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 transfered with the business sale?
- [ ] Is your business seasonal, or steady year-round?
- [ ] Who are you 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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