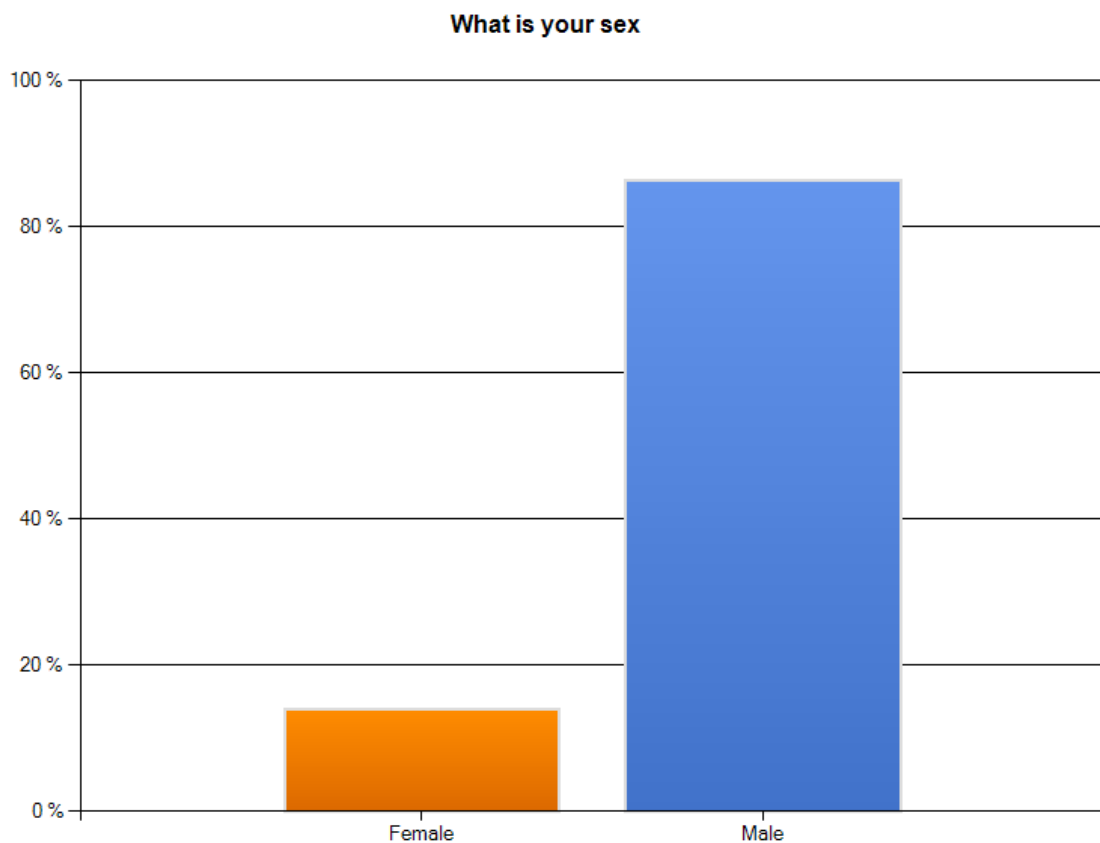
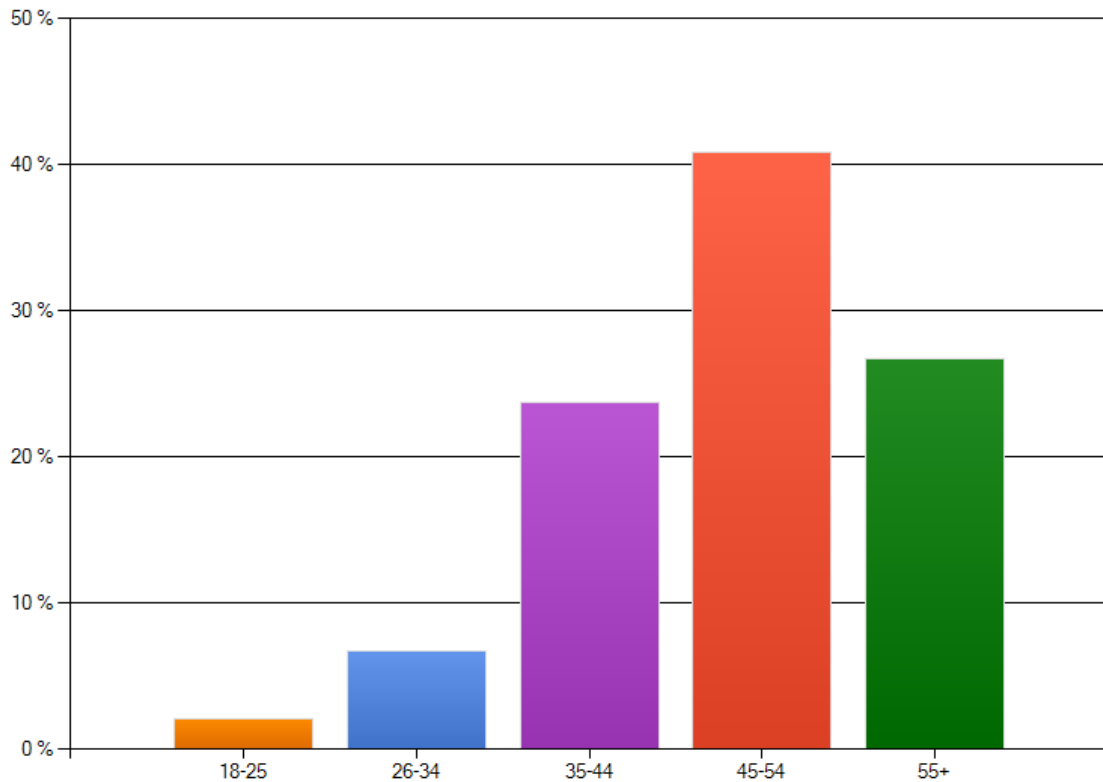


Buyers' Demographics

Demographically business buyers tend to be predominantly middle aged and male, this trend is particularly pronounced in the US, with nearly 90% of buyers male compared to 80.7% worldwide, and older than in other countries – with many more buyers in the 45-54 and 55+ age groups, but they do tend to be more experienced with more saying they have bought a business before



