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[8/17/2017: There might be a more recent version on my website.]

Let's face it:

For too many people, working for somebody else is risky. The profit their employer earns on their labor creates value for his or her company.

Isn't this risky, if you're not paid enough to save enough; if you can be fired and the company can go out of business if management can't do its job?

I've built a four-decade career around helping people buy some of the *best* small and midsize businesses. I've helped companies grow by mergers and acquisitions.

I want to show you what works. Right now.

- Start by setting a target date. It's the antidote to both procrastination ("Oh, I'll get to it someday") and despair ("I'll never get there").

The sooner you start getting more of what you want, the more energy you'll have for the rest of it!

This report contains a list of suggestions that I've received from people responding to my question:

What ONE characteristic distinguishes and empowers the people who do and don't buy or merge small and midsize companies?

I'm referring to the people who want to achieve done deals. And they set out to do it.

(Hint: It can be expressed in one word.)

Please email me your insight on any of these characteristics. If it's unique, we might include it in this report and attribute you as the source. This is a limited time offer.

According to the top intermediaries and advisors:

93% of people wanting to

buy or merge small or midsize companies

fail to do so.

Most of them don't even make it to third base.

One word is the common denominator.

Why do we know this? Our 500 year collective experience working for acquirers as their *Business Buyer Advocate* ®. Our clients, in the USA and Canada, achieve win-win done deals.

We also surveyed 10,000 people on the buy/sell playing field: Acquirers, attorneys, accountants, appraisers, brokers and sources of financing. We also communicated with failing wannabes.

The MOST important attribute may not be what you think it is.

And guess what? Most of the people, proposing the one word, were wrong. Not my opinion; theirs, after I explained the rationale for the MOST important characteristic.

What some of us believe to be the *most* indispensable characteristic may upset the usual thinking of some people, including professional advisors.

First of all, winners actually achieve done deals. And that happens because they stay the course. This happens because they bring to the dealmaking playing field several dozen attributes, just one of which empowers everything else. If that one attribute, which can be expressed in a single word, is missing or weak, people probably won't buy a business.

Why is this important?

I don't know anyone who wants to fail. Do you? And too many people fail because they don't have what it takes for success. This report can educate people who want to achieve a done deal; it can also help their advisors. Advisors? Sure. Winning professional reputations are made when advisors enable clients to succeed. Advisors make more money from clients that progress all the way to a done deal. Some of you can use this report for your self-assessment.

People who buy or merge small and midsize companies have some or all of these characteristics, traits, attitudes, qualifications

(listed in alphabetical order)

Do you know which *one* is the *most* important?
Why?

OVERVIEW

People who are best at coping with and overcoming their inertia and their fears smooth their pathway to buying a business. When their gut tells them to push through resistance or to solve a problem, they're not afraid to try. Knowing how to overcome fear is what permits us to fully release our potential. Because we have the guts to do it.

All of these personality characteristics are important. One of them is the *most* important for without it people are not likely to achieve done deals.

This report identifies what some experts on the buy/sell playing field believe to be the *most* indispensable trait. My podcast, about it, contains insight and tips you won't see in this report.

Use this report and my podcast to evaluate what you bring to the table. And then showcase your strengths when you interact with people on your way to achieving a done deal. Get help from your advisory team to shore up your deficiencies.

The relative benefits and importance will change for each of these characteristics as you progress. But, remember: Underlying all of them is the *indispensable* one; nourish it.

Ask yourself this question about any of the traits we review in this report:

- If I have X but not the *most* indispensable one, am I more likely or not to buy a business?

As an example, here's a tip you can use to test each of the attributes. It is an example of an important attribute. But it is *not* the most important one.

- "Desire" (i.e., to want something very strongly). Sure, desire is a universal attribute, but is there any other characteristic, trait or behavior that, if *missing*, will not permit *desire* to prevail? Which attribute, if lacking, will ultimately dissolve the best of intentions?

You can apply the test, above, to any of the characteristics this report lists. This list shows the complexity of what comes to play. These attributes, for each potential acquirer, may not be in alignment; they may not be congruent. Some of them may, indeed, be in conflict. This is normal.

So, what's one to do about this? Listen to my podcast. Listen to your knowledgeable advisors.

- Professional advisors, brokers and sources of financing might want to share this entire report and its related podcast with their people who could benefit from it. It's a nice way to help potential clients and clients who want to help themselves.

Okay, on to the list . . .

CONTENTS

100% FOCUS AND COMMITMENT TO CLOSING THE DEAL

If the buyer needs to be pushed, prodded or dragged to the finish line - the deal is dead. If the buyer keeps pushing the broker, the seller, the banker, and the lawyer and accountant to get their work done to close the deal - then this deal is 25 times more likely to close than it would with a passive buyer.

