PRD: Business Search App

Author: Joseph Nwachukwu   Status: Draft

Contributors: Date: September 2025

Overview

New and inexperienced investors and entrepreneurs face significant friction and time loss when searching for businesses to acquire. They must manually sift through numerous websites with unstructured data, and even when a list is compiled, they lack a personalized, data-driven way to filter and rank these opportunities based on their unique circumstances, such as risk tolerance, cash flow, and level of involvement. By automating the initial discovery and shortlisting process, this solution aims to significantly reduce the average 6- to 11-month timeline it currently takes to buy a business.

The goal of this document is to outline a solution that provides investors and entrepreneurs with a tailored and curated list of available businesses, ranked based on their specific circumstances and needs.

Background and Motivation

The total addressable small business market is large and growing. In the US, there were 34.8 million small businesses in 2024, with approximately 500,000 businesses changing hands each year. This shows you're targeting a massive and active market. According to a Q2 2024 report from BizBuySell, the median sale price for a small business in the US was $375,000, and the market saw a 25% year-over-year increase in sales volume. This demonstrates a robust and active market where buyers need a competitive edge.

Despite this growth, determining which business to purchase can be overwhelming, especially for new or inexperienced investors. Numerous websites list these businesses, highlighting various pieces of information, such as cash flow, gross revenue, and EBITDA. This information very often does not help to reduce confusion, but rather makes the buying decision more difficult.

Even in cases in which the investor is knowledgeable enough to understand these terms, the time required to review the large number of sites and listed businesses creates a bottleneck. Most investors are not comfortable reviewing just one site and would rather have a more thorough review of these listed businesses across different sites to be comfortable making a decision. Buyers often face the risk of poor due diligence and overpaying due to a lack of comprehensive data.

The biggest challenge, however, is curating this list based on the specifics of the investor. The current process is incredibly inefficient. The search phase for a business acquisition can take between 6 and 18 months. By automating this, your app could drastically reduce that time, offering a significant value proposition. Some investors seek businesses that can run independently, while others want a more hands-on approach. Some investors are very risk-averse, while others have a high appetite for risk. Investors also have very different requirements in terms of how much cash they are willing to invest vs how much of the purchase price they are willing to finance. All these factors make it reasonably difficult to review all the listed businesses with the required level of rigour to arrive at a concise list.

In the best-case scenario, when the investor has finally made a shortlist of potential businesses to purchase, there is still the need for initial communication with the sellers to request additional information, make a determination on the veracity of the listing, and set up a call. The process is full of friction.

As a result of all these challenges, very often investors turn to brokers as a last resort. However, these business broker commissions typically range from 8% to 12% of the sale price. This is a standard industry practice, thereby increasing the total cost of acquisition.

Goals and Objectives

Objectives
- **Automate the Discovery and Shortlisting Process:** Save time and effort. Instead of spending hours manually searching for businesses across different websites, users get a single, comprehensive list delivered directly to them, allowing them to focus on making strategic decisions rather than doing tedious research. This reduces a significant source of frustration and inefficiency.
- **Provide Personalized, Data-Driven Ranking:** Find the perfect match and gain confidence. Users no longer have to guess which businesses are a good fit. By inputting their specific needs, they get a curated list that's already aligned with their unique goals, risk tolerance, and capital. The transparency in the ranking helps them understand the "why" behind each recommendation, empowering them to make better, more informed decisions with a higher degree of certainty.
- **Streamline the Initial Engagement Workflow:** Accelerate the buying process and reduce friction. This objective gives users a competitive edge by simplifying the initial steps of a business acquisition. They can go from identifying a potential business to setting up a meeting in a fraction of the time, all within one platform. This makes them appear more professional, organized, and ready to act, which can be crucial in a competitive market.

Non-objectives
- **Provide a business brokerage service:** The platform will not act as a broker, facilitator, or intermediary in the business acquisition process. Its role is solely to provide information and streamline communication.
- **Guarantee the success of a business purchase:** The app cannot and will not make any guarantees about the profitability, viability, or success of any business listing. It is a tool to aid due diligence, not a substitute for it.
- **Perform full due diligence or provide legal/financial advice:** The app will not provide legal, financial, or tax advice. While it may provide tools for initial validation (e.g., checking for fraud), it is not a complete due diligence service. Users are still responsible for their professional counsel.

- **Provide a direct listing service for sellers:** The platform will not allow business owners to directly list their businesses. It is an aggregator of existing data from other sources, not a marketplace in itself.
- **Validate the information in the listings:** The app will present the information as it is found on the source websites and will not be responsible for verifying the accuracy or truthfulness of the data provided by sellers.
- **Assist in securing loans or financing:** The app will not provide financing, loans, or specific recommendations on where to get them. It will simply allow users to filter based on their financing preferences.
- **Build a full-fledged agent that handles negotiations:** The agent's scope is limited to initial correspondence and meeting scheduling. It will not be capable of handling complex negotiations or making high-stakes decisions on behalf of the user.

