

Types of Buyers

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Business owners often feel frustrated when selling their companies. Some of the frustration comes from not understanding the many different personalities we encounter in the Brokerage business. There are six distinct types of Buyers for small retail and service establishments.

1: The **Dynamic Buyer** is a person with money and experience who knows exactly what they want. These are determined, goal oriented individuals who aggressively seek out their desired acquisition. These are highly valued clients.

2: The **Shopper** is a person with money and experience who doesn't completely know what they want. These are individuals who may have lost their job and are very interested in starting a new career. At least half of our inquiries are from Shoppers.

3: The **New York Contractor** is someone who prides themselves with their experience and savvy business acumen but is also one who is often abrasive and lacks people skills. They will continually complain about all the real and imaginary faults of the business. If there aren't any, they will invent some. They generally make lowball offers. Some of the most tactless ones hint that if their first offer isn't accepted their second offer will be even lower.

4: The **Clown** is smoother than the New York Contractor and they tell you exactly what they want and how much money they have to invest, but, when it's time to make an offer, it's always well below the Sellers minimum requirements. If the Seller lowers their price, the Clown lowers their offer. Nothing productive is ever accomplished with a Clown.

5: The **Faker** often volunteers some dubious credentials or they hide behind a phony corporate name in an attempt to impress us. Some even bring their girlfriends along to show off their latest "potential acquisition." Often they want to know if they can put down a minimal deposit and repay the owner out of the "profits of the company." We spot this type of faker immediately and give them a quick goodbye. Other Fakers are harder to spot.

6: The **Novice** is a person with no money and no experience who doesn't know what they want. The Novice is often young, intelligent and nervous. At this stage in their personal development they may not yet understand phrases like "cash flow" and "inventory." We were all novices once and they should be commended for trying, so, we give them a short talk about what's required to purchase and run a business and we hope they return someday when they have reached those goals.

Helping clients buy and sell businesses since 1982.