What is your age



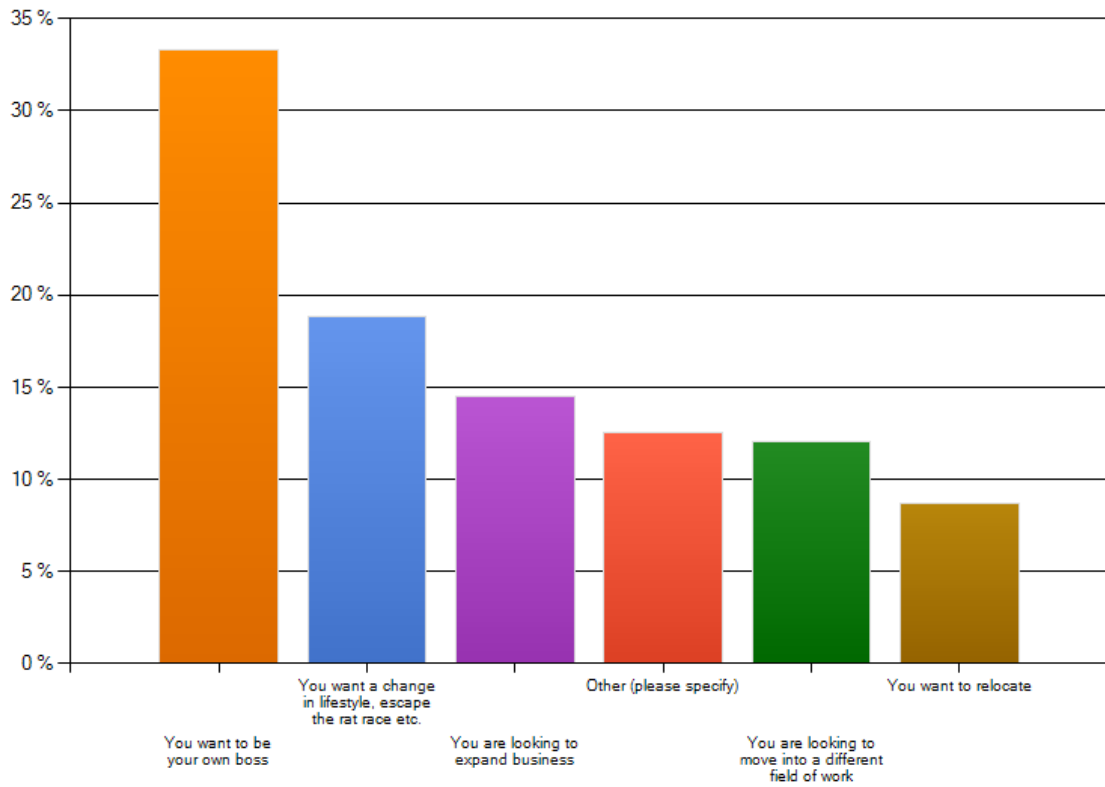
Reasons for buying a business?

In terms of the reasons for wanting to buy a business, there is one stand out reason – which is the independence of being your own boss. After that, in the US it is evenly split between people looking to expand or move into a new area of business, and people with a dream of escaping the rat race.

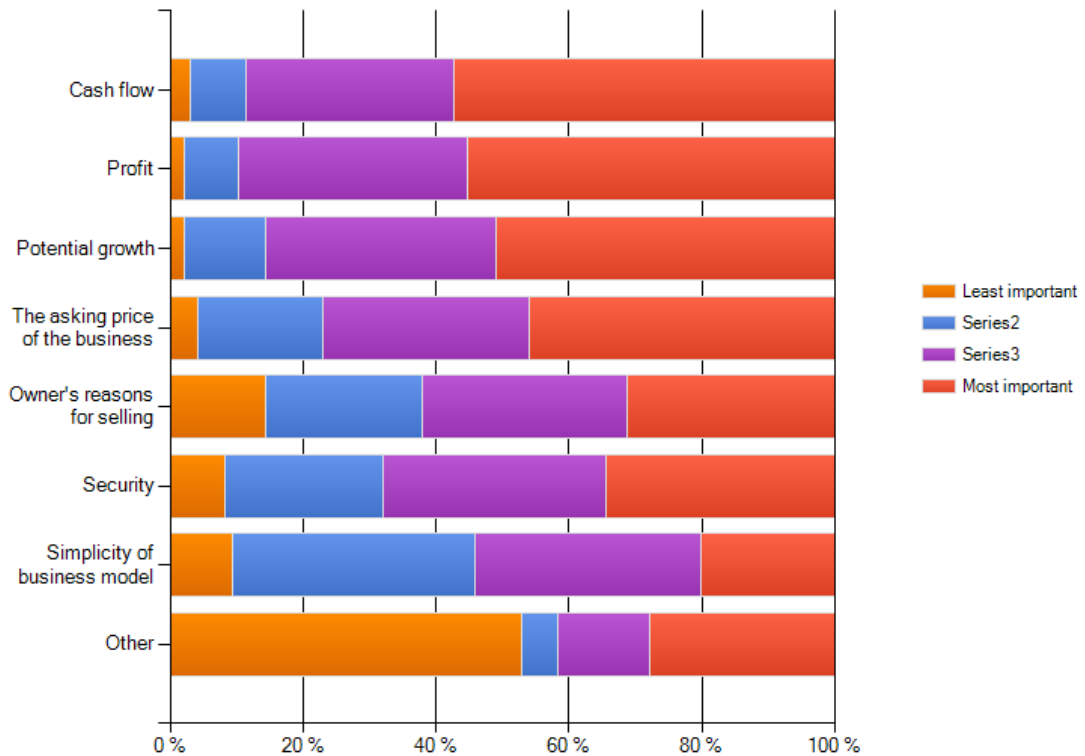
The considerations people listed when asked to list the most and least important factors in choosing a business were quite evenly spread out, but even though buyers look at all factors; growth concerns such as **potential growth, profit** and **cash flow** seen as slightly more important than precautionous concerns such as **security** and the **seller's reasons for selling**.

'Others' listed included– stimulation, lifestyle and location, as well as the broader answer of 'market conditions'.

What is your main reason for buying a business?



Please rank which are more or less important when considering which business to buy – security, cash flow, potential, etc



Sectors

Arguably ‘recession-proof’ sectors as well as perennial favourites dominated the list of top sectors for buyers worldwide this year. However in the US – services, retail and manufacturing leisure was higher than the worldwide averages. As in most regions – experience and a long standing desire were cited as the main reasons for choosing these sectors.

