

# 20 Questions to Ask Before You Buy a Business

Are you considering buying an existing business? Do your homework before you sign on the dotted line.



**There are many questions to consider regarding financials, sales and marketing, legal issues, employees and company assets.**

- ☐ Why are you selling your business?
- ☐ When did you decide to put your business up for sale?
- ☐ Are you the business founder? How long have you owned the business?
- ☐ What will you do if you can't sell the business?
- ☐ How did you value your business and set your asking price? What are your current debts?
- ☐ What financial documents do you have to support the sale?
- ☐ How will you train the new owner and support the business transition? Are you available for a period after the sale to answer questions, provide information or consult?
- ☐ Do you have any lawsuits or liens on your business? Have you ever had any lawsuits or liens?
- ☐ What are your current debts?
- ☐ Will you sign a non-compete clause?
- ☐ How many hours per week do you work? Are you paying yourself?
- ☐ How do you promote and market your business?
- ☐ What is your businesses reputation? Have you won any recognition or awards? Are you rated by the Better Business Bureau or review sites such as Yelp? Do you have a following on social media?
- ☐ What is the value of your current contracts? When do they expire?

- ☐ What licenses and permits are required to run the business? When do they expire? What are the fees?
- ☐ Does the company rely on any trademarks or patents? Who owns them? Will they be transferred with the business sale?
- ☐ Is your business seasonal, or steady year-round?
- ☐ Who are your main competitors? What are their advantages - and disadvantages? What market share do you have?
- ☐ Are your employees aware the business is for sale? Do key employees have a non-compete clause?
- ☐ What do your employee benefits cost? Are your employees unionized? Do they want to be?

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