- Thanks for this definition by **Robert Mitchell** CBI, MBA, MM&AI, P.Eng

ABLE TO PERCEIVE OPPORTUNITY WHERE OTHERS DO NOT

The biggest OH WOW (**!**) is this: When you're an employee, you ARE buying a business . . . for your employer, though you may not have thought of it that way.

The profit your employer earns on your labor creates value for his business.

What are you left with?

Is it enough to live the lifestyle you want, or to be financially secure when you retire?

Sure it's risky to buy a business. But it's also risky to be an employee, especially if you're not paid enough to save enough. You can be fired. The company can go out of business if management can't do its job. Right?

So, potential buyers (and their advisors): There are no worst types of business—but a particular business may not be worth buying. You can make a street-smart investment by acquiring a strong company in a temporarily troubled or declining industry.

Ted Leverette offers Business Buyer Training: The proprietary client reference guide, "The Street-Smart Way to Buy a Business" ®, reveals 33 things to look for to perceive opportunity where others do not.

ACCESS THE HIDDEN MARKET

This is where to find unadvertised businesses for sale (or could be for sale) by-owner.
No matter how experienced you are, here are a few obstacles standing in the way of you buying a business:

1. There is a horde of unemployed or inexperienced buyers; they bid against each other to create a *seller's* market.
2. Only 1 out of 5 of the *best* companies sold are advertised by sellers or offered through business brokers.
3. Being qualified to buy a business is not enough. You must know how to find winners and achieve a done deal.

(As you can imagine, statistics, like these, vary depending upon the time, industry and the national and local economic conditions. You can easily Google the topic and find the array of data. When we counsel buyers, we tell them to take all stats with a large grain of salt, which means what matters most is the degree to which worthwhile companies can be found to match a particular buyer's acquisition criteria. The figure we cite, here, has been most relevant to most of the buyers who hire us. Our buyers seek small and midsize companies for sale, not Main Street ventures.)

Searching (only) in the public market is like
rowing a boat with one oar;
it takes a lot of effort
and you don't get far.

ACCURATE SCREENING

Of people and business opportunities. Don't expect sellers and their representatives to tell you everything they know. It's up to you to know how to evaluate opportunities. And do it. Most businesses are not worth owning. Their owners hope for a naive buyer, such as a Greater Fool.

ACQUISITION CRITERIA

It's important that the criterion for target businesses is compatible with the buyer's suitability for the business.
Begin with realistic acquisition criteria.
Criteria include business type, size, age, location, customer and product diversification, degree of competition, working hours, travel requirement, etc.
A safe and profitable business acquisition pays the owner a fair salary and benefits, earns enough profit for the business to pay for itself, provides a decent return on investment and later will sell for more than the price you paid.

ALIGNMENT

Alignment of strategic rationale, alignment of values, alignment with seller to get a win-win deal, etc.

- Thanks for this definition by **Jennifer Lee** MBA.

ANALYTICAL

Buying the right business the right way is more about research and analysis than negotiating and dealmaking. The more effective your due diligence the stronger will be your advantages during negotiations and dealmaking, and the easier it will be to obtain acquisition financing.

Too many choices can lead to paralysis (by analysis) and dissatisfaction. Too many choices cause us to waste time making decisions and worrying that we might be making mistakes. Buyer confusion can be followed by buyer remorse if the buyer imagines that a better deal was available elsewhere.

The worst case we saw was a former CEO who wasted two years to find 205 sellers (in various industries) of which 40 were excellent acquisitions. He kept postponing his decision to buy because he thought there would be a better deal down the road. The business he bought was no better than most of the winners that he saw early in his search.

AVOID TOXIC PEOPLE

Toxic behavior is common in the workplace, and that includes the playing field for the buying and selling of companies.

For most people, buying a business may be the only practical way to safely and predictably increase net worth to the figure that is necessary to support themselves during retirement in a lifestyle that is comparable to what they enjoyed during their working years.

Therefore, doesn't it make sense to you to shield yourself from toxic behavior? Try to limit or walk away from people who try to infect you. If it's not practical to walk away, minimize interactions. This is easier done if you're working from a well-thought-out workplan and if you can delegate to your advisory team.

And, maybe you can try harder not to let those jerks upset you or pop your balloons (as much).

I'm reminded of a "Peanuts" cartoon strip that showed Charlie Brown playing with half a yo-yo. It was broken. But he was having a good time dangling it, bouncing it up and down, and playing fetch with his dog Snoopy. Suddenly Charlie Brown's girlfriend Lucy comes along: "You stupid dummy," she says, "You can't have a good time with half a yo-yo. Everybody knows that!" Poor, dejected Charlie Brown throws his toy to the ground. "I'm sorry," he says, "I didn't know I couldn't enjoy myself with a broken yo-yo."

AWARE

Aware of the market conditions, the risks and the opportunities, and willing to proceed.

