

● The 2 Minute Overview For ●

# BUYING A BUSINESS

FROM DFK AUSTRALIA NEW ZEALAND

So you've decided to take the leap and buy an existing business? Congratulations, this is an exciting step to take and there's a lot to consider such as - how do you make sure it's the right business for achieving your goals; that you are paying a fair price for it and you get what you pay for? Here's a step-by-step snapshot to what you need to consider for a smooth buying process

## 1

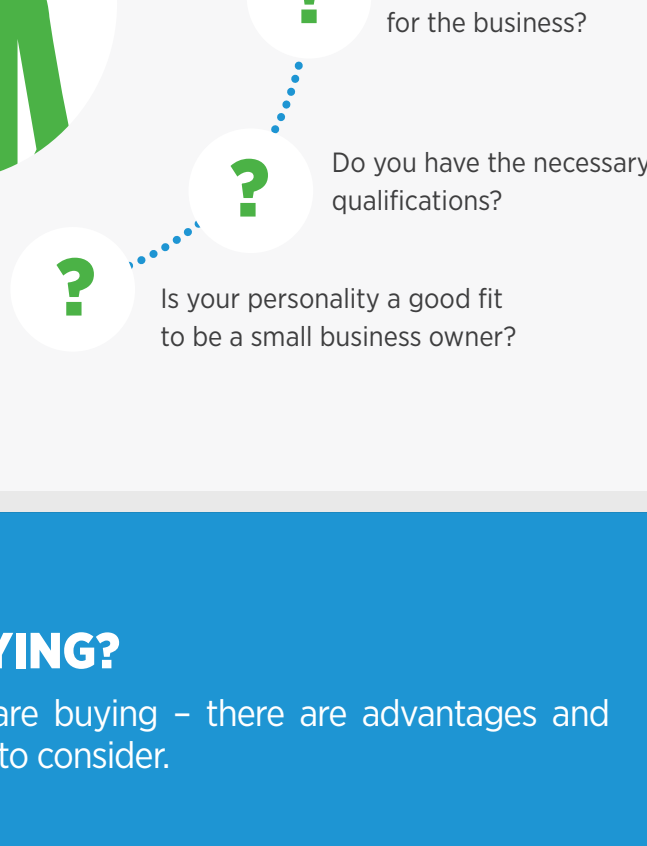
### WHY ARE YOU BUYING?

Is buying a business actually the right thing to do ie how does it fit into your strategy to achieve your goals?

#### YOUR REASONS



#### CONSIDERATIONS

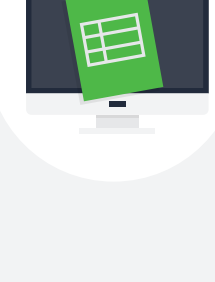


## 2

### WHAT ARE YOU BUYING?

Work out exactly what you are buying - there are advantages and disadvantages of each option to consider.

#### BUSINESS ASSETS



VS

#### SHARES IN AN EXISTING COMPANY?

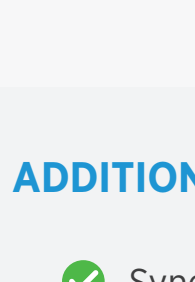


## 3

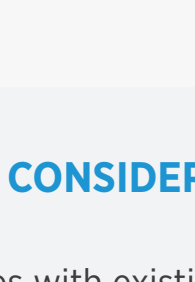
### WHAT IS IT WORTH?

Price is not the same as value! The price is what you are prepared to pay while the value is very subjective.

#### VALUATION METHODS



Capitalisation of Future Maintainable Earnings



Net Tangible Assets



Discounted Cash Flow



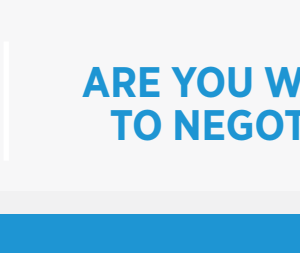
Rule of Thumb/ Industry Norm



Cost to Create

#### ADDITIONAL CONSIDERATIONS

- ✓ Synergies with existing business
- ✓ Competitive advantage



WHAT ARE THE RISKS?