Success Metrics
- **North Star Metric**: Number of businesses shortlisted by users
- **Supporting Metrics**:
  - Average sessions (search) per week per user
  - Percentage of users who use the ranking filter
  - Average user satisfaction score (CSAT)
  - Time from initial search to meeting setup
  - Time from search profile creation to first shortlist
  - Number of businesses contacted
  - Number of scheduled meetings per business contacted

Assumptions and Dependencies

External Dependencies

- **Data Sources:** Our core product functionality depends on continuous access to a minimum of two major business listing websites. Any changes to their site structure or a complete loss of access would directly impact our ability to deliver the value proposition.
- **Third-Party APIs:** The AI-driven ranking and communication features are dependent on the stability and performance of third-party generative AI and calendar integration APIs (e.g., Gemini, Google Calendar, Outlook).

Product & Market Assumptions

- **Data Availability and Quality:** We assume that public business listings on major platforms (e.g., BizBuySell, BizQuest) contain sufficient, consistent, and structured data (e.g., revenue, cash flow, industry) for our ranking algorithm to be effective. It is assumed that this data can be reliably ingested and is accurate enough for initial user decision-making.

- **User Behavior:** It is assumed that our target users (prospective business buyers) are comfortable with an AI-driven tool for the initial stages of a business acquisition. We also assume they are willing to provide detailed personal and financial information to receive highly personalized recommendations.
- **Legal Compliance:** It is assumed that our method of gathering publicly available data does not violate the terms of service of the source websites or any relevant data privacy laws. We will seek legal counsel to confirm this assumption.

Details

Most Common Business Listing Sites

This is a concise, research-backed list of the primary sources your app will scrape or integrate with.

- **BizBuySell:** The largest and most well-known marketplace for buying and selling small businesses.
- **BizQuest:** Another major online marketplace for businesses for sale, often with a different set of listings than BizBuySell.
- **FranchiseGator & FranchiseDirect:** Key sites for franchise-specific opportunities.
- **LoopNet / Commercial Real Estate Sites:** For businesses that often include real estate in the sale.
- **Broker Websites:** Some regional or specialized business brokers maintain their own websites, which could be scraped or integrated if a listing is not found on a main marketplace.

Most Common Business Details Listed

This is a list of key data points essential for an investor.

- **Financials:** Gross Revenue, Cash Flow (Seller's Discretionary Earnings), EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization), and asking price.
- **Business Profile:** Industry/category, business description, location (city, state), number of employees.
- **Operational Details:** Year established, hours of operation, reason for selling, owner's role, and amount of training provided.
- **Assets:** List of assets included in the sale (e.g., equipment, inventory, intellectual property).
- **Real Estate:** Whether real estate is included in the sale (and if it's owned or leased).
- **Key Performance Indicators (KPIs):** Some listings may include specific KPIs relevant to the industry (e.g., the number of active customers for a subscription-based business).

Specific Factors and Preferences

This is the core value proposition, and captures specific, user-centric preferences that are used in ranking the business.

- **Financials:**
  - **Investment Capital:** User-defined range for the upfront cash they are willing to invest.
  - **Total Purchase Price:** User-defined range for the total value of the business.
  - **Target Annual Income:** How much yearly income would you like the business to provide you? (Less than $75K, $75K–$150K, $150K–$250K, $250K+)
- **Operational Control:**
  - **Level of Involvement:** User-selected preference from a defined scale (e.g., **High-Touch** for an owner-operator role, Medium-Touch for a managerial role, or **Low-Touch** for a semi-absentee owner).
  - **Owner Support:** User-selected duration for how long they desire the previous owner to stay on for training and support (e.g., less than 1 month, 1-6 months, etc.).
  - **Business Type:** Are there any types of businesses you'd like to avoid?
- **Risk & Stability:**
  - **Business Size:** Do you prefer a smaller/simpler business or a larger business with staff and systems already in place?
  - **Pay Back Period:** Would you rather buy a business that pays you back faster (higher risk, smaller scale) or one that's safer but takes longer to pay back? (2 - 3 years, 4 - 5 years or longer).
  - **Risk Tolerance:** User-selected preference from a defined scale (e.g., High for startups, Medium for established businesses, or Low for proven, cash-flowing businesses).
  - **Longevity/Maturity:** User-selected preference for how long a business has been operating (e.g., under 2 years, 2-5 years, 5+ years).
  - **Current Status:** User-selected preference for the business's current state (e.g., Growing, Stagnant, or Contracting).
- **Geographic:**
  - **Location:** User-defined preference for specific cities, states, or zip codes.

