



SUNBELT®

## Buyer Questionnaire

Name \_\_\_\_\_ Agent \_\_\_\_\_

Phone \_\_\_\_\_ Date \_\_\_\_\_ Source \_\_\_\_\_

### Resources:

1. Time available to devote to business?  
    { } owner operator { } absentee { } management (part-time)
2. Skills, Abilities, Education
3. Experience – What are you doing now?

### Motivating Factor to Buy a Business;

{ } Unemployed { } Always wanted own business { } Investment

{ } Other \_\_\_\_\_

Businesses **not** interested in: \_\_\_\_\_

Interested in (mark all that apply, write in other interests not mentioned):

- C-Stores  \_\_\_\_\_
- Distribution  \_\_\_\_\_
- Franchise  \_\_\_\_\_
- Information Technology  \_\_\_\_\_
- Manufacturing  \_\_\_\_\_
- Restaurant/Food  \_\_\_\_\_
- Retail  \_\_\_\_\_
- Service (B2B)  \_\_\_\_\_
- Service (B2C)  \_\_\_\_\_
- \_\_\_\_\_

Other decision makers: \_\_\_\_\_

Income Requirements: \$ \_\_\_\_\_ per year

Time frame to purchase:

\_\_\_As soon as possible \_\_\_Within 6 months \_\_\_6 months – 1 year  
\_\_\_1 – 2 years \_\_\_More than 2 years \_\_\_When the right one comes along

Capital Resources:

Savings \$ \_\_\_\_\_ Home Equity \$ \_\_\_\_\_

401K/IRA \$ \_\_\_\_\_ Other Real Estate \$ \_\_\_\_\_

Stocks/Bonds \$ \_\_\_\_\_ Other \$ \_\_\_\_\_

TOTAL \$ \_\_\_\_\_ (amount willing to place as down payment)

Franchise Referral

**\* Please submit this form to your Office Administrator attached to the original NDA. The Questionnaire will be returned to you after the data has been entered into ACT! \***

## Things a buyer should understand:

**\*\*Reminder to Agents: Make sure you have a signed Confidentiality Agreement and NDA!\*\***

- Businesses sell for human reasons
- Banks rarely finance business acquisition because of the following;
  - tax returns
  - limited collateral
  - owner is primary asset
- Buyers must focus on top-line sales and cash flow, lifestyle of seller
- Top line sales trend and reasons behind trend
  - Down trending not necessarily bad
- Cash Flow
  - Businesses valued and sold on multiples of cash flow
  - EBITDA + owner's economic benefit = cash flow
- Business Value
  - 1.5 to 4.0 x cash flow > most sell for 2 – 3 x cash flow
  - Businesses in manufacturing, with proprietary information, and/or intellectual property may demand double digit multiples
  - Explanations
- Seller Financing - combination of down payment & promissory note
  - Down Payment = 20 – 40% of price
  - Down Payment often = 1.0 – 1.25 x cash flow
  - Promissory Note > 3,5,7 years at 7 – 8% interest
  - Secured by assets of business
- Highly Negotiated Process