

BUYING A BUSINESS – WHAT TO CONSIDER

ATTLEBOROUGH | AYLSHAM | DEREHAM | DISS | NORWICH | WATTON | WYMONDHAM

Set Your Commercial Goals

The most successful transactions have strategic focus. Have a clear understanding of what you are trying to achieve, why and how buying a business fits in with your business growth.

Take Advice

Engage with your solicitor and accountant early in the process setting out your key commercial objectives for the transaction. Your advisors are there to assist, find solutions to issues that may arise and ultimately help you achieve your commercial goals.

Consider The Options

You can purchase the shares in a company or purchase only the business and assets. Engage with your accountant about the various tax considerations so that you can be confident about the best structure for your transaction.

Financing Your Transaction

Consider how you are going to finance the transaction. There are various ways to structure the purchase price and your advisors can assist you with the key considerations. Consider if Bank lending or outside investor support would be appropriate and engage with your financial advisor early to find the finance route that suits your needs.

Head of Terms

Clearly set out and agree the key commercial terms of the transaction with the Buyer at the outset. These terms are crucial to ensuring the transaction remains focused and both parties understand what they are getting.

Set a Realistic Timescale

This keeps parties engaged with the process and helps focus minds, particularly towards the end of the process. Be realistic about how long things may take. Roughly transaction take around 2-3 months to achieve depending on the level of involvement. Ensure your advisors understand any deadlines you may have.

Personal Affairs

Are your personal affairs in order? Have an up to date Will and lasting power of attorney in place to deal with your business affairs.

Due Diligence

Engage with the due diligence process and ensure your advisors understand any valuable features of the business, particular areas of concern or any deal breakers. Due diligence does this well, will enable issues to be identified before completion and for the issues to be dealt with in the transactional document. This is better than having to take action after completion.

Key Documentation

Your advisors will go through key documentation with you which will be negotiated with the Seller throughout the process. There will be various warranties and indemnities and possibly security included as part of the key documentation and negotiation process. In particular, this is where considering all of the above and having the heads of terms will assist for a smoother process as the key points will have already been agreed.

Completion

Once you are at the end of the process and the transaction has completed, now you can focus on moving your business forward and shaping your businesses future growth.

On An Acquisition Trail?

Set out a process of standard documents and agree on a commercial approach with your advisors to make their transactions run more smoothly and less daunting to a first time seller.

If you require legal advice to assist with buying a business, please contact a member of our Corporate Team now on 01603 677077 or email:



Matt Downing, Partner & Head of Corporate

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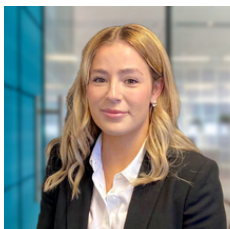
Matt has over 10 years' experience in advising clients on buying and selling businesses across a wide range of sectors. He has particular experience in advising companies on acquisitions, franchise resales, selling owner-managed and family run businesses and management buyouts.



Abigail Milliken, Solicitor

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Abi has experience supporting clients with both acquisitions and disposals of their shares, as well as asset sales and purchases across a wide range of sectors. Abi also provides independent legal advice to clients considering entering into personal guarantees as part of wider borrowing arrangements.



Kaidee Myhill, Solicitor

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Kaidee is part of the Corporate Team, having qualified as a Solicitor in August 2023. Kaidee assists clients with share acquisitions and disposals, asset sales and purchases, company restructures and shareholders' agreements. Prior to training, Kaidee obtained a first-class Law degree and was awarded a distinction on the Legal Practice Course, both from Anglia Ruskin University.



Hugo Persad, Legal Secretary

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Hugo Persad is a Legal Secretary in the Corporate team. After graduating with a First Class degree in Law from the University of Plymouth, Hugo went on to complete his LPC and LLM. He enjoys working hands on within the Corporate team where he ensures that transactions progress smoothly.

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