Requirements & CUJs

Requirements
- **User Onboarding & Profile Creation**
  1. The system shall provide a multi-step user onboarding flow to gather user preferences.
  2. The user must be able to specify their desired investment criteria, including a specific range for capital investment (e.g., $100k - $500k) and loan percentage (e.g., 20% - 70%).
  3. The user must be able to select their risk tolerance (e.g., High, Medium, Low) and desired level of involvement (e.g., High, Medium, Low) using a defined set of options.
  4. The user must be able to specify their preferred location(s) and industry(s).
  5. The system shall save the user's profile and preferences for future searches.
- **Search & Ranking System**
  1. The system shall automatically scrape and ingest business listings from a predefined list of top business brokerage sites.

2. The system must normalize unstructured data (e.g., cash flow, revenue, EBITDA) from different sources into a consistent format.
3. The system shall use an AI-powered algorithm to filter and rank business listings based on the user's saved preferences.
4. The system shall display a list of ranked businesses with key information such as business name, a high-level summary, location, and the ranking score.
5. For each ranked business, the system shall provide a detailed explanation of its ranking, highlighting how it aligns with the user's preferences.
6. The user must be able to view the original listing page from the source website.

- **Business Details & Management**
    1. The user shall be able to view a detailed page for each business, including all information scraped from the source listing.
    2. The user shall have the ability to "shortlist" or save a business for later review.
    3. The system must check and display information about the business's reputation from sources like the Better Business Bureau (BBB) or other fraud detection sites. This information should be presented as a simple "risk indicator" on the business detail page.

- **Agent-Based Communication & Scheduling**
    1. The user must be able to initiate contact with a business seller directly from the app.
    2. The system's AI agent shall draft and send an initial contact email to the seller on behalf of the user, based on a user-provided template or a pre-defined standard template.
    3. The agent shall be able to monitor email responses and notify the user when a response is received.
    4. The agent shall be able to propose meeting times based on the user's connected calendar availability and a pre-defined calendar link.
    5. The agent shall be able to update the user's calendar with a confirmed meeting time.

Critical User Journeys

Stage	User Action	Product Action	Key Metrics
1. Onboarding & Profile Setup	A first-time user arrives at the platform and is prompted to create an investment profile.	The app presents a clear, multi-step onboarding flow.	- New user activation rate - Time to complete profile - Profile completion rate

	The user enters their preferences: - Capital range ($100k-$500k) - Risk tolerance (Medium) - Location (e.g., Dallas, TX)	The app saves the user's preferences to their profile.	- % of users who save their profile
2. Discovering Businesses	The user lands on the main dashboard and sees a list of businesses curated and ranked based on their profile.	The app displays the top 20 ranked businesses, with a clear headline and a brief summary for each.	- Average Businesses Viewed per Session - % of users who apply an additional filter
	The user clicks to see a more detailed view of the top-ranked business.	The app displays the full business details, including a breakdown of its ranking score and a summary of why it's a good fit.	- Average time spent on a business detail page
	The user decides to save a business for future consideration.	The app adds the business to the user's "Shortlist" or "Saved" list.	- **North Star Metric: Number of Businesses Shortlisted**
3. Initial Engagement	The user reviews their shortlist and selects a business they want to contact.	The app presents an option to "Contact Seller" and shows a pre-filled email draft.	- % of shortlisted businesses that are contacted
	The user confirms the email to be sent and an AI agent sends it on their behalf.	The app's AI agent sends the email to the seller's listed contact and logs the action in the user's dashboard.	- Response rate from sellers to agent-sent emails
	A seller responds to the email with available times to talk.	The AI agent monitors the user's email inbox for a response from the seller.	- Time from email sent to seller response

	The user reviews the email and approves the meeting proposal.	The AI agent sends a calendar invitation to the user and the seller and confirms the meeting.	- Meeting booking success rate
4. Post-Engagement & Follow-up	The user reviews the history of their communications and meetings with the seller.	The app's dashboard provides a summary of all email correspondence and calendar invites related to a specific business.	- % of users who leave feedback on a business after a meeting
	The user decides to remove a business from their shortlist.	The app removes the business from the user's shortlist and allows them to provide a reason (e.g., "Not a good fit," "Price too high").	- Shortlist removal rate

Phases

Phase 1: Minimum Viable Product (MVP)

- **Objective:** Launch a functional web application for prospective business buyers.
- **Key Features:**
  - User authentication and profile creation.
  - A dashboard to view a ranked list of business listings.
  - A basic AI-powered ranking algorithm based on user-defined preferences.
  - The ability to "shortlist" a business.

Phase 2: Initial Enhancement & Agent V1

- **Objective:** Introduce the first version of the AI agent and expand core functionality.
- **Key Features:**
  - Integration of the AI agent for generating and sending initial contact emails.
  - Calendar integration to schedule initial calls with brokers or sellers.
  - More advanced search and filtering options (e.g., by geography, keyword).
  - A user feedback mechanism to refine the ranking algorithm.

Other Considerations

- This idea was borne out of a personal need, and as such, the competitive analysis and monetization approach are deeply explored.