

FREE GUIDE · 01

The Business Buyer Readiness Checklist

Most buyers start by looking at businesses. The stronger approach is to start with yourself. Work through these five areas before you make an enquiry, and you will negotiate from a position of clarity rather than hope.

1. Financial readiness

Lenders and vendors both want evidence you can complete. Have these settled before you shortlist.

- ☐ I know my total available capital: cash, redraw, equity release and family support.
- ☐ I have set aside working capital for the first six months, separate from the purchase price.
- ☐ I have allowed 4–7% of the purchase price for legal, accounting, due diligence and stamp duty.
- ☐ I have an indicative lending position from a broker or bank, not an assumption.
- ☐ I know the minimum owner drawings my household needs each month.
- ☐ I can survive three months of lower-than-forecast trading without distress.

A common miss

Buyers frequently fund the purchase price fully and leave nothing for stock, wages, refurbishment or a slow first quarter. Treat working capital as part of the acquisition, not an afterthought.

2. Skills and operating fit

- ☐ I can name the three activities that actually drive profit in this type of business.
- ☐ I have direct experience in at least one of them, and a plan for the others.
- ☐ I know whether I am buying a job, a management role or an investment — and I want that role.
- ☐ I understand the hours the business genuinely requires in year one.
- ☐ I have assessed whether key staff will stay, and what happens if they do not.
- ☐ I am comfortable with the licensing, accreditation or compliance the industry requires.

3. Risk appetite and downside

- ☐ I have written down the worst realistic outcome and can accept it.
- ☐ I know which single customer, supplier or staff member the business depends on most.
- ☐ I understand the lease: term, options, rent reviews, make-good and assignment conditions.
- ☐ I have considered how a rate rise, wage increase or 15% revenue fall would affect servicing.
- ☐ My partner or family understands and supports the decision and its demands.

4. Your professional team

Buying without the right team is the most expensive saving you can make.

- **Accountant** with business acquisition and add-back experience, not only tax returns.
- **Commercial solicitor** who reviews the contract, lease and restraint clauses.
- **Finance broker** who understands goodwill lending, not just home loans.
- **Advisor** who is independent of the sale and works for your outcome.

5. Decision discipline

- ☐ I have defined my buying criteria in writing: industry, location, price, return, hours.
- ☐ I have a walk-away price and I will honour it.
- ☐ I will compare at least three businesses before committing to one.
- ☐ I will not sign anything binding without professional review.
- ☐ I know what I want this business to give me in five years.

Score yourself

19 or more of the 22 boxes ticked — you are genuinely ready to transact.

13–18 ticked — you are close; close the specific gaps first.

Under 13 ticked — keep preparing. Buying now is a risk, not an opportunity.

Next step

Bring your completed checklist to a conversation with us. We will tell you honestly which gaps matter and which do not.

Book a confidential conversation at nextgoaladvisory.com.au or email hello@nextgoaladvisory.com.au.

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