However when questioned - mostly buyers said they were pursuing long-held dreams that they had put on hold because of the financial difficulties; and cited their experience and long-standing desire as the No 1 and 2 factors.

In almost all cases, buyers said their desire to buy not changed or had only slightly lessened, with food buyers the most confident of their choice.

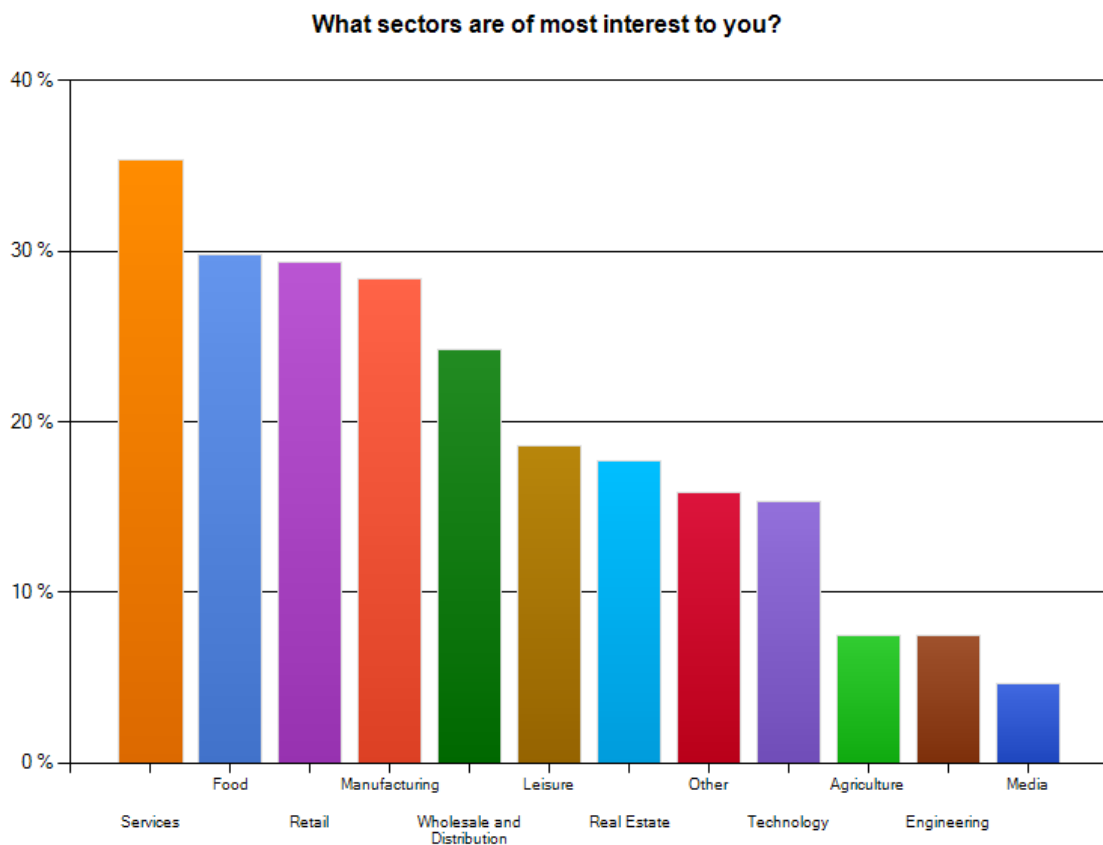
Examples of comments included:

“I grew up in a family where my parents had businesses in the retail sector as well as a wholesale therefore this type of business appeal more to me.”

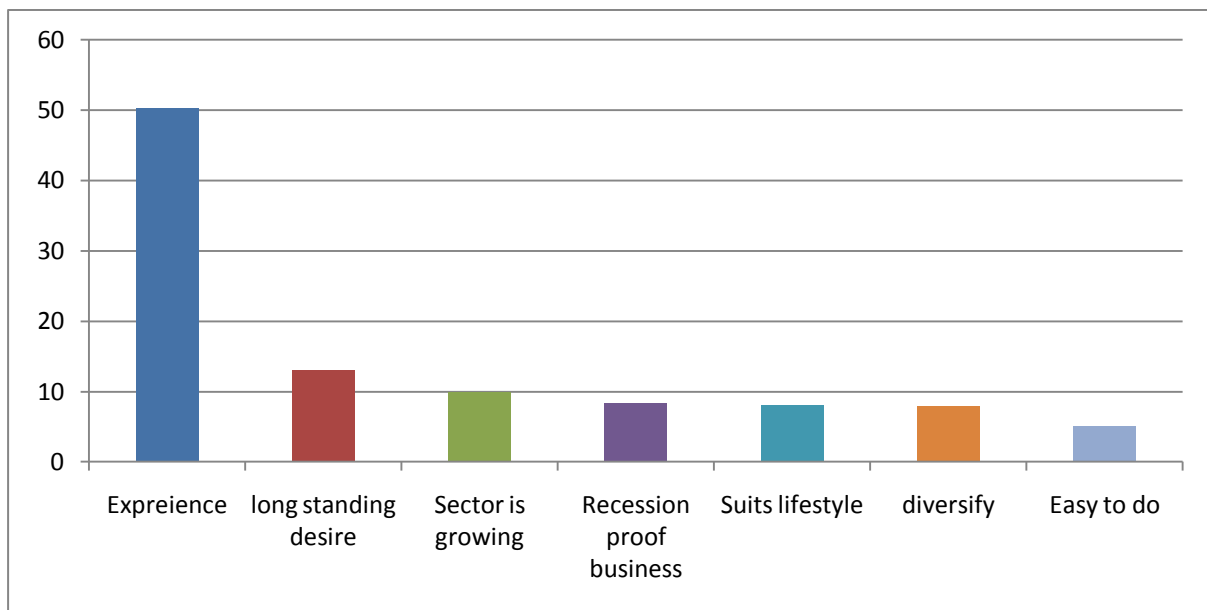
“Having had experience in this field, it is the best option for us”

“Change of perspective / personal requirements”

“Buying a service business will have a better chance to survive, because there will be always customers for services.”



Why are you considering these sectors, and how (if at all) has this changed from previously?



Buyer sentiment

Generally while buyer sentiment seems to be slightly more positive than 2009, more interesting to note are the differences between different countries, echoing the ideas of a two or even three speed economic recovery.

US buyers may seem slightly more cautious about the economy, with fewer (79%) declaring it a good time to buy than the worldwide average (86%).

