

Buying a business FAQS

I've never bought a business before, why do I need a professional advisor?

Buying a business and, just as importantly, making sure it is a long-term success, is a genuine challenge and using us as your experienced advisor ensures you get the best possible deal. We are able to support and help you navigate all stages of the buying process; from identifying and approaching appropriate target businesses and the valuation and negotiation, through identifying and minimising potential risks, to structuring the deal so you maximise any available tax relief.

My boss has offered me an opportunity to buy the business, what should I do?

Buying the business in which you work is an exciting and potentially life-changing opportunity and it is important that you don't rush into any decisions until you have taken sound professional advice. We offer initial consultation meetings, without cost or obligation to you, during which we can talk you through the process and your options.

I will need a legal advisor, can you refer me to someone suitable?

As experienced advisors, we have close working relations with many legal firms throughout the region and we would be happy to introduce you to an appropriate lawyer. For the avoidance of doubt, we do not financially benefit from any such recommendations.

Can you help with integrating the business after we have bought it?

One of the most important aspects of buying a business is integrating it into your existing operations. This requires thorough planning before the deal completes, as well as focused implementation and regular monitoring afterwards. We can guide you through this process to ensure you maximise the synergies and economies of scale arising from combining the businesses.

The sellers will be offering me warranties and indemnities in the final legal contract, why should I bother with due diligence?

Although warranties and indemnities offer some protection to a buyer after a deal has completed, enforcement can be a difficult, expensive and time consuming process. In some instances, the sellers may also remain involved in the business and pursuing them for damages could jeopardise your working relationship. By undertaking due diligence before the deal completes you have an opportunity to identify likely key issues and take proactive remedial action before the deal completes.

Can I borrow money to buy the business?

There are usually a number of potential funding avenues to explore and in our experience, it is highly likely that you will be able to raise the finance you need. However, how much will depend on the strength of the business and the type of security, but if there is a funding gap it may be possible to agree with the seller to defer paying an element of the sale price. This is often referred to as "deferred consideration" and it is not uncommon for a commercial rate of interest to be applied until it is repaid.