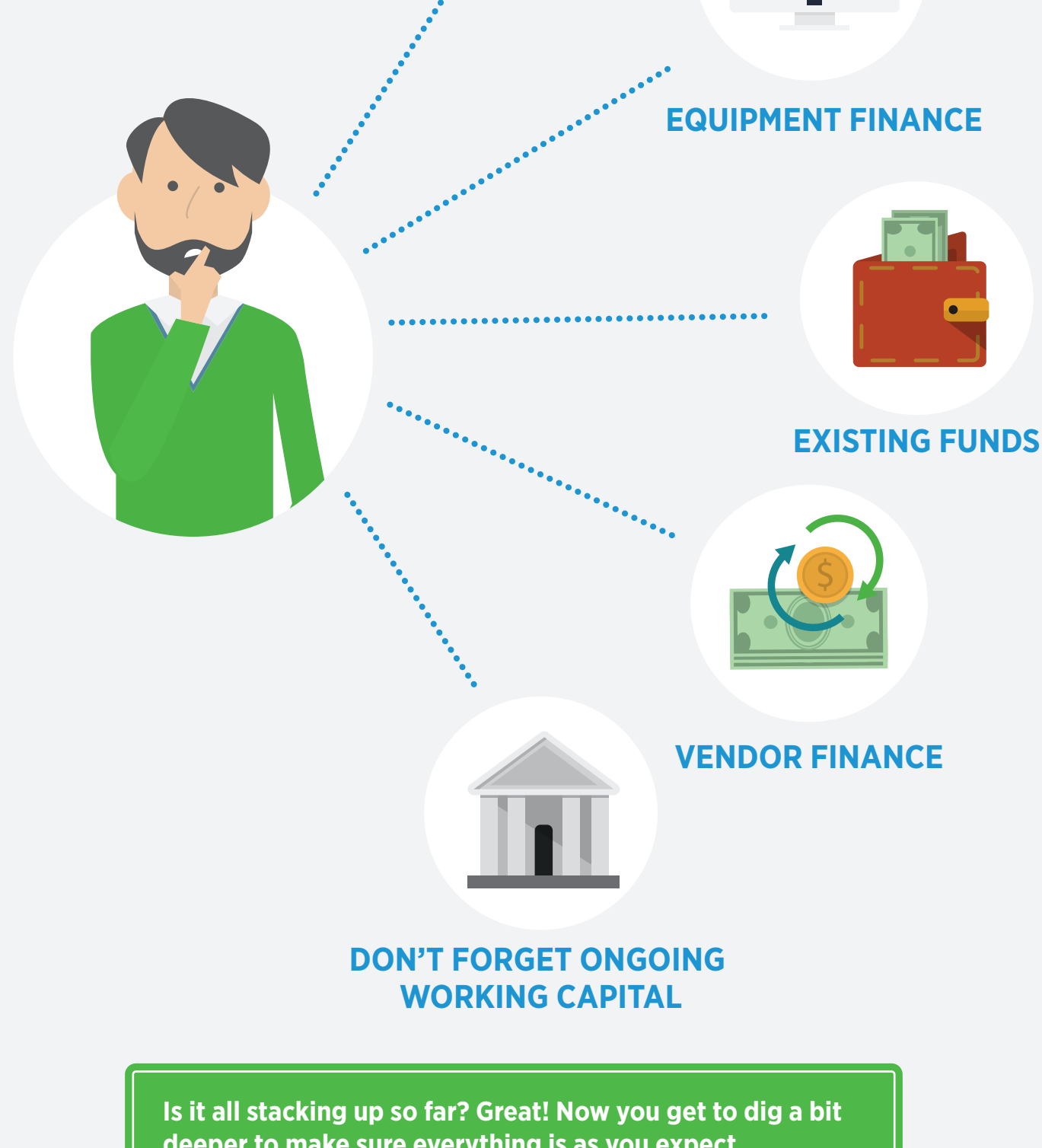
SHOULD YOU PAY A PREMIUM?

ARE YOU WILLING TO NEGOTIATE?

## 4

### HOW WILL YOU PAY FOR IT?

There are a variety of ways you can finance your purchase.



Is it all stacking up so far? Great! Now you get to dig a bit deeper to make sure everything is as you expect...

## 5

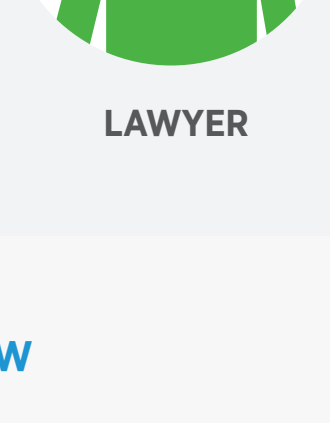
### DUE DILIGENCE

It's time make sure you get what you're going to pay for with no surprises!

