



FINDING QUALIFIED BUYERS FOR YOUR BUSINESS

You've worked hard to grow your business into a successful venture. Now you want to sell it and reap the benefits of all those years of hard work. There are many questions involved with selling a business, but the most important is: How do you find qualified buyers? Some people say the quantity of buyers that are interested in buying your business is most important. Others say the quality of buyers is most important, regardless of quantity. But the correct answer is both are very important. Here's why: If you have 50 buyers interested in your business, then you have plenty of quantity. But if you are selling a \$1,000,000 manufacturing business and these buyers can only afford a business that costs less than \$300,000, or if they all prefer a service business, then this "quantity" of buyers is a waste of time. You will spend hours talking to unqualified buyers about your business when they have no interest in actually buying it. Conversely, say you only have 2 buyers interested in your business and they are looking to spend at least \$1,000,000 on a manufacturing business. You have good buyer "quality" but not enough quantity. On average, you need at least 10 or more qualified buyers to look at your business before you can reasonably expect to sell it. And the more buyers you have looking at your business, the higher the sales price typically is. In a nutshell, the more qualified buyers you have looking at your business, the faster you will sell your business and the more money you will make on the sale. But how do you get both quantity and quality of buyers interested in your business? The key is to employ several methods of effective advertising that don't cost you a fortune. Word of Mouth Advertising This method of advertising is very spotty and should not be considered a core form of advertising. Due to its nature, your business is exposed to a very limited number of buyers that probably aren't qualified. As a result, this method of advertising provides neither quantity nor quality, which makes it very ineffective at helping you sell your business. Classified ads in the local newspaper The old-fashioned method of advertising a business for sale was to place a classified ad in one or more newspapers and hope enough qualified buyers would stumble upon it. This method is not very effective because you only have a few short lines of text to tell your entire story and attract interest in your business. This not only reduces the overall quantity of buyers, but you also end up wasting time on a lot of unqualified buyers. As a result, classifieds are not very effective at generating a high quality or quantity of buyers. Business Brokers Business brokers are typically very professional and knowledgeable in the art of buying and selling a business. Plus they are skilled at helping sellers sell their business. They will prepare your business for sale and handle all discussions with buyers on your behalf. In addition, brokers will help generate interest in your business from buyers through their relationships with other brokers, as well as listing your business for sale on their website. However, to get maximum quality and quantity of buyers interested in your business it is best to complement a broker's services with additional advertising efforts. You can do this either in conjunction with the broker's efforts, or on your own. Online marketplaces Currently the most effective method of getting both the highest quantity and quality of buyers interested in your business is by advertising on an online business-for-sale marketplace. These marketplaces are searched by hundreds of thousands of buyers each month, and can generate a staggering amount of interest in your business. There are many online marketplaces to choose from, but they are far from equal. Some have inadequate search functions, which mean your quality of buyers will decrease. The better the search functions the site offers, the more precisely buyers can search for what they want. And when a buyer finds your business, you know they are highly qualified. Other business-for-sale marketplaces are just interested in collecting listing fees from you, regardless of whether or not they help you find a buyer. These sites charge a monthly listing fee that is not tied to performance of any kind. As a result, they may or may not bring you any qualified buyers, and they really don't have any incentive to do so. The most effective business-for-sale marketplaces put their money where their mouth is and only charge sellers on a pay-for-performance basis. With these sites, you list your business for sale on the site and it appears in buyers' search results when they search for a business that meets your criteria. But you are only charged a small fee if the buyer actually clicks on your listing and views its details. And you can set your own budget to determine the quantity of buyers you want. Performance-based marketplaces are very efficient and highly effective because you get exposure to the maximum number of highest quality buyers, but you don't pay if you don't have any qualified buyers view your listing. Resources * Find the perfect [business to buy or franchise to buy](#), * To find a broker to help you buy or sell a business, visit [BrokerSource](#) * [Sell a business or franchise](#) quickly and easily with risk-free performance-based pricing

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