- Interpreting future trends in the industry

- Determining if the business is well poised for the future
- Find out the strategies the competition uses most effectively to market their products
- What trade shows are most effective
- Learn exactly who are the competitor's biggest customers

## **Lesson # 16 - VALUING A BUSINESS**

If you have any worries about how to accurately value a business so you do not overpay, your worries are over! To be a successful business buyer you must become an expert at valuations and this lesson automates the entire process for you.

You will use our fully automated valuation module - **The Diomo Business Assessment™** method that has been stress-tested on 1004 transactions. It calculates the annual earnings and then weighs all the business' strengths, weaknesses, potential problems, deal terms, and 50 critical fundamentals of each unique business and then applies an appropriate multiple to it which establishes an accurate and indisputable valuation.

This lesson delves deeply into business valuations and many of our clients tell us that this module alone helped them understand acquisitions like a pro and allowed them to present offers and compile valuations with great confidence and understanding.

The challenge with business valuations is what most sellers think their business is worth rarely has anything to do with its true value. To pay the right price, a buyer's valuation must be defensible so you can counter the asking price with facts, cold hard facts! Unlike many sellers, you can't just pick a number out of the air.

### **In this section you will learn:**

- Understanding the true meaning of value
- How to identify what holds real value in any business
- Understand how sellers fix their asking price
- Why seller and broker valuation methods don't work
- Complete tutorial of The Diomo Business Assessment™ tool
- Learn why you must completely disregard the seller's pricing strategy
- Understanding traditional valuation methods and why they usually don't work

- Understanding Asset-Based Valuations and when to apply them
- Fair Market Value pros and cons
- Liquidation Value and why this is an important figure for you to establish
- Understanding all the technical terms and how you should be negotiating their true value (Cash, Accounts Receivable, Inventory, Leaseholds, Furniture and Equipment, Prepaids) and what they are worth to you
- Why traditional valuation methods don't work
- Cash-Flow Based Valuation Methods
- Risk – something for you to think about
- Turning your valuation into an offer
- How to walk the seller through your valuation and convince them that your valuation is correct
- Reviewing all possible rebuttal scenarios

### **Lesson # 17 - NEGOTIATING THE DEAL and MAKING AN OFFER**

Negotiating the deal is a daunting thought to many people and it's understandable. You certainly don't want to agree to something that you'll regret later. Following this lesson, any apprehension you have will be eliminated. You will know every scenario and deal point you will face and what your strategy should be for each one.

Great negotiators win the important points because they're well prepared for every situation. They go into negotiations having thought about all the options beforehand, so they're never bullied into a decision.

While there is some give and take in all negotiations, our perspective is that you, the buyer, must win the key points. It is not fair or practical to believe this should be a 'win-win' transaction. The goal is that YOU WIN and the seller is 'reasonably happy'!

You'll know all the terms and clauses to negotiate, what your position should be, and you will be armed with a point-counter-point strategy for every rebuttal. You will know how to formulate your offer, what you should be proposing, and how to effectively negotiate all the various clauses. You'll learn to play 'what if' like a pro: "If I do this what will they do? If they say this, I'll say that. If I were in their shoes, what would I do?"

### **In this section you will learn:**

- All the deal terms that need to be negotiated
- A point-counter-point strategy for every item
- The greatest negotiating technique in the world
- Understand why great minds think... differently.
- Your emotional makeup
- Identify the seller's emotions and learn how to play them brilliantly
- Quickly learn 19 can't miss skills to become a great negotiator
- 17 things that you must avoid when negotiating or risk losing every deal
- The different stages of negotiation
- Get a detailed list of every 'must ask' question for any business and every situation and understand the real meaning behind the seller's answers
- Letter of Intent explanation, strategy, exhibit and when to use it
- How to construct and what should be your initial offer
- The strategies and techniques to use with an accepted offer, counter-offer, or outright rejection
- Negotiating the detailed Offer To Purchase Agreement
- Preparing meeting agendas and notes
- We'll show you how to get the financial statements and all necessary confidential information long before sellers are typically prepared to give it to you
- The 20 things all great negotiators do
- The 17 things great negotiators do not do

### **Negotiating Part 2 – Making An Offer**

In this section of the module, you will learn how to set the stage for the negotiations and get down to the details. This is a complete review and discussion with point-counter-point strategies for every clause in a formalized offer.