On investigation this matches with the commonly held view that the UK is suffered some of the worst fall out from the credit crunch, so while they less optimistic about the future they are certainly not negative, as almost all those surveyed are not deterred from looking to buy

When asked why it was a good time at the moment, generally the perceived improvement in the economy and low credit rates were the most prominent reasons.

Examples of comments included:

“I have been planning this for 2 years - determined to succeed 2010”

“Will have better financial situation, plus I have a better understanding of how businesses work”

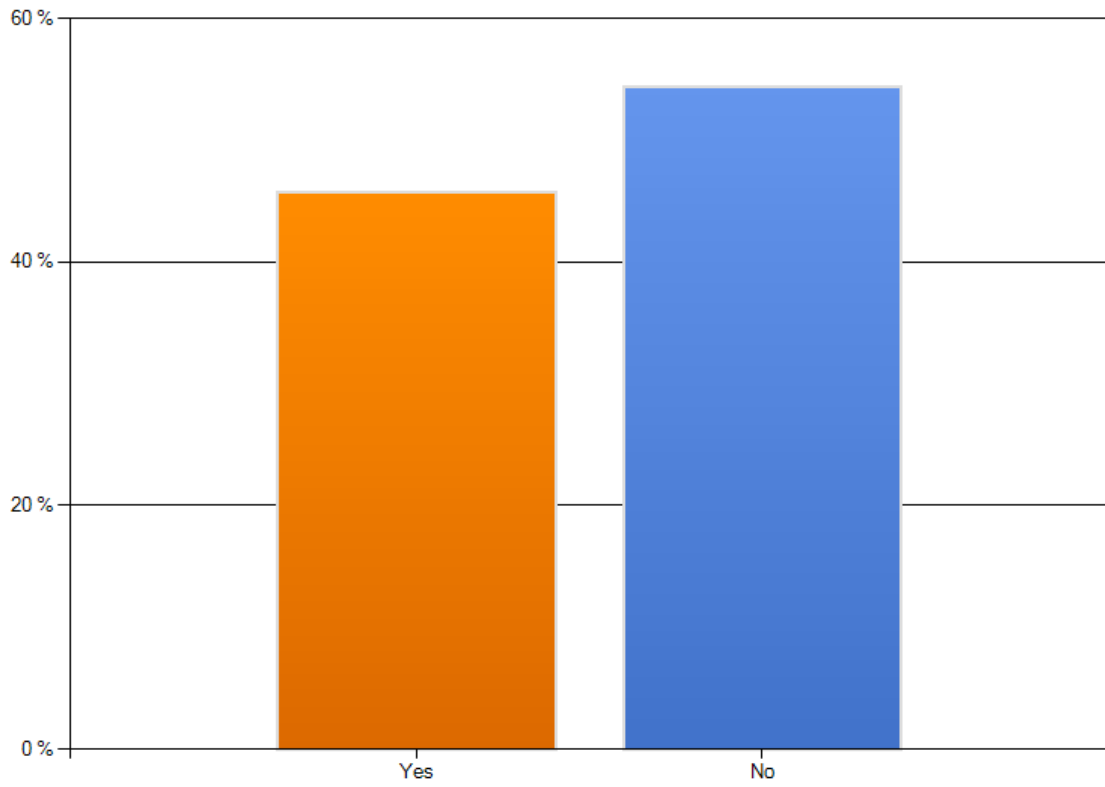
Very few said this wasn't a good time to buy – of those who did, the majority said they would wait till 2011, as they felt the economy had some more to drop.

Examples of comments included:

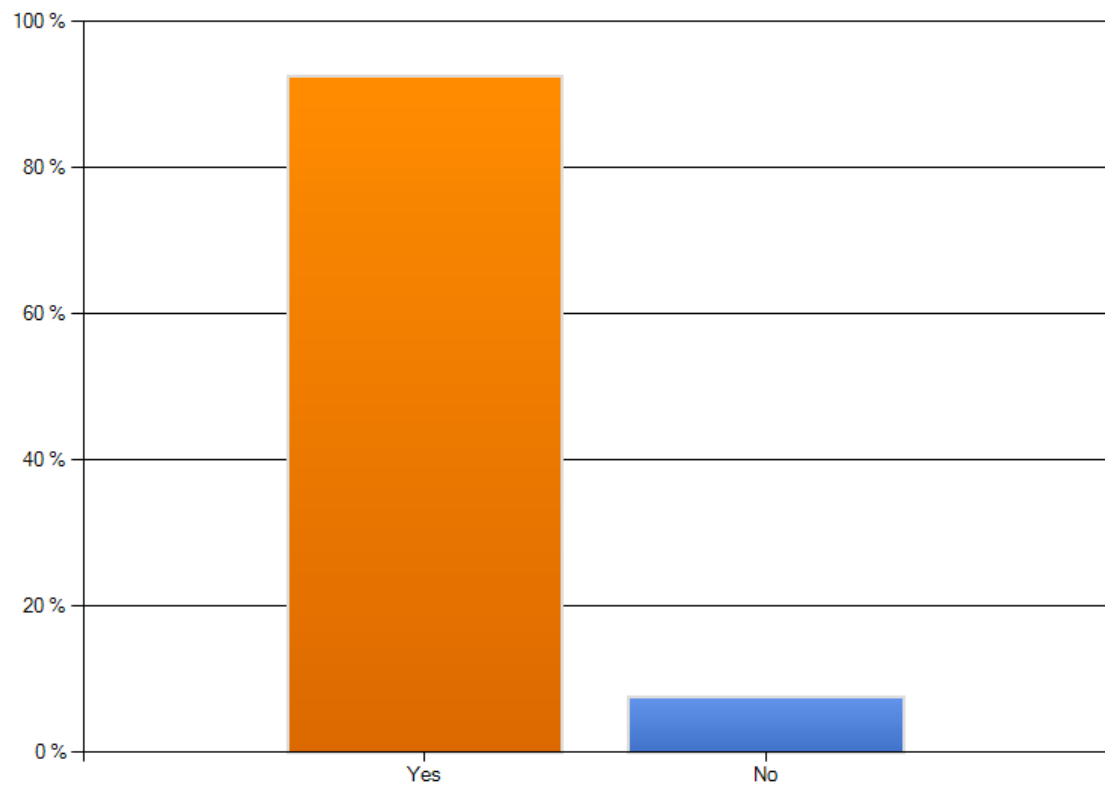
“There will be another down-leg in the economic contraction. A deflation of false optimism will put downward pressure on complicated equity opportunities.”

“Unless something really standout comes up, will probably wait & watch for a year or so”

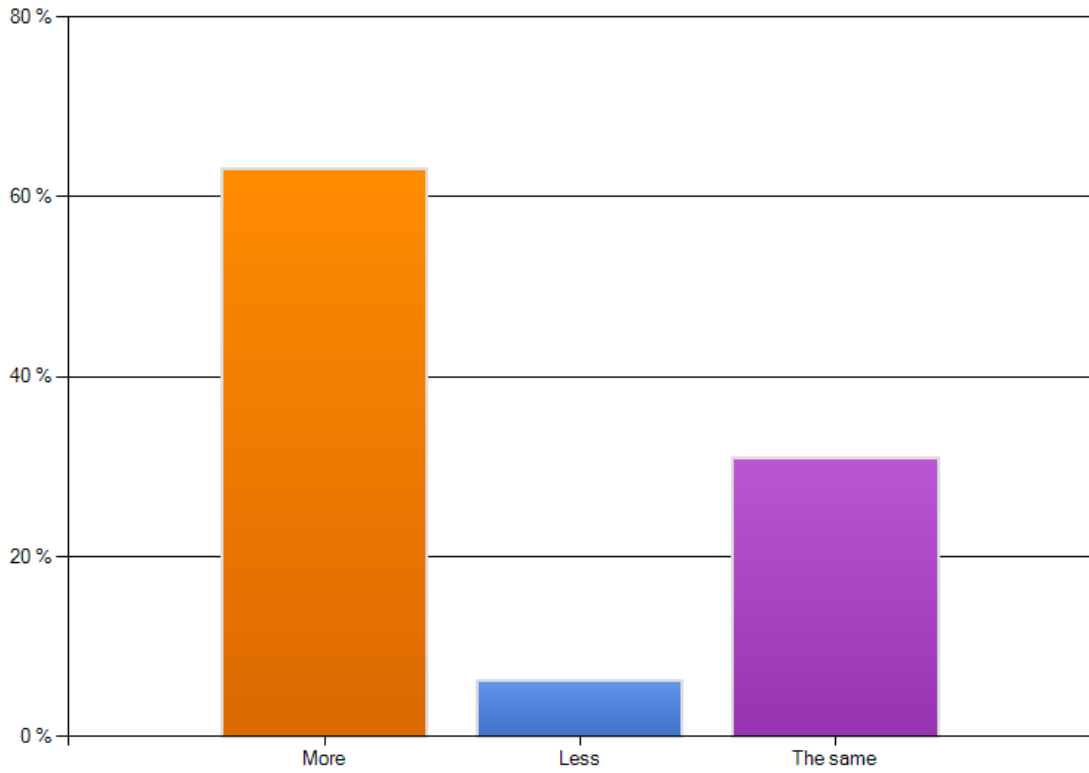
Have you bought a business before?



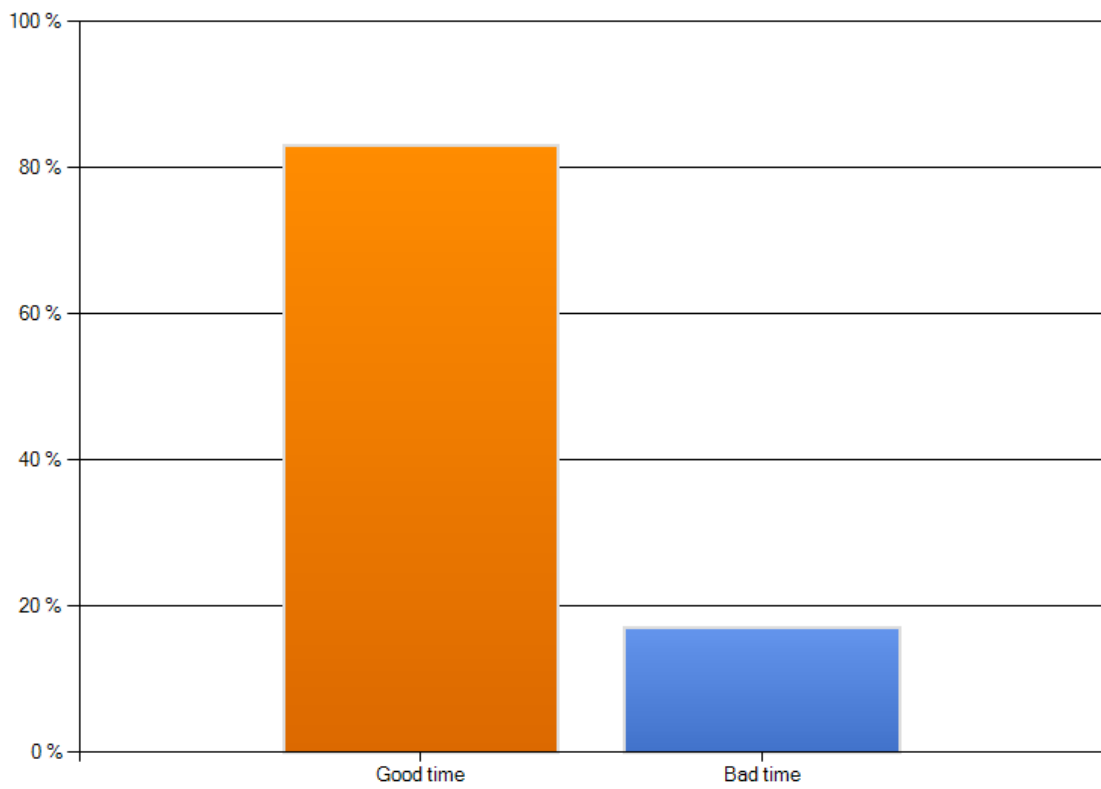
Are you still looking for a business to buy?



