

## Is Buying Right For You?

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The next step to buying your own business is to **make sure it is the right move** for you and your family. Owning one's own business is still very much "the great American dream," but it's not for everybody. Here are some questions that you should ask yourself before taking the next step. How long have you been thinking about buying a business? Many people are interested in buying their own business, but are not willing to make the commitment necessary to move forward. They continue to look just like those who continue to look at new and expensive automobiles, but will never spend the money necessary to buy. One veteran observer has said that the longer you look the less likely you are to buy.

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### What is your time-frame to find a business?

If you're thinking of buying a business in two years, it's good to start your education. BizBuySell is a good place to start. Keep in mind that it really doesn't make much sense to start your search now, since any business you find now will have been sold by the time you are ready to buy. It's important, however, to arm yourself with all of the information and education available before you begin the search.

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### What is your primary reason for buying a business?

If you are not motivated to buy a business, you won't. You must go into business for yourself and for the right reasons. If you're tired of the corporate world, just have a "job-job," or perhaps even a dead-end job, then business ownership may be right for you. Certainly if you're unemployed or being transferred to a place where you don't want to go - buying your own business can be a viable solution.

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### Are you willing to invest a majority of your liquid assets in a business?

Buying your own business requires a serious financial investment. If you're the type who does not want risk, you might want to rethink owning your own business. It is not for the faint-hearted.

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### Are you independent enough to make your own decisions and be in control?

Operating a small business requires continual decision making. You're the boss, and you are in control. All of the decisions are yours - right or wrong. And, you will make a lot of wrong

ones. The key is can you recover and keep going forward? If you brood about poor decisions or they keep you awake at night, owning your own business may not be for you.

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### **Is your family supportive of you owning your own business?**

If your family, especially a spouse, is not behind you 100 percent, then you should think twice about business ownership. It's very important that you have the support of your spouse. He or she has to understand that running a business can be time-consuming. On the plus side, however, many businesses do allow for flexibility so you can attend the afternoon little league game.

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### **Are you open-minded about different opportunities, or are you looking for a specific type or business?**

It's best if you are open-minded, especially if you are a first-time buyer. There are many types of businesses available, and you don't want to limit your choices. You should be looking for a business that will provide the income you need, (or has the ability to do so), that you can afford, where the numbers work, and, maybe most importantly, a business that you can see yourself running.

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### **Do you have reasonable expectations?**

Do you think that you can buy a business with lots of cash flow for \$100? It's important that you have realistic expectations about what your money will buy. Many sellers are willing to assist in financing the sale of their business, but remember they're not going to give it away. Keep in mind that many business owners have spent years building their business and it may represent the biggest financial asset they have - they're not going to just hand it over to you.

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### **Can you make the "leap of faith" necessary to buy a business?**

Many prospective business owners do their homework, do everything necessary to begin the purchase process, and then back out of the transaction. They just don't have the courage to go forward. There is nothing wrong with that, not everyone should buy and own his or her own business. However, if you don't think you can part with your money and take over operating the business on your own, you may want to take a second look at business ownership.

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## **Do you need a guarantee?**

If you are looking for a guarantee or a sure thing, then business ownership is not for you. You can and should look at all of the financials, tax returns, and all of the books and records. Remember, however, that they all represent history. You can't buy anyone else's history. A new owner makes changes, no matter how subtle. Their management style is different, and times change. You have to look at the business with the attitude of how you can improve things. The financial history of the business is certainly important, but it does not guarantee the future of the business - you do.

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