



Buying a Business

It is vital when considering the purchase of a new business venture that you possess accurate information that reflects the true market circumstances of the business venture you are entering into.

Armed with the correct information and shrewd business negotiating skills you will be able to realise all of your business goals.

At McKinley Plowman we offer start-up and due diligence services that equip our clients with essential market information. We also offer our services as business negotiators and advisors giving you peace of mind during the negotiation and purchase process.

When you are purchasing an existing business the following start up and due diligence steps are carried out.

Firstly, we conduct a general review of the business that you are interested in. This is necessary to determine all the factors that are involved in and affect your chosen business.

From this analysis we determine a reasonable asking price. This process in itself involves a thorough analysis to ensure that the price you pay reflects the true market value of the business.

The negotiating process can be a daunting one, and at McKinley Plowman we offer our services in this area. We can complete the initial verbal negotiations for you, and by utilising our experience in this area you can be guaranteed that we will endeavour to obtain the best possible purchase price for your new business.

Following confirmation of verbal negotiations, we can work in conjunction with our recommended solicitors to draft up the purchase contracts and review any leases. At this stage further negotiations may be necessary and we can continue this process for you until the final purchase price is established.

The next phase of our involvement consists of providing financing options and advice on the most appropriate methods for your circumstance. We can arrange this process on your behalf enabling a smooth transition of sale.

Where you are starting up your own business from scratch, our start up procedures will begin at the financing stage and do not include due diligence work.

The next and most important step where you are purchasing an existing business is the undertaking of the due diligence process, which involves the verification of both financial and

non-financial information provided by the vendor. This can be carried out in conjunction with us or we can undertake this process exclusively, the choice is up to you. We welcome your participation in this area to enable cost minimisation to be achieved on your behalf.

Whether you are purchasing an existing business or you are commencing to start your own, the next procedure that is carried out is discussion on the most suitable business structure to use. This may take the form of a sole trader, partnership, company or trust. We will highlight the advantages and disadvantages of each organisation and guide you to the most beneficial choice based on your individual circumstances.

Once your business structure is decided, we will assist you in the setting up of your entity and the establishment of effective administration, running systems and procedures to stimulate growth. The initial areas of focus will include:

- Record keeping
- Employment of staff
- Business Activity Statements & GST
- Financing
- Tax Planning
- Deductions
- Pricing Strategies
- Banking

Important: This is not advice. Clients should not act solely on the basis of the material contained in this site. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas.