

6 Steps to Buy Your First Business (Without Losing Your

A Plain-English Roadmap from Search to Close

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Most first-time buyers don't fail because they're unqualified — they fail because they don't have a system. This is the system.

Acquiring a business is not as complicated as investment bankers make it sound. It is a process — a step-by-step sequence that, when followed with discipline, dramatically increases your odds of closing on the right deal at the right price.

Step 1: Define Your Buy Box

Before you look at a single listing, know exactly what you're buying and why. Industry, revenue range, SDE requirements, geography, seller profile. Write it down. Your Buy Box is your filter — without it, every deal looks interesting and none of them close.

- What industries align with your experience?
- What is your minimum required annual SDE (cash flow)?
- Will you require SBA financing? (Max loan: \$5M)
- What geography are you targeting?
- Are you open to seller-financing or earnout structures?

Step 2: Assemble Your Deal Team

You need your coaching staff in place before you make a single offer. Three people minimum: an M&A; attorney, a CPA who understands acquisitions, and ideally an acquisition advisor or business broker on your side.

- Identify and retain an M&A; attorney
- Find a CPA who can review financials and recast SDE
- Consider hiring a buy-side advisor or broker
- Open a business bank account for the entity you'll use to acquire

Step 3: Source Deals

Most of the best deals are not publicly listed. You need multiple channels running simultaneously.

- BizBuySell, Axial, BizQuest — public listing platforms
- Business brokers — introduce yourself, get on their list
- Direct outreach to owners in your target industry
- Your personal and professional network
- SBA lender referral networks

Step 4: Evaluate and Structure Your Offer

Not every deal deserves a full LOI. Screen with the seller first. If the fundamentals check out, submit a Letter of Intent (LOI) — a non-binding document that outlines your price and structure.

- Request 3 years of financials and tax returns
- Calculate SDE (see our SDE Recasting Cheat Sheet)
- Benchmark price against 2–5x SDE for your industry
- Draft and submit your LOI
- Negotiate price, seller note, and transition terms

Step 5: Conduct Due Diligence

Due diligence is your film session. You verify every claim the seller has made before you commit any capital. It typically takes 30–60 days.

- Financial: 3 yrs P&L, tax returns, accounts receivable/payable
- Legal: contracts, leases, litigation history, IP ownership
- Operational: systems, supplier relationships, key employee retention
- Customer: concentration analysis — no single customer >20% of revenue
- People: org chart, compensation, non-competes

Step 6: Close and Take Ownership

Closing is your Day 1 — not the finish line, but the starting whistle. The first 90 days set the culture, the relationships, and the trajectory.

- Finalize SBA loan or financing structure
- Sign purchase agreement and complete escrow
- Meet every employee in the first week
- Honor all existing customer commitments
- Run the business before you change the business

**Get the complete playbook: Don't Build It — Buy It Book a free Discovery Call at
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