The art of successful business ownership is more complex than simply running the company. How did the owner come by owning it? If the owner purchased the company, how and why it was acquired materially affects the degree to which it can be successfully operated. Some mistakes during the planning, searching and acquiring the company can hamstring its performance. And, there's not much company management can do about it, except to acquiesce to the reality of mediocrity or failure.

BUY FOR THE RIGHT REASONS

According to a survey conducted by Opinion Research Inc., the desire to get rich was cited by only 9% of people who want to become a business owner.

The strongest reasons for wanting to own a business: "doing something I love" and "security."

So adept sellers and brokers showcase the *enjoyment* the company offers. They appeal to the buyer's desire to "do something I love."

Sellers and brokers stimulate the buyer's need for *security*, showing how the company can provide permanence of employment and financial security.

Safety is more important to most buyers than profit—no matter what buyers say.

Most buyers won't buy an unprofitable business, but many buyers will purchase a business whose profit has been less than the buyer initially wants if the buyer believes the business is not about to suffer a downturn.

Studies say security is the fundamental, universal reason why people want to own a business.

A "buyer" who is willing to take the risk of buying a business does so because of his/her belief that the only real security from a job is the job that he/she creates in the company he/she owns. A wise business seller subtly encourages buyers to fully understand this. Buyers who have lost or hate their job see the truth in this.

- Ending or preventing unemployment is not necessarily a good reason to buy a company.

BRAVE

Most people are brave if they do what it takes to achieve done deals, given the risk and danger associated with buying and merging companies.

They have courage combined with a willingness to take risks or attempt difficult or unconventional things (which, certainly, pertains to business transactions).

Antonyms for brave shed light on bravery but let's precede each antonym with this common sense qualifier: "excessively or unreasonably." Such as excessively or unreasonably afraid, careful, cautious, unadventurous.

See also: *Guts*.

CAPABLE ACQUISITION ADVISORY TEAM

Oh, you might wonder: Why a team? (Buying a company without professional help is about as smart as building a house without a good contractor. Do I have to give another analogy?)

The other side of the dealmaking table, sellers, has a team. And sellers employing business brokers enjoy 62 benefits, quite a few of which give them advantages over buyers.

Let's focus on **selecting your advisory team:**

- Hire people with a proven history of working for *buyers and sellers* of the kind and size of deal you intend.
- Ask how they have *facilitated* deals that *should* and *did* occur.
- Hire deal makers, deal closers.

Avoid the *wrong* kind of deal killer. There are two kinds of deal killers:

- There are advisors who don't know enough about dealmaking for small and midsize companies. Not wanting to make mistakes these poseurs are more likely to poo-poo deals or, worse, bless them.
- The other kind of deal killer is adequately experienced, which means when they try to kill the deal, do it.

You can get a better result if all the members of your advisory have a future-focus; if they can help you discover and exploit opportunities instead of turning every potential risk into a life-threatening situation. Sure, it's important to detect vulnerabilities. And the best advisors can show you how to fix or live with them within an *already-profitable* company.

CLARITY ABOUT INTENT

Clarity of objectives, goals, values, price capability, etc.

- Thanks for this definition by **Jennifer Lee** MBA.

COMMUNICATION EFFECTIVENESS

Effective at listening and honest communication.

- Thanks to **Gregory Kovsky** for this insight.

COMMITTED TO ACHIEVE A DONE DEAL

To do what needs to be done.

- Thanks for this characteristic by **Jeffrey L. Smith**, Crossroad Transactions.

COMPATIBILITY INSIGHT

Understanding how and where the acquired company fits into the acquirer's current and future needs.

CONFIDENT ABOUT FIT

Buyers are happier when they understand, before setting out to buy or merge a company, about how and where the acquired company will fit into the buyer's current and future needs.

- Thanks for this characteristic by **Lanny Moldofsky**.

CONSISTENCY

Without consistency, no traction is built up for deal flow. You aren't able to even make the first acquisition if you're not taking consistent action to put the proper systems in place. If you continue to put forth that effort it will pay off in your deal making career.

- Thanks for this definition by **Nathan Edelen**, Edelen Enterprises.

COURAGEOUS

The one word that I believe separates the winners from the losers is courage.

- Thanks for this definition by **Gary Hallett** CBI, Gateway Business Advisors.

Antonyms for courageous shed light on this attribute but let's precede each antonym with this common sense qualifier: "excessively or unreasonably." Such as excessively or unreasonably cowardly, irresolute, yielding, faint-hearted.
See also: *Guts*.

CREATIVENESS

How about creative dealmaking? This is where your team can shine for you (if you hire the right people).

How about creative financing? How to Get ALL the Money You Want For Your Business Without Stealing It (Choose the USA or Canadian version.)

"Ted's advice on creative dealmaking is second to none. I once helped my wife buy a business and used some of his tricks such as time-limiting personal guarantees on vendor notes. I'm glad to see this tidbit and more fill the pages of his latest book. If you're going to buy a business to protect your family's future, this book is one tiny bit of insurance you'll be glad you invested in."