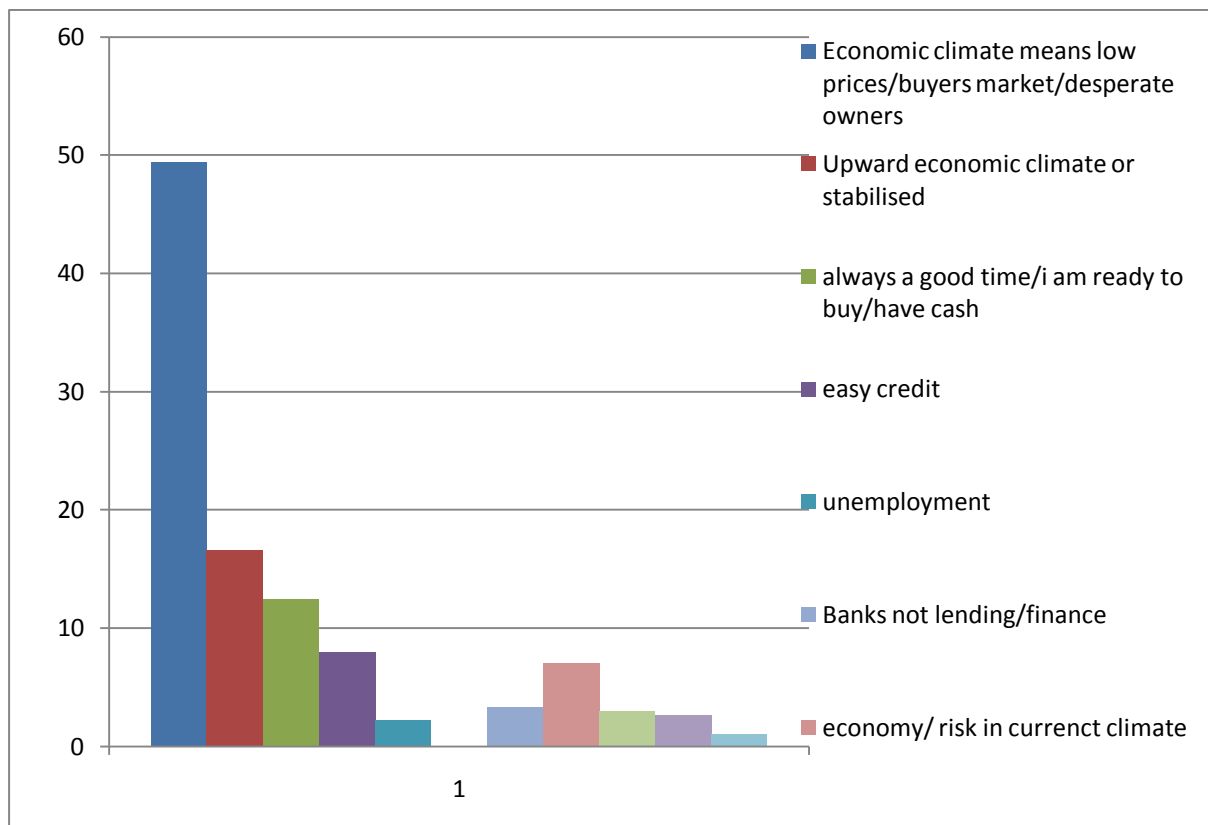
Are you more or less likely to buy a business in 2010 than 2009?



Do you think now is a good time to buy a business? Why?



Why?



Finance and credit

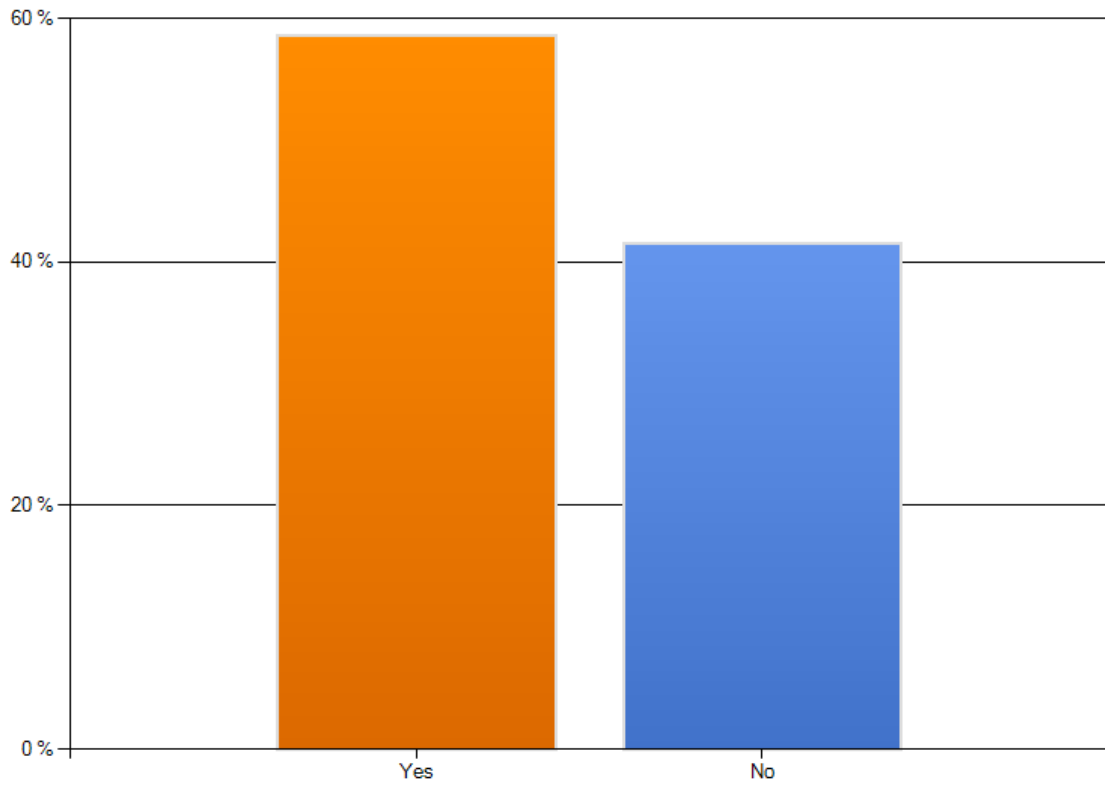
Whilst worldwide overall credit availability has definitely increased, with the majority of buyers saying they found it easy to obtain credit –it is worth noting regional variations here – as they are more marked than in other areas of the survey.

Fewer US buyers said they had finance in place (59%) than the worldwide average (64%), US buyers' experiences in obtaining credit were considerably worse than those worldwide –37% in the US vs 26% globally said it was difficult to obtain credit. As the credit crunch started and hit America worse than other countries, this reluctance from the banks to lend is understandable.

