

How to Buy the Right Business the Right Way



Dos, ~~Do~~n'ts & Profit Strategies

Ted J. Leverette

The Original *Business Buyer Advocate* ®

Third Edition !

How to Buy
the
Right Business
the
Right Way

Dos, ~~Don'ts~~ & Profit Strategies

Ted J. Leverette
The Original *Business Buyer Advocate*®

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Third edition.

"Partner" On-Call Network LLC can connect you to speakers for your events.



The Business Buyer Advocate.

**Praise from business buyers, brokers,
accountants, appraisers, attorneys,
consultants, company owners
and sellers
for**

***How to Buy the Right Business the Right Way—Dos, Don'ts & Profit Strategies*™**

These book reviews and reader comments are accessible
from the website of "Partner" On-Call Network, LLC — partneroncall.com.

"Very good expertise and advice for both business buyers and sellers."

— **Don Pippin, Jr.**, Owner of 3 business brokerage offices.

"Ted Leverette has definitely seen it all. His book, *How to Buy the Right Business the Right Way—Dos, Don'ts & Profit Strategies*, gives you the benefit of his many years of experience and wisdom."

— **Erin Austin**, Esq., Independent General Counsel

"Having been an intermediary for 28 years, I can honestly say that I have never encountered a more thorough presentation than *How to Buy the Right Business the Right Way*. I have experienced many buyers' self-destruction due to their lack of knowledge—knowledge that is in Ted's book. I plan on recommending it to all my future buyer prospects that I represent through my Buyer's Broker Program."

— **Loren Marc Schmerler**, President and Founder, Bottom Line Management, Inc.

"Ted's new book, *How to Buy the Right Business the Right Way*, is filled with great tips for business buyers, gained from a long career of assisting buyers and sellers of hundreds of businesses. I would add one more business buying don't: "Don't buy a business without reading this book."

— **Steven Beal** (Canada), MBA, CGA, CFA, CBV, CBI, Beal Business Growth Consultants, Inc.

"If my kids want to buy a business I would tell them to read this book and keep referring back to it in the process."

— **William W. Malone**, CBI, Corporate Investment International of North Florida, Inc.

"I bought this book for my know-it-all spouse because we cannot afford to lose our life savings. Of course, I told him I bought it for myself so I could be more supportive. He, of course, didn't want me to know anything he didn't know. Mission accomplished!"

— **Undisclosed**, to protect the innocent.

"How to Buy the Right Business the Right Way is a must read for people who are considering buying an existing business. As a business broker for over 35 years, I have seen most of the dos and don'ts that are described in this book, which buyer prospects tend to make. If the buyers who come to my office read this book first, it will make my job of helping them find a business to buy much easier. I could spend more time matching buyer prospects with businesses we have for sale and less time educating them about the dos and don'ts. This book covers the spectrum of using professionals to assist in the business acquisition process, how to find a business to buy, how to deal with business sellers from the initial contact through the due diligence period, how to use creative financing to buy a business, and finally how to manage the closing process. The timing of each of these steps is critical to a successful transaction, and Ted fully describes in this book the importance of timing."

— **Jeffrey D. Jones**, ASA, CBA, CBI, NACVA, Advanced Business Brokers

"I guess I am the kind of person your book says is all study but no action. What I like most about your book, which differentiates it from the other how-to books, is the fact that your book is not stuffed with filler (basically useless text that fills pages but cannot be put to practical use). Thanks to what your book has empowered me to do I'm getting off the dime to begin my search for a business to buy."

— **Carl Jefferson**, soon-to-be-a-business owner.

"Your book brings back memories of how we got started in business. If we had known what you write, or if we would have done what you suggest, our memories and our company may have been better for us. I believe the title captures your message even though we are more interested in selling our 25 year old company."

— **Gregg Fightmaster**, manufacturing company.

"Ted Leverette is that jewel in the midst of all the supposed experts that you need to start with and then buy this very informative and thought provoking 'guide to success.' Buy enough copies to "lend out" to your prospects and tell them you're willing to work with them once they have read it and can answer a few questions!!! That will help us all by not wasting time with the tire kickers who miss the tires and then fall on their butts!!!

— **David J. Sweeten**, CBI, CPA ,BCB, LREB, Business Brokers of Texas, Inc.

"Buying a business is probably the hardest and most complex way to become a business owner as it touches so many raw nerves and fears of the entrepreneur. The best way to eliminate or remove those raw nerves and fears is to get it right. *How to Buy the Right Business the Right Way* allows a business buyer to get it right."