— **David Barnett**, Moncton, NB, Canada

CREDENTIALS

What the buyer brings to the table must be acceptable to sellers (and probably to the sellers' advisors, and maybe to the company's customers, employees, landlord, bank and suppliers).

Too many buyers don't know or they ignore the importance of furnishing sellers, during the first meeting, their credentials, or worse, what they show is improperly constructed. The "resume's" (for lack of a better word) format and content, which people use while looking for a job, will not appropriately showcase the business buyer's credentials.

DECISIVE

The ability to make decisions quickly and effectively. (You will not feel rushed to decide if you definitively explain, to sellers and their advisors, for example, how you will gather the information you need to make informed decisions.)

Keep in mind that sellers and their team are trying to figure out how you will perform if you buy the company. This is particularly important to sellers that finance part of the buyer's purchase price.

Decisiveness suggests leadership ability.

Dithering won't cut it. Neither will unreasonable hesitation.

DESIRE

Buyers that go after a business the same way they would go after a potential spouse are a pleasure to work with.

- Thanks to **Bob Fariss** for this insight.

DETERMINATION

It's probably not the one word you hear most, but it is the key I think of and can feel most from a buyer.

As I call it, it's the 'get up off your ass factor.'

When you know, or think you know, there is something you should do as a buyer (or, seller/broker/rain-maker) and you 'get up off your ass' and really do something about that, you've got the best chance of success. Success is a doing something.

- Thanks for this definition by **Raymond Copell**.
- Thanks for this characteristic by **William J. Yankee** MBA.

DOER

Go-getter; achiever. You have a history (way before yesterday!) of taking action instead of just thinking or talking about it. Thinking about it is good. *Only* thinking about it is not. Neither is unnecessary procrastination.

"It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strived valiantly; who errs, who comes again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly."
— Teddy Roosevelt

FINANCIALLY CAPABLE

Depending upon the industry and type of buy/sell transaction—where the seller and buyer reached agreement on everything else—up to 50% failed to close due to lack of acquisition financing, according to a national survey.

So, pay attention when business brokers and other knowledgeable professionals tell you how much money and borrowing power you need to achieve the kind of deal you intend.

The buyer should KNOW how to present his financial capability. If he shows too much, he increases the probability that he will pay too much and make a larger than necessary down payment, or be rejected by the seller when he refuses to use more of his money. If he reveals too little, he will not get a chance to evaluate the company.

Buyer's credit report and creditworthiness: It takes a knowledgeable buyer or a savvy acquisition team to position the business buyer for the kinds of financial scrutiny that arises during dealmaking.

If and when buyers quit their job to buy a company can have a huge bearing on whether or not a deal can occur.

Likewise, how and when the potential buyer manipulates the buyer's finances and borrowing power.

And, let's not forget honest asset protection for buyers who don't want everything they own to be on the line.

It's amazing that so many people say their lack of money and/or borrowing power is why they don't try to achieve their dream of owning a business. More of them could do so if they deploy some of the 500 creative financing techniques in my book: How to Get ALL the Money You Want For Your Business Without Stealing It (Choose the USA or Canadian version.)

FUTURE-FOCUS

Google, Facebook, Amazon and Apple have it because their employees, advisors and investors have it. If you don't have the proven ability to accurate perceive the future (for your company), hire people who do. ASAP!

GRIT

Grit is the strength of mind that enables a person to endure pain or hardship.

Grit is the ability that demonstrates your passion, perseverance and determination towards long term goals. This means when things get hard you push even harder; when you fail you get up stronger; when you don't see result you don't give up, you continue with relentless energy, enthusiasm, consistency, heart, soul and passion.

According to the Merriam-Webster dictionary, grit in the context of behavior is defined as "firmness of character; indomitable spirit." Angela Duckworth, based on her studies, tweaked this definition to be "perseverance and passion for long-term goals."

- Thanks for this definition by **Rakesh Malhotra,** President & CEO, Global Natural Resources.

See also: *Guts*.

GUTS

With *enough* "guts" people actually do it; they do what it takes to achieve done deals. This requires commitment to their goal and persistence no matter what (i.e., setbacks, disappointments).

Some people prefer the phrase "intestinal fortitude," which means: staying power, stick-to-itiveness.

Reliable information fuels guts and it can dissolve fear. It's not mere conviction or resolve; those are separate attributes. People may not achieve done deals if their fear of failure overcomes their conviction or resolve. But informed courage can prevail over everything else that attempts to inhibit your progress.

Guts have to be tempered (with an advisory team, know-how, common sense, reality checks); otherwise, people can do a bad deal, such as buying the wrong business or purchasing the right one the wrong way. Being driven by guts is the *indispensable* characteristic, the *most* important one.

Having *enough* "guts" is *not* a universal attribute. Sufficient guts, if *missing*, may be what stops most people who want to buy a business, even if their opportunity is legitimately wonderful.