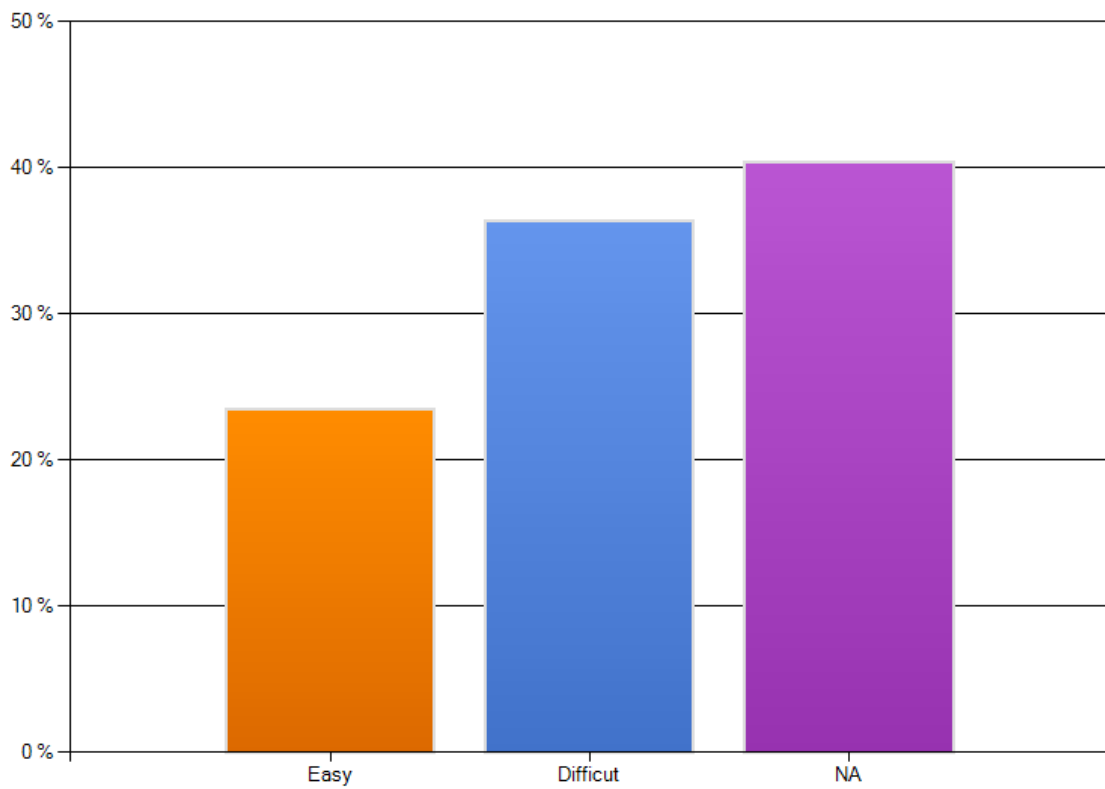
Buyers who have said credit was difficult to obtain stated issues with getting the banks to agree to the valuation or the equity value of the business.

Conversely those who said they had no problem obtaining credit stated they had high levels of equity to ensure they got credit. The general feeling was that banks will mainly lend to the 'bricks and mortar' value – with little allowance for goodwill or potential profit.

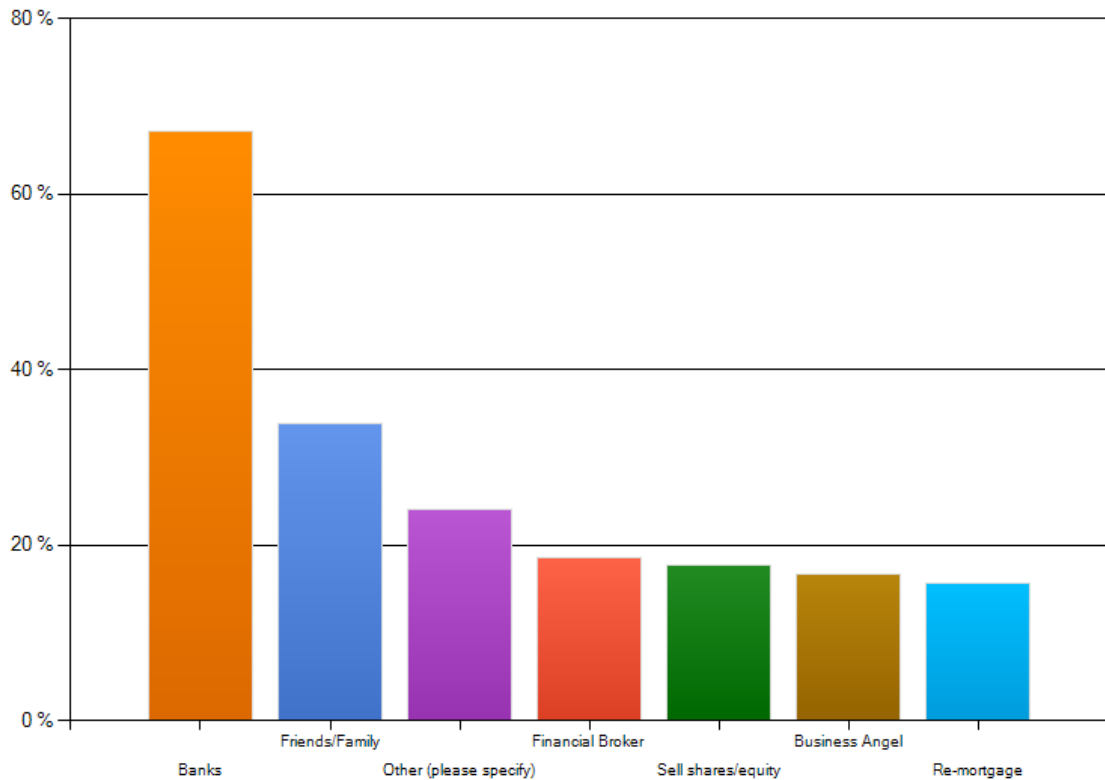
Do you have finance in place, ready to purchase a business?



Have you found it easy or difficult in obtaining credit?



What options have you considered in financing your business purchase?