— **Andrew Rogerson**, author, *Successfully Sell Your Business* and *Successfully Buy Your Franchise*

"Ted Leverette has hit a home run with *How to Buy the Right Business the Right Way*. Pay attention business buyers—the strategies in this book will allow you to make a great acquisition and keep

you from getting a serious case of buyer fever. This is a must-read if you're even thinking of buying a business (and if you are committed to buying one, it will be a huge mistake if you don't pay attention to the tactics in this book). Above all, adhere to the overall message of buying a winner. Don't settle for anything but."

— **John Martinka**, author, *Buying a Business That Makes You Rich* and *If They Can Sell Pet Rocks Why Can't You Sell Your Business (For What You Want)?*

"This is an absolute gem! Every business person looking to expand their wealth by buying a business MUST read this book. Treat this as your business bible as Ted has cleverly poured his wisdom containing the secrets of everything you need to know when evaluating a business. Once you have read it you will always keep it in your back pocket as your quick reference guide."

— **Karl Tettmann** author & architect of the *GROWTH™ Technique* and *Validation Principle*

"If you want to own your own business, never be afraid of asking the hard questions. That starts with: What don't *you* know that *you* have to know to be successful? Ted Leverette has put together a map of the landmines that face every business buyer, and offers recommendations on avoiding them. If you first know the right questions, you're going to be in the right place to find the right answers. Here are the questions. Start here."

— **Bob Fariss**, Executive Advocate

"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

"These are some of the very best caveats and recommendations to help smooth out a business buying journey—all laid out in a concise, common sense, readable fashion. They reflect the valuable combined wisdom and experience of leading experts in their field. A must-read for anyone contemplating buying a business or franchise, and a nice companion for all advisors in the dealmaking arena who want to protect their clients. So readable it will appeal even to buyers of small Main Street businesses!"

— **Fayaz Karim**, BSc, MBA, CPA

"Fulfilling dreams of financial independence strikes all of us as a worthwhile goal. Ted Leverette's book on buying a small or midsize business gives us a comprehensive roadmap to get there with a thorough "to do" list and maybe more importantly a "don't do" list. This handbook could be used by an experienced buyer to fine tune their skills or by a novice to reach their first success. Enjoyable for reading or skimming and cross referenced to be immediately useful, Ted's book should be a noteworthy reference for all."

— **Louis A. Rader**, retired MBA from a Fortune 500 company.

“If you have wanted to own your own business but are reluctant to pursue one due to the bad press about business failures and because you don’t know what you don’t know about the process, this is the book for you. *How to Buy the Right Business the Right Way—Dos, Don’ts & Profit Strategies* guides you through all the steps in an easily understood and exciting way. After reading the first chapter you will feel enthusiasm for the prospect of having control of your business life, and you may lose any trepidation you may have about diving in. The book is arranged so you can efficiently browse the chapters that you need at the time you need them. It is written so well it is fun to read straight through because it gives you a helpful overview before you actually begin to look for your future business. If you want to take the pain out of looking for a business, you need this book.”

— **Grace Salem**, refuge from hi-tech.

“Easy read and very informative.”

— **Lou Sammartano**, Full Circle Worldwide Consulting, LLC

“If you fail to plan, you will most likely plan to fail! This is so very true when you are thinking about, or have made the decision to buy a business. If you do not have substantial experience in the business of examining and valuing businesses you are destined to make potentially serious errors which very well may cost you your life savings. In *How to Buy the Right Business the Right Way*, Ted Leverette shares the knowledge he and his affiliates have gained in their 500+ years of business buying experience. Taking full advantage of this experience, as outlined on the pages of Ted’s book, will help level the playing field to insure you complete the proper review of the business and have a well thought analysis of its value. Gross revenue multiples, cash flow and making enough money to just pay you a fair salary for the work you perform in operating a business are not good reasons for buying a business. Take advantage of the material in this book to make sure you buy the right business, at the right price, at the right time, and with the right financing.”

— **John J. Gallagher**, CPA

“Schizophrenic reaction. Your first chapter—‘What’s Possible?’—kept me in your book much longer than I intended when I began reading it. As I read the rest of your book I went from being nervous to being excited about the possibilities. Your candid writing style, while sometimes scary, is also comforting because I want to know what is in the real world. Your book gives me the courage to begin my search for a business to buy. I’m going to form the team you recommend, and tell them about your book. Thank you, Mr. Leverette.”

— **P. J. Wallace**

“I love your cover, it’s very eye-catching and to the point.”

— **Edie Reed**, World Bank (Retired)

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Business Buyer Advocacy™ and the *hidden* marketplace:

The goal of “*Partner*” On-Call Network® and its “licensees is to facilitate the safe, profitable transfer of businesses, as quickly as possible—so every party to the transaction gets a win-win deal.