Listen to my explanatory podcast. And then: Do you agree that "guts," if lacking, will ultimately dissolve the best of intentions, i.e., that people are likely to fail to achieve whatever they want?

Guts means to have *grit, courage, bravery and daring*. Those attributes are crucial, essential and required for people who want to increase the probability that they will get what they want, especially in a risk-laden environment such as buying and merging companies.

Antonyms for guts shed light on this attribute but let's precede each antonym with this common sense qualifier: "excessively or unreasonably." Such as excessively or unreasonably chicken and unwilling.

If you have enough guts to do what it takes to achieve a done deal, nothing can stop you unless, on the basis of rationality, you decide to abort deals to pursue better deals.

First-time buyers are most likely to quit.

Also see: Intuition. Brave. Grit. Courage.

HONESTY

This online definition says it: Honesty refers to a facet of moral character and connotes positive and virtuous attributes such as integrity, truthfulness, straightforwardness, including straightforwardness of conduct, along with the absence of lying, cheating, theft, etc. Honestly also includes being trustworthy, loyal, fair, and sincere.

If you don't have it, do you have a good lawyer?

HUMAN RELATIONS ABILITIES

This is important throughout the search and buying activities. But it's (arguably) more important when buyers transition into their company.

HUNTING SAVVY

Isn't finding a terrific deal a long shot?

Yes, if you make either of two mistakes:

1. Limit your shopping to where all the other buyers are shopping.
2. Don't know how to quickly put together a worthwhile deal.

It's important that you learn how to meet owners of the best companies for sale plus the companies that are about to be for sale—before they have a chance to list their business for sale with a broker. The longer brokers are on scene, the more time they have to create a *seller's* market by attracting hordes of buyers who compete with one another. (Of course, this is wonderful if you are a seller.)

Another way to access some of the best deals is to be the first buyer to see the unadvertised "pocket listings" from business brokers.

Lionel Haines, a writer and entrepreneur, says,

"You must act like a hunter, not a trapper."

You can't wait for opportunity to come around. You must seek it out, and when you find it, you must know what to do or you will lose your chance.

IMPERVIOUSNESS TO UNHEALTHY BUYER FEVER

You don't want to catch a *fatal* dose of it. (You do want to enjoy a *healthy* dose of it!)

What can cause a *fatal* case of buyer fever?

Symptoms include:

- Buyer competition, real or phony. It can increase your temperature.
- Deciding upon your acquisition criteria after you commence your search.
- Advisory team infected by conflict-of-interest.
- Inadequate due diligence.
- Being unaware of the selling prices and terms of sale for similar businesses.
- Weak-knee negotiating.
- Too-easily influenced by the seller and seller representatives.
- Using "good luck" business valuation methods.
- Non-definitive purchase and sale agreement.
- Verbal promises, representations or understandings.
- Premature closing.

It is okay, and maybe useful, to catch buyer fever. But, as in love, it's a good idea to know what makes you hot in a good way and what does not.

"Death" from business buyer fever occurs when buyers want a particular business so badly that common sense goes out the window.

Even people who know what to do sometimes do the wrong thing, especially if they have a bad case of buyer fever.

Do you have a history of remaining unmoved and unaffected by other peoples' dangerous or worthless opinions, arguments, or suggestions? Don't let buyer fever kill you.

- Business buyers who know how to search for winners don't worry about losing opportunities; worthwhile deals are like buses; more will be by soon.

INDUSTRY COMPETENCE

Competence requires experience and know-how.

Good solutions begin with attentive listening, recognition, and comprehension of the problem.

This continually assumes that the knowledge of the relevant market situation and the competitive landscape as well as the corresponding success factors is at hand. And thus - a high degree of Sector Competency.

(Thanks to Andersch, the management consulting firm.)

INDUSTRY PROFICIENCY

It's a good idea to buy the kind of company whose industry is well-known by the acquirer.
Risk is usually greater for buyers venturing into lines of business outside their hands-on experience.
Some sellers and brokers won't talk to those kinds of buyers.

Check this out, which you may not want to sign up for but you can glean useful info browsing the website, and then Googling this topic:

Deloitte: The Industry Proficiency Program is a self-paced program that you can use to help guide your industry skill-building activities and recognize your accomplishments as you achieve your goals at each industry milestone.

INTEGRITY

Everyone thinks they know what this means. So I'm not going to preach to the choir. Instead, here's a snippet from online:

Honesty, by definition, is to tell the truth and being true.

Integrity is having strong moral principles based on honesty and to follow those principles religiously.

That said, honesty can also be used as synonym for integrity.

— **Gary E. Jacobson**, J.D.

> ... of greater importance to me is Mr. Leverette's integrity. He has never attempted to manipulate a situation inappropriately or "hide the ball" in a purchase and sale in which I participated.

INTEND TO BUY THE RIGHT BUSINESS THE RIGHT WAY

Some people acquire the right business the wrong way, which can turn winners into losers. And, too many people are surprised to discover they bought the wrong business.