There are over 50 specific clauses, and you'll cover them all including:

- Down Payment
- Balance of Sale
- Deposits, Guarantees
- Assets – Liabilities
- General Obligations
- Contracts
- Leases
- Non-Compete clauses – their importance and the exact language to be used.
- How to deal with Real Estate if it's part of the deal
- Due Diligence clauses and exhibit - the time you need to conduct it effectively and contract language that you must use
- Management assistance (the seller's training period) and what to negotiate for post-training
- Contractual recommendations for dealing with 'Seller's Remorse' (it happens frequently)
- Broker Obligations
- A mechanism to resolve potential disputes
- Why you should include an arbitration clause and a sample clause to use

Next up will be how to:

- compile and draft the deal points
- presenting your detailed offer
- handling renegotiation if necessary

This module includes a Sample/Exhibit of a complete Offer to Purchase Agreement.

## **Lesson # 18 - EVALUATING PERSONNEL**

IT CAN'T WAIT: It is of utmost importance that you meet with any key employees individually as early as possible in the process. Some of the most intriguing insights you will get on any business will come from them, not the seller. Now, it is understandable if a seller doesn't want you to meet with them early on since sellers are concerned about the word getting out of a possible sale. While you want to respect and be empathetic to their wishes, you must temper this with the fact that you will have to meet with them at some point before you buy the business. This certainly applies to all key employees that you want to retain post-sale. The absolute latest you can wait to meet them will be during the formalized Due Diligence.



### **In this section you will learn:**

- How to convince the seller to meet them early on
- How to get incredibly valuable feedback from them that the seller will likely never disclose
- Understanding why your initial plan is to keep them all after closing
- The questions to expect from them
- Getting background checks
- Understanding their fears, goals, and plans after a sale
- How friendly should you get with them?
- Understanding the 'I'm the brains of the operation' mentality
- One question that will indicate what they really think of the future of the business
- Preparing yourself for blackmail and sob stories.
- A Question-and-Answer worksheet to use for your first meeting with all the employees (a very effective tool).

### **Lesson # 19 - FINANCING THE PURCHASE**

The emphasis in this lesson will be formulating strategies that will convince any seller to finance your purchase.

Using our proven strategies, **91%** of our clients get the seller to finance the bulk of the purchase.

You can always finance a good business, but most buyers wait until they find a business to seek financing and then it's too late for them to learn some of the incredible ways of arranging great financing.

If any business is half as wonderful as every seller is going to portray it as being, then why on earth shouldn't they finance it? Unless, of course, they believe that you're not going to be successful. Why's that?

This module includes a complete background on all possible lenders, the different loans available and how to creatively structure financing so that it's easily affordable regardless of your financial position. Getting the money is easy; getting it on the right terms and

conditions requires some work. Without the right information, buyers end up with terms that are not even close to what they could have negotiated had they been better educated and prepared.

**In this section you will learn:**

- A loan is a loan... right?
- Understanding the various loan types and the structures that make sense for you
- Everything you need to know about: Debt Financing; Equity Financing; Debt to Equity Financing
- Formulas to be certain that the business can afford the purchase and service the debt
- Understanding and leveraging Collateral
- Pledging Assets (how to get away with the absolute bare minimum)
- Understanding the differences and consequences of Recourse and Non-Recourse Loans
- How much does the business need and how to get more than you need (you can never have enough)
- Where to go for the money
- Why your priority must be to negotiate Seller Financing, and every technique that will help you achieve this goal (pay attention to this section)
- SBA Loans – your tax dollars at work...maybe
- Structuring seller financing at incredible terms
- Learn what to negotiate to leverage all the assets
- Techniques and strategies to use with Banks, Asset-Based Lenders, Factoring Companies, and Leasing Companies
- If you're thinking about getting financing from family and friends, you must know there is a lot more at stake than money
- Obtaining financing from Angel Investors, Professionals and others

This module includes a complete Business Plan and Marketing Plan template you will need when approaching third-party lenders.

## **Lesson # 20 - DUE DILIGENCE - A 200-Point Checklist & Strategy Guide**

What needs to be investigated? EVERYTHING!

The formal Due Diligence period occurs after you have reached an agreement, and you will now be inspecting the company's books and records. This is the moment in time when many prospective buyers mess everything up, drastic and costly mistakes are made, and it can happen to you as well if you do not know exactly what to do.

Every business has secrets! Every owner knows certain things they do not want you to find. Eventually they will all surface! After you complete this lesson, you will know precisely how to uncover every problem BEFORE you buy.

This is the time for you to investigate far more than just the financial aspect of the specific business to determine what the future may hold for the business.

HELPFUL HINT: Never allow the seller and their broker to negotiate too short a Due Diligence period. Sellers will do everything in their power to get you to commit to a Due Diligence period of about 20 days. Unbelievably, most buyers agree to it and ultimately fail to uncover problems which can prove to be very costly down the road. How can you possibly learn everything about the inner workings of a particular business and industry within days? It's impossible!

