

Why do some business buyers choose to buy a loser instead of a winner?

Our experience is most business buyers want to buy the right business, the right way.

One of the easiest ways to do that is avoid buying a loser.

Professional advisors and sources of financing can attest to the sad fact that too many buyers either **buy the wrong business** or they **buy the right business on the wrong terms**. These problems stem from defective acquisition techniques, not a lack of good businesses for sale.

Thinking of fixing a loser — or buying one? According to a study by Northeastern University, 80% of turnaround specialists thought they could improve a business' profit. Here's what happened:

- 55% earned less money;
- 30% continued to operate at the same profit or barely increased profit;
- 15% increased profit.

Turnaround specialist, Sherwood Partners, which has worked with more than 100 companies, says that for every company the firm has saved, it has overseen the liquidation of roughly three others.

It's a good time to buy a business, even during this recession - but only if the business you're buying is profitable.

When you find a winner, don't mess around thinking, "What better deal might exist?" If you find a worthwhile business for sale on reasonable terms, buy it.