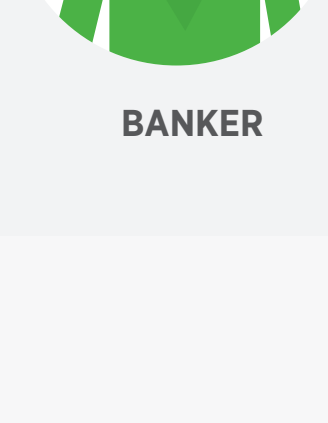
#### ASSEMBLE YOUR GROUP OF EXPERTS



ACCOUNTANT

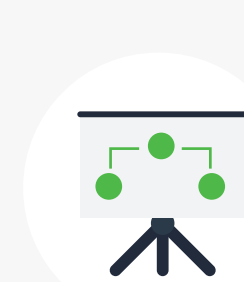


LAWYER



BANKER

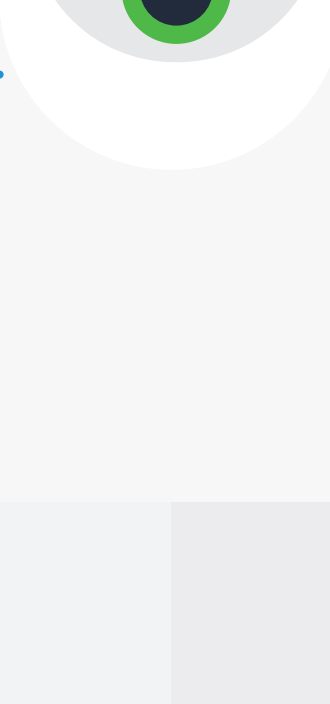
#### KEY AREAS FOR REVIEW



REVENUE/EXPENSES



STAFFING STRUCTURE AND COSTS

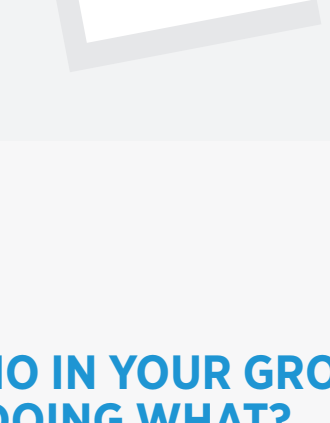


EQUIPMENT

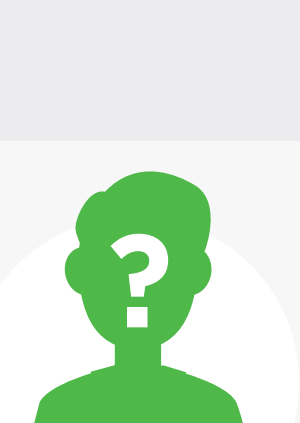


OPERATIONS

#### HAVE A PLAN



#### WHAT IS THE TIMEFRAME?



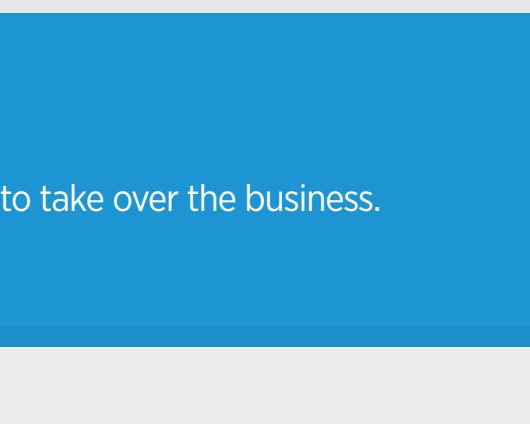
#### WHO IN YOUR GROUP OF EXPERTS IS DOING WHAT?



#### DECISION TIME WILL YOU PROCEED OR NOT?



#### GET YOUR OWNERSHIP STRUCTURE RIGHT

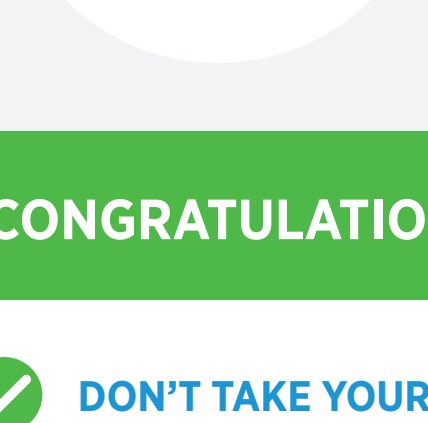


## 6

### SETTLEMENT

All bases must be covered - it's time to take over the business.

#### CONFIRM AGREED INCLUSIONS



#### PAY THE VENDOR



## CONGRATULATIONS - YOU'RE A BUSINESS OWNER



DON'T TAKE YOUR EYE OFF THE BALL



ENGAGE WITH YOUR GROUP OF EXPERTS REGULARLY

**dfk** australia new zealand  
LEADING ACCOUNTANTS AND BUSINESS ADVISERS

*We make it happen!*