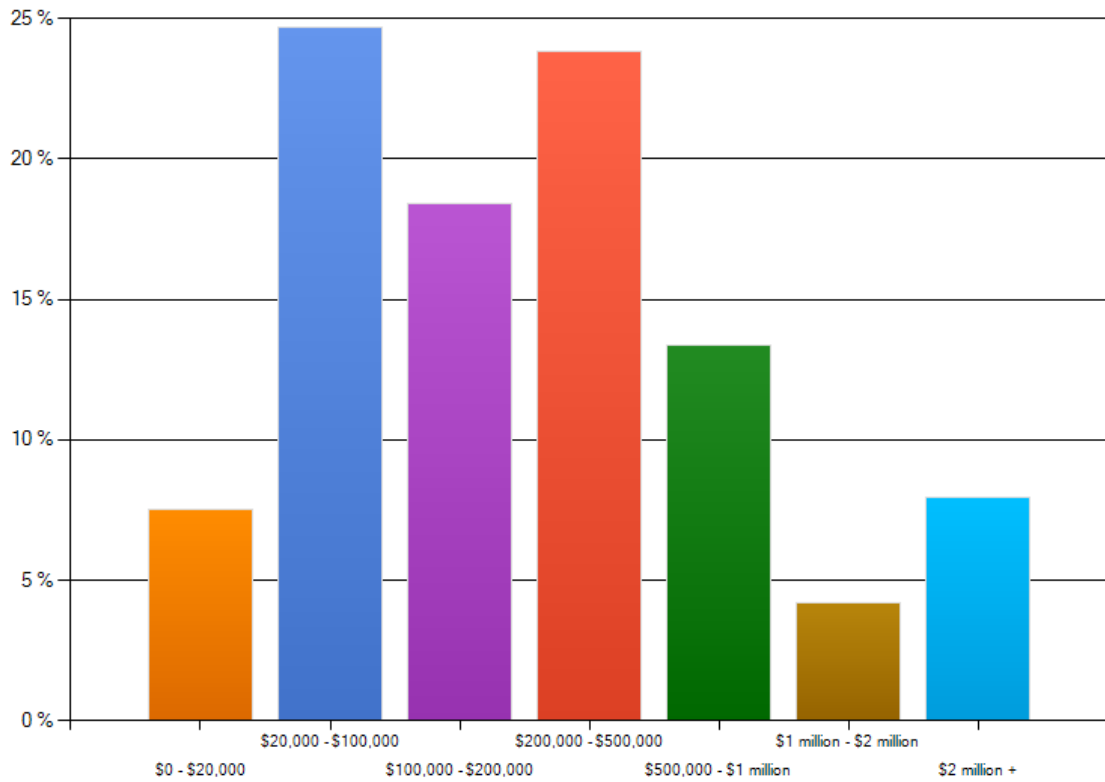
Budget

Worldwide the average budget for buying a business is \$505,300, however this belies major differences both in regions, and in sectors.

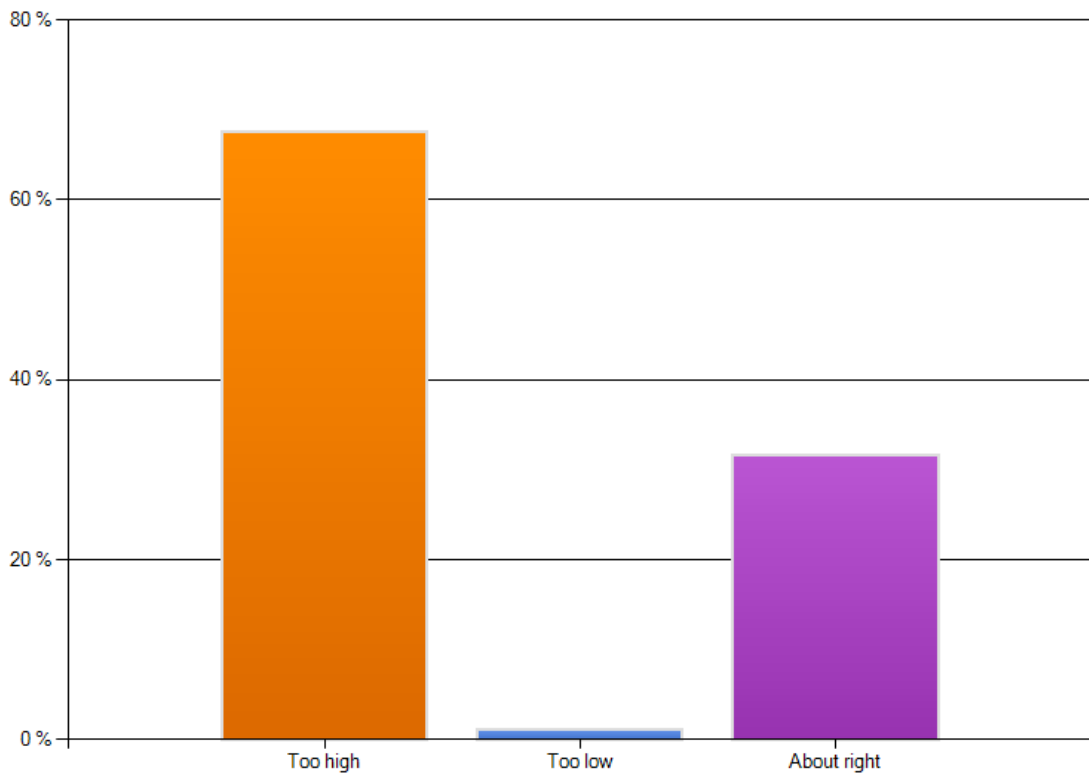
Overall though this represents a move upwards in the average budgets on the previous year's figure of \$403,000 – with a more concentrated range around the middle of the market indicating both more freely available credit, buyer confidence returning and more 'average' buyers returning to the market.

In the US however the trend seems to be focused on businesses at the top and bottom ends of the market, with higher than average numbers of buyers at the \$20,000 - \$100,000 and \$1million plus brackets.

What is/was your budget (in US dollars) for buying a business?



Do you feel asking prices of businesses for sale are currently too high or too low?



Media

Please list and rank the media you use when searching for buying a business?

Users chose the web generally as the most used media and Businesses for sale sites in particular – with nearly 80% claiming to use this channel the most. The US in particular has almost exclusively become an online market, with all print options selected as used least or not at all.

When asked if this **had changed from when you began looking at businesses for sale? If so why?**

In 90% of cases most users said this had not changed since they started looking for business opportunities, but where it had changed, it was that they had consolidated their searching into just one media, from print to in most cases business for sale websites.

Please list and rank the media you use when searching for buying a business?

