BUSINESS ACQUISITION FRAMEWORK

A PROVEN FRAMEWORK FOR IDENTIFYING, EVALUATING, AND ACQUIRING OPERATING BUSINESSES

1. **IDENTIFY** — Find the right type of business in the right market
2. **EVALUATE** — Analyze financials, operations, and risk factors
3. **NEGOTIATE** — Structure the deal and terms that win
4. **ACQUIRE** — Close the deal and ensure a smooth transition
5. **GROW** — Optimize operations and increase value

KEY EVALUATION CRITERIA

- [ ] Strong and stable cash flow
- [ ] Easy-to-understand business model
- [ ] Recurring or repeat revenue
- [ ] Low customer concentration
- [ ] Scalable operations
- [ ] Experienced and reliable team
- [ ] Clear growth opportunities
- [ ] Reasonable valuation

COMMON RED FLAGS

- [ ] Declining revenue or profits
- [ ] Owner heavily involved in operations
- [ ] High customer or vendor concentration
- [ ] Outdated systems and processes
- [ ] Hidden liabilities or legal issues
- [ ] Poor reputation or reviews
- [ ] Unclear financials
- [ ] Overvalued for market conditions

SUCCESS TIP Focus on businesses where you can add value through systems, marketing, and operational improvements.