Read both of Ted Leverette's books: How to Buy the Right Business the Right Way—Dos, Don'ts & Profit Strategies and How to Get ALL the Money You Want For Your Business Without Stealing It (Choose the USA or Canadian version.)

— **Jeffrey L. Smith**, Crossroad Transactions

> The *Business Buyer Advocate* methodologies are more important to me than the information. (There are many business consulting and dealmaking informational books, videos, social media websites, and other resources that are readily available.) But our processes, our skills that we share with clients, and how and when we help clients when they need it. That is what differentiates us from other advisors and it empowers our clients.

INTUITION

Go with your gut feel. If your gut tells you something's wrong, it's time to get away, no matter how good a match the other factors appear to be on the surface.

- Thanks to **John Martinka**, Martinka Consulting, for this insight.

INVESTMENT IN HOW-TO INFO

Anyone who knows me (Ted Leverette) knows I'm critical of do-it-yourselfers. Why? Too many of them don't know what they don't know (and must know) to achieve worthwhile done deals. Consequently, their dream fades away or it turns into their living nightmare. And then they and their lawyer hope to pin the blame on someone else. (Just kidding!)

Yes, it's important to invest in your business buying education. But you'll have more questions no matter how much you think you're learning. That's the thing about reading books, Googling all night and taking courses (which I, of course want you to do by purchasing mine): You're not going to know what the experts know. So, decide: Do you want to profitably buy a company? Or do you want to learn how to be a dealmaking expert? It's one or the other, unless you have surplus years to invest (or waste).

KEEP IN MOTION PENDING DEALS

Procrastination can drown deals. Doers beat deliberators.

Delays can kill the deal; keep the ball in motion.
Procrastination is one of the leading causes for deals falling through. The longer it takes to achieve a meeting of the minds between buyers, sellers, their advisors and sources of financing, the more likely the deal will crater. Dealmaking is like a pendulum. It must stay in motion with activity swinging back and forth between the buyer and seller. Complete stops are not smart.

What is your opportunity cost?
The longer it takes you to buy a business, the higher your opportunity cost. You forego the monthly salary and business profit you could earn from owning a company until you consummate a purchase. You waste money fast.
Example: If it takes you one more week to get started or to meet the next seller of a mature, profitable, fairly priced company, and you would earn $20,000 more per month from your target business, $5,000 is your effective loss (each week!).

A delay in buying can cost you as much as paying too much. It's like standing on the sidelines during a rising real estate or stock market.

KNOW OR ARE SHOWN HOW TO RECOGNIZE A GOOD BUSINESS

- Thanks for this characteristic by **Eric S. Arroyo**.

See also: *Industry Proficiency*.

KNOW THE PRODUCT AND INDUSTRY

Knowing the industry and willing to learn through conferences and seminars.

- Thanks to **Hal Janke** for this insight.

See also: *Industry Proficiency*.

KNOW ABOUT DEALMAKING

We're referring to buy/sell transactions.

KNOW THEIR RIGHTS

Too many potential buyers of small and midsize businesses do not know what is fair and reasonable during their interaction with business sellers, business brokers, M&A intermediaries, professional service providers, sources of financing and other people and organizations they encounter during the buyers' process to locate and purchase worthwhile businesses for sale.

Uninformed potential buyers unnecessarily frustrate and complicate themselves and their relationships with the people and organizations they need the most, upon which buyers must rely to buy the right business the right way.

That's why they read the *Bill of Rights for Buyers of Small and Midsize Businesses*.

LEARN HOW TO BUY A BUSINESS

Do it to avoid mistakes in the marketplace that can foreclose the buyers' opportunities.

In the buy-sell world it's important that everybody understand some basics including people will get frustrated; there will be deal fatigue; and, there are set ranges of value so just because an owner sees a $500 million firm selling for 10 times EBITDA doesn't mean a company with revenue of $5-10 million will get the same multiple.

- Thanks to **John Martinka**, Martinka Consulting, for this insight.

What's the best way to learn how to buy a business? The more effort the better, right? Not so, new research shows. People who excel aren't necessarily those who study longest. Instead, they study smart—planning and actively seeking help. And the best kind of help comes from people proven to be among the leading experts.

LISTEN TO THE HORSE'S MOUTH

If you get information about something from the horse's mouth, you get it from someone who is involved in it and knows a lot about it. That's why savvy people who read my books, for example, contact me to talk about it. They want to know or verify what is critically important in the how-to material. They want to zero in on subtleties, during conversations, especially insights beyond the printed pages. You've seen this if you've attended seminars and lectures. The audience who hangs around, afterwards, wants to talk to the speaker so they can refine their understanding.

MINDSET

Definition: A set of beliefs or a way of thinking that determine somebody's behavior and outlook.