### **In this section you will learn:**

- A 200-point checklist covering 11 main categories for every single type of business
- 22 key points that you must know in advance
- What specifically needs to be examined
- A complete To-Do List, Strategy and Checklist of the Materials Required to investigate, and Summary Reference Sheets for each component of business
- Historical financial data investigation techniques
- Assets-evaluation formula
- Review methods for sales policies, procedures, and personnel
- How to evaluate the marketing strategies, failures, successes, and options available
- How to determine the viability and long-term prospects of the business and the industry in which it operates

- Interviewing and evaluating all the company's employees and learning who can help/hurt you
- Assessing the current systems and the technology available to jumpstart any business
- Incredible tools to identify and investigate every competitor
- Review and evaluate the customer base and determine whether they will continue to buy and the prospects for growth with each
- Access all contracts, leases, and agreements in place and evaluate the long-term viability of each
- Simple steps to verify the strength of the company's suppliers
- Legal and corporate issues to be sure that you have no exposure whatsoever
- Getting competitors and customers to tell you everything that you need to know before you buy the business

This module includes: A financial documents checklist to provide the seller

### **Lesson # 21 - PULLING THE TRIGGER**

READY! AIM, AIM, AIM! How can someone possibly get through an entire buying process, pass each stage, and then flip out at the end, days before closing, and be afraid or unwilling to buy the business?

According to many business brokers and sellers, a large percentage of prospective business buyers back out at the last moment, but NOT our clients! Here's why it happens to others: they haven't completed each stage properly; they are still not sure, there are too many unknowns and loose ends, and so they give up and back out.

On the other hand, when you handle each stage of the business buying process with surgical precision and know-how, making that final decision is in no way, shape, or form, a 'leap of faith'. When decisions are made based upon facts, then your final decision is no bigger than anything else you've done along the road. You're confident, informed, rational, decisive and you're ready! End of story. Everything you have learned will provide you with all the ammunition and knowledge to make the best financial and career decision of your life.

**In this section you will learn:**

- All the last-minute considerations
- You will understand why people fall off at this late stage
- You will know exactly what you need to have in place to make the final decision
- You will learn how to piece together all the information that you have accumulated to make the right decision
- You will see why, if you have done all the work, that 'Pulling the Trigger' is simply one more step in the process

**Lesson # 22 - CLOSING THE DEAL****In this section you will learn:**

The actual closing of the deal includes several specific documents to be executed such as:

- the Definitive Purchase Agreement (it may only get signed at closing)
- the Non-Compete agreement
- Promissory Note
- Bill of Sale
- Purchase Price Allocation
- Transfer taxes
- Agreement to cooperate post-closing
- Lien filings
- Title Transfer of Assets
- Lease Assignment
- And on and on the list goes

Don't worry, you'll know everything you must have in place and your attorney will guide you. Plus, we are ALWAYS available to help you with this or any other question you have at every stage.

While a competent attorney will assemble the necessary paperwork, you should have a clear understanding of what all the documents are, what you should, or should not include, and what to look out for, so that you're adequately protected. You will want to be sure that agreements such as the non-compete reflect what was agreed to, and the promissory note, as an example, contains the key provisions you have negotiated. This section will outline this legalese in a straight forward and easy to comprehend manner.

## **Lesson # 23 - POST PURCHASE PRIORITIES**

CONGRATULATIONS – well done! You are a business owner - So exciting!

The fun begins....unfortunately, many new owners experience a decline in their first 3-6 months and there's only one reason: they walked in without a concise plan, and by the time they began to focus properly, they were months into their ownership. We will not let that happen to you.

FOCUS LIKE A LASER BEAM: Your first three months are crucial. There are 10 things to focus on and the goal is to accomplish all of them. It will set the foundation for you and the team, which will be a great morale booster for all. This lesson outlines all of them for you.

One thing you should also do: clean up the place, throw a coat of paint on and make some cosmetic changes from day one. The business is new, you're the new Sheriff, and the employees should feel renewed. Freshen up the place right away so everyone can see that positive change is the way of the future.

### **In this section you will learn:**

- A strategic outline for the first 90 days after you buy the business
- The ten unbreakable things to focus on once you take over

# Exhibits and Resources

There are program exhibits and interactive resources that are referenced in the main guide and are contained in separate folders with the download.

Resources include:

- All course exhibits
- Case studies
- Legal Agreements:
  - Letter of Intent (LOI) template
  - Purchase Agreement template
  - Specific clauses to be included in any agreement
- The Dimo Business Assessment™ automated valuation spreadsheet
- Direct seller solicitation letter samples
- Employee evaluation agenda and Q & A
- Accounting exhibits
- 200-point Due Diligence checklist plus:
- Financial document checklist
- Due diligence summary reference sheets and material'/documents requires list
- Target Business Portfolio follow up worksheets
- Study Guide and Journal