

How to Buy The Right Business For You

According to industry statistics, over 90% of the people who begin the search to buy a business NEVER do! The only way that you'll avoid being a 90 percenter is by acquiring the right knowledge. Likewise, the only way to ensure that you will be successful in the business is to be absolutely certain that you buy the right one.

Don't be alarmed, most people have no clue what business is right for them. The amount of businesses for sale can be daunting; the choice is enormous.

There are many proven steps that can help you determine what is the right business for you.

Develop YOUR Golden Rules:

Put together your list of five golden rules of what any business you buy MUST have in place. Think about this and be specific. Don't say: "I have to enjoy what I do"...sure that's important, very important in fact. However, if you're in a business that you initially think you're going to love, but you find yourself losing money, I can assure you that you'll learn to hate everyday very quickly!

As an example, here are my five golden rules for any business I consider buying:

1. It must be a sales and marketing driven business - that's what I do best.
2. It must have some element of exclusivity either in the product or within a territory. If not, I have no point of difference to offer new clients and maintaining current clients will always be a risk.
3. The product or service must be a high margin item -this way, it's simply a matter of time, persistence, and sales savvy (my strength) for me to build the business. Plus, the margins will allow me to try new, creative ways of building the business.
4. There must be a built in demand for the product or service. I've learned the hard way that trying to create demand is far too expensive.
5. I do not want to sell anything that competes solely on price. There's no long-term viability in that business model.

These are my rules. Unbreakable. Non-negotiable - no matter what! Guess what? They are bulletproof. When I find a business with these in place, and there are plenty, I am always going to be successful. You can certainly follow mine, but I will also show you how to modify them to find the business that makes perfect sense for you.

I must admit that I do have a fifth and sixth rule, but they are negotiable: I like businesses that don't have a lot of employees and I prefer, if possible, to have a business where there are repeat orders from all clients. But again, I will sway from these two but never, ever from the other five.

Helpful hint: you probably won't come up with five today. Your list may even change a bit during your search. As you visit different businesses, speak with sellers, and conduct your research, you may discover certain things that are added or deleted from your list. That's OK. However, getting this list down pat as soon as possible is fundamental to your success!

"Whatever It Is That You Do Best....."

Next, get a true grip on your skills. Don't pretend to be something that you're not. The rule here is that whatever it is that you do best (sales, marketing, operations, etc), must be the single most important driving factor of the revenue and profits of any business you consider purchasing. Repeat the last sentence once again; it holds the key to your success!

With business ownership, one of the main goals is for you to control your own destiny. Don't put yourself in a position where if one employee leaves, you're in big trouble. Your skills must be the fuel that drives the engine.

The right business for you is one that will thrive from your strengths and not suffer from your weaknesses. Take a long, hard look at yourself. Picture yourself in the business. Of paramount importance is that you must perceive yourself as enjoying the business. If you can't, then there's just no way that you can be successful. The business that you choose has to be one that you'll be proud to own.

Fall In Love With The Profit NOT The Product!

Another key factor is to avoid falling in love with the product; rather, you must fall in love with the profit and the lifestyle that it can deliver to you. Many buyers begin to dream about all of the exciting things about the business and they become delusional about what can realistically be achieved. The product that the business sells, or the service that it offers, unless offensive in nature, is meaningless in the overall scheme. If the business does not produce the income you need, or provide you with a satisfactory return on your investment, then rest assured, you will learn to detest the product quickly.

Likewise, a bland, boring product line can become very attractive if the business is growing and you're enjoying the work.

Stay Focused - Don't Get Discouraged

During the search phase, it's easy to become discouraged by the vast amount of available businesses. Don't get overwhelmed. Approach this methodically. If necessary, rule out the ones that you don't want. For example, if you're not interested in a gas station, restaurant or convenience store, you'll rule out 50% of all online listings. Search through listings paying attention to the profits not just the asking price. Understand that listings do not always portray the whole picture. Send inquiries to the listed contact. Arrange meetings with sellers. Prepare the questions you need to ask. You cannot buy a business from a listing. Visit businesses. With each meeting you'll get closer to knowing what is and isn't right for you.

Above all, get into the game. Once you own the right business, you'll never look back!