I think the business acquisition process starts with *mindset*. All the other attributes, beliefs, behaviors take place along the way. By *mindset* I mean we imagine what could be, and then when we act to make happen what we want so we can get it. But without the guts to persevere, no matter how many lousy companies we encounter, no matter how many bad deals we avoid, no matter what, we achieve our goal. We see ourselves as being in business, and then we own our company.

Having the correct mindset that you can get a deal done.

- Thanks for this definition by **Ron Hitson**.

MOTIVATION

To achieve a done deal.
The buyer and seller have to be motivated. And usually it has to be more than one motive to compel people to do what it takes to buy or sell a company.

NEGOTIATOR

Negotiating expertise: Have it or hire it. Or at least have the ability not to trip over one's own feet.

NOT A KNOW-IT-ALL

Do you want to be like this hotshot? According to a New York Times, August 13, 2017, article, "The Incredible Shrinking Sears," the subtitle addresses know-it-alls: "How a financial wizard took over a giant of American retailor, and presided over its epic decline." Hedge fund moneybags (not so much money anymore), Edward S. Lampert, controlling Sears "borrowed to the hilt." This genius also presided over Sears selling valuable assets and suffering cash flow pinches. Not to mention "profit, for Lampert and his investors, has not materialized." See the article for reading and weeping.

Potential buyers of companies: See this topic: *Capable Acquisition Advisory Team*.

NOT DANGEROUSLY IMPULSIVE

Willie Nelson said "The second mouse gets the cheese."

Want to put a stop to hasty decisions, get the self-control boost you need? Click to read an article by Fast Company.

Oh, you're a *New York Times* kind of person? Read: "When impulsiveness turns dangerous." Excerpt: Researchers have begun to resolve the contrary nature of impulsivity, identifying the elements that distinguish benign experimentation from self-destructive acts.

See also: *Imperviousness to Unhealthy Buyer Fever*.

NUMBERS AND TIMING

- Thanks for this characteristic by **Jeffrey L. Smith**, Crossroad Transactions.

PAY THE PRICE

There might not be anything more costly than a cheap person.
Learn how to accurately value small and midsize companies. Or hire an expert. And then pay the seller what it's worth.

Don't waste your time (and everyone else's) by nickeling and diming sellers. Remember, time is money. And sellers of worthwhile companies divert their attention to more reasonable buyers.
See also: *Keeping in Motion the Pending Deal(s)*.

PLAN AND ACT

Plan the work; follow the plan. Click to see some of the know-how and tools in use by our clients and our *Business Buyer Advocates*.

PREPARED

Be adequately prepared.

Ready, willing and able: Ready, because self-examination, education and market research allows you to know a good business when it surfaces. Willing means the buyer has resolved fear and timing issues. Able tells me they have or know where the money is coming from to proceed.

- Thanks for this definition by **Robert L. Kelcourse**.
- Thanks for this characteristic by **Nancy Fallon-Houle**, Velocity Law LLC.

RELATIONSHIPS

People wanting to sell or buy a business screen each other to make sure it's a fit.
Focusing on the relationship means not allowing disagreements to damage the interpersonal relationship.

- Thanks for this definition by **Cal Heseman** MBA.

RESILIENCE

The capacity to recover quickly from difficulties; toughness.

Buying companies is like being a kid again. You get to fall down a lot, skin your knees, be bullied, ignored, and misunderstood. If you don't run home crying to mommie, buying a business could be wonderfully fun and lucrative. More so, after closing.

RESOURCEFUL

You better be resourceful because your cup probably won't runneth over with worthwhile companies to buy (unless you have years to search and deal-make). The easiest, fastest and least expensive way (remember "opportunity costs') is to hire someone, who doesn't have a conflict-of-interest, to guide you to and through the hidden market to search for the *best* companies for sale.
(I'm applying for the job!)
See also: *Access The Hidden Market*.

RESPECT

Showing respect for the seller will win you a lot of 'goodies' vs being an ass towards the seller.

- Thanks to **Raymond Copell** for this insight.

SELF-CONFIDENT

Realistically so!

SELF-SUFFICIENT

But not a do-it-yourselfer!

It's good to seek the opinions of others. It may be good to seek and get the consensus of others. But be wary of decision-making by group consensus or management-by-committee. Perhaps you should give up thinking about being a business owner if your Facebook connections are going to participate.

SUPPORTIVE FAMILY AND FRIENDS

One of the first lessons I learned (in the 1970s) when I created our consulting niche (*Business Buyer Advocate* ®) was how to increase the probability of a done deal.

It's when I realized that my potential clients' spouse or significant other MUST attend our meetings before I was hired.

Oh yes, you should have heard the objections: "I'm too busy!" "She's too busy!" "He's too busy." To which I replied: "Too busy to avoid losing the family's life savings and to see the wannabe buyer' self-esteem tank after buying a loser?"

Lucky for me I got hired by the right kinds of people. (Whew!)
See also: *Avoiding Toxic People*.