In the 1970s, Ted Leverette figured out how to access the “hidden” market of the best small and midsize businesses quietly for sale by-owner. This is important because most business buyers access only about 20% of the mature and profitable companies for sale, the ones represented by brokers or advertised to the general public. When those buyers find sellers on the “public” market, they are among a horde of buyers who congregate around those sellers. These buyers can cause a bidding war among themselves, which means businesses can sell for more than they are worth (which is a good thing if you want to *sell* your business).

Of course, Leverette had to have a name for his discovery of the way to introduce buyers to the best businesses for sale, of which up to 80% are on the *hidden* market. And then guide buyers through evaluation and dealmaking, with loyalty only to the buyer. So he coined a term: *Business Buyer Advocate*®.

The idea worked well for many years, so Leverette decided to license the use of his trade secrets, know-how and consulting tools to independent consulting practices in the USA and Canada.

In 2005 his company name changed to “Partner” On-Call Network, LLC, to more accurately portray the scope of advisory services performed by it and its independent licensees.

Their 500 year collective experience in the USA and Canada gives their clients more leverage than is otherwise possible.

Each “*Partner*” On-Call Network licensee and each *Business Buyer Advocate* consulting practice is independently owned and operated.

“Partner” On-Call Network LLC, located in North Palm Beach, FL, is not a business brokerage; we don’t list businesses for sale and then take them to market; independent users of our information might be. Our licensees collaborate with and recommend the best brokers, even brokers not a member of our network. Brokers reciprocate by referring clients.

Becoming a licensee:

The Street-Smart Way to Become a Business Consultant™ is what you get from us if you license the use of our trade secrets, tools and know-how. You can be credible because our niche is unique, valuable and fun.

Day one our testimonials become yours. You benefit from our network of leading attorneys, accountants, appraisers, brokers, sources of financing and other specialists who help us achieve done deals. Plus you gain access to the most profitable companies in nearly every industry, some of which are quietly for sale on the hidden market; these winners you can introduce to business buyers.

Learn more about us at our website: partneroncall.com.

Please contact us from our website if you or someone you know might want to license the use of our trade secrets, know-how and dealmaking tools . . . or be introduced to a *Business Buyer Advocate*.

About Our Founder — Ted J. Leverette

Mr. Leverette, The Original *Business Buyer Advocate*®, has advised thousands of business buyers and owners on buy/sell, valuation and business improvement since 1974. Since 1993 he has licensed people in the USA and Canada to use our The Street-Smart Way to Become a Business Consultant™. They independently own and operate their consulting practices. More than 1,000 people connect with him on LinkedIn. He earned the *Small Business Hero Award* “for outstanding small business achievement and assistance to the community” from the Service Corps of Retired Executives Association (SCORE). He has been a lecturer for colleges, trade associations and the author of texts, articles and two books, [How to Get ALL the Money You Want For Your Business Without Stealing It™](#) and *Business Buying Dos, Don'ts and Profit Strategies™*. Media appearances include *1490 WGCH, Financial Survival Network, Wall Street Journal, USA Today, The New York Times, The Palm Beach Post, The Seattle Times, Washington CEO Magazine, Eastside Business Journal, San Jose Mercury News, Entrepreneur Magazine, The Business Insider, Small Business Opportunities, Centre For Small Business Financing, Small Business Opportunities, StartupNation, The*

Certified Business Counselor, American Venture Magazine, richardparker.com, bluemaumau.org, bizbuysell.com, bizquest.com, Business Brokerage Press, DiscoverU.

How did he get started in this kind of business?

In the 1970s while doing various kinds of business consulting, I began to help corporate executives who wanted to quit their job and buy a business. Quickly I discovered that some of the best businesses for sale were not advertised or listed by business brokers or other kinds of intermediaries. When I contacted owners of companies quietly for sale by-owner, and told them a business buyer had paid me to help find a good business to buy, these sellers were delighted, especially when I also told them that they would not have to pay me, that I was not functioning as a business broker (i.e., wanting to list their business for sale and earn a commission) but instead was working on behalf of and paid by buyers as their *Business Buyer Advocate*.

I have licensed the use of my trade secrets, know-how and dealmaking tools to people who want to independently own and operate a consulting practice. Some of these licensees did not want to do much consulting; they wanted to use the consulting platform to buy and sell businesses for their own account, consulting with business buyers between their personal dealmaking activities.

Also by Ted Leverette

How to Get ALL the Money You Want For Your Business Without Stealing It™

Food & Fun on the Central Coast™

The Best of the Central Coast™

These books only available to the licensees of “Partner” On-Call Network LLC:

The Street-Smart Way to Become a Business Consultant™

Business Buyer Training Syllabus™

Business-For-Sale Locating & Screening System™

Business Acquisition System™

Business Profit Maximizer™

Business Seller Training Syllabus™

Preparing a Business for Sale™

The Street-Smart System to Start a Business™

Franchise Evaluation and Selection System™