

Guide for Business Buyers & Sellers

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Buying or selling a business is one of the most important financial and personal decisions you may ever make.

This guide is designed to help prospective business buyers and sellers understand the high-level process, set expectations, and maximize value.

While every deal is unique, the principles below provide a clear roadmap.

For Buyers: What to Expect

- 1. Define Your Goals:** Understand your reasons for buying, desired industry, location, and budget.
 - 2. Search & Screening:** Work with advisors or brokers to identify suitable opportunities. Review summaries, financials, and basic details.
 - 3. Valuation & Analysis:** Assess financial performance, cash flow, and growth potential. Compare against industry norms.
 - 4. Due Diligence:** Examine financial records, contracts, leases, operations, and legal compliance. This step protects you from surprises.
 - 5. Financing:** Explore SBA loans, bank financing, seller financing, or investor partnerships. Align structure with your risk tolerance.
 - 6. Negotiation & Offer:** Submit a Letter of Intent (LOI), negotiate terms, and clarify contingencies.
 - 7. Closing & Transition:** Finalize agreements, transfer assets, and plan for employee/customer communication. A structured transition ensures stability.
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For Sellers: What to Expect

- 1. Preparation:** Organize financial statements, tax returns, leases, and contracts. Clean books and strong documentation increase value.
- 2. Business Valuation:** Determine a realistic asking price using earnings multiples, asset values, and market conditions.
- 3. Marketing the Business:** Work with brokers or advisors to confidentially present your business to qualified buyers.
- 4. Buyer Screening:** Serious buyers should provide financial capability and intent before accessing detailed records.
- 5. Negotiation:** Expect back-and-forth on price, structure, and terms. Creative deal structures can bridge gaps.

6. Due Diligence: Be ready to provide detailed documentation. Transparency builds trust and speeds the process.

7. Closing & Transition: Sign final agreements, transfer assets, and support the buyer with a handover period. Smooth transitions preserve legacy and customer relationships.