TENACITY

Yep!

- Thanks for this characteristic by **Raymond Copell**.

THOROUGH

During prospecting, analyzing, deal structuring, transitioning the company from the seller to the buyer, etc.

- Thanks for this characteristic by **John Martinka**, Martinka Consulting.

Uninformed exuberance has hurt more business buyers than lousy or overpriced acquisitions and mergers.

- Thanks to my friend and investor **John McGrane** for this insight.

TRUST

If the buyer and seller don't have a fundamental level of trust between them, it's hard to do any deal.

- Thanks to **Steven Beal** for this insight.
- Thanks for this characteristic by **William P. Stubbs, Jr.**, Stubbs Law Firm, LLC.

WHY?

Why do you want to own a company? Why buy one?
Buyers must, also, know why the owner wants to sell the company. Some buyers walk away from potential transactions if they don't believe or detect the seller's *real* reason for offering the company for sale.

- Thanks to **Jordan Westropp** for this insight.

WILLING AND ABLE TO ASSUME THE DEMANDS

Including financial, mental and physical demands of buying and owning a business.

WILLING TO GIVE UP TO GET

Willing to give up what you have to get what you want because you think you have what it takes.

WILLING TO LEARN

About businesses, industries, economics and dealmaking.

WILLING TO PROCEED DESPITE FEAR AND DOUBTING THOMASES

Overcoming fear of failure is essential to success. Risk and failure are a part of success and they create the opportunity for learning and improving. Unreasonable fears of failure must be overcome to continue to act on one's desires to be successful. The lack of fear can be just as dangerous in leading to complacency and over-confidence.

- Thanks for this definition by **Dean Liguori**.

Are you capable of resolving fear of failure?
Dr. Phil, I think, replied to people with irrational fears of failure: "And then what will happen?"

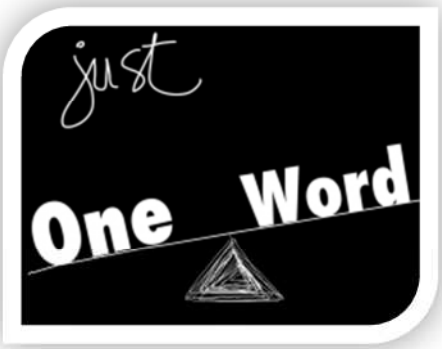
Ignore Doubting Thomases, the people who are prone to unreasonably scoff and discourage your aspirations.

I'm not referring to a Devil's Advocate who takes positions he or she does not necessarily agree with (or simply suggests an alternative position from the accepted norm or from your opinion). It can be good to do this for the sake of debate or to explore the thought further. This can be good if performed responsibly and without a hidden agenda that is illegitimately adverse to your self-interest.

Do you have the proven capability to successfully manage the kind of company you want to own?
Do you have the money and borrowing power to buy and fund the company?
Do you own most of the characteristics in this self-assessment checklist?
Have you assembled a competent advisory team?

If so, what exactly scares you?
What, specifically, is the financial or personal loss you fear?
Can you afford the loss?

- If not, and especially if you don't have the guts to try, maybe now is a good time to put to bed your fantasy about buying/owning a company.



What's the MOST important characteristic?

Every successful buyer MUST have it.

Why?

On August 17, 2017 we will post on our website a podcast. It will explain the one word that is the MOST important characteristic. You will also hear our rationale for it.

- You can access the podcast without cost for a limited amount of time, so please respond quickly to our announcement of its availability.

Meanwhile, you can add your own definition and rationale for any or all of the attributes you see on our list. But be sure to tell me which one, if you had to pick one (which you do if you want to influence this), is the MOST important thing that differentiates and empowers the people who actually buy or merge small and midsize companies.

- Be sure to include your definition and rationale for it.
- And your full contact info.

And, if you permit us, we can publicize your winning knowledge online and by email to at least 10,000 dealmakers and advisors with whom we regularly communicate.

Email: TedJLeverette@partneroncall.com

What's Possible?

A huge wave of mature, profitable small and midsize businesses will become available for purchase over the next decade as baby boomers convert their business equity into cash.

My book shows you how good it can be for you or your clients:
How to Buy the Right Business the Right Way—Dos, Don'ts & Profit Strategies.

Below are the names of a few people who've helped Ted Leverette with this subject.

Anything you like about this report is thanks to them.

Blame me for anything you don't like or don't agree with.

William P. Stubbs, Jr., Gary Hallett, Nancy Fallon-Houle, John Martinka, Jordan Westropp, Hal Janke, Nathan Edelen, Raymond Copell, Steven Beal, Bob Fariss, Jeffrey L. Smith, Lanny Moldofsky, Dean Liguori, Robert Mitchell, Eric S. Arroyo, Gregory Kovsky, Ron Hitson, Rakesh Malhotra, Jennifer Lee, William Yankee, Robert L. Kelcourse.