



CHAD PETERSON

BUYPREP™ INTRO – 7 Day Course

A photograph of a staircase with blue carpeting and a wooden wall. The text 'DAY 1' is overlaid in large white letters.

DAY 1



Benefits of Buying

Lowest Risk:

- + Existing momentum / team
- + Most like an investment vs. entrep / startup
- + Fastest payback time
- + Most predictable from cashflow / planning
- + QSI Approach

Wealth Builder:

- + Historical Aspect – It's built here**
- + Bank will help**
- + SBA / Govt will help**
- + QSI is a very interesting strategy**

Career Transition:

- + **Fastest way to replace income**
- + **Reasonably predictable based on down payment**

Personal Growth:

- + **Biz will challenge you**
- + **You will have your opportunity to shine**
- + **You are “the man” vs. working for “the man”**
- + **Leadership development**
- + **Knowledge is more available than ever**



THANK YOU!

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DAY 2



Owner vs. Entrepreneur

Personality Type:

- + **Pragmatist vs. Artist**
- + **Are you doing this to be cool or make money?**
- + **Entrepreneur vs. Investor**
- + **Manager Profile = Owner**

The Passion Cycle:



Obsession

Passion

Boredom



Opportunity: Deficiencies



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DAY 3



Gut Check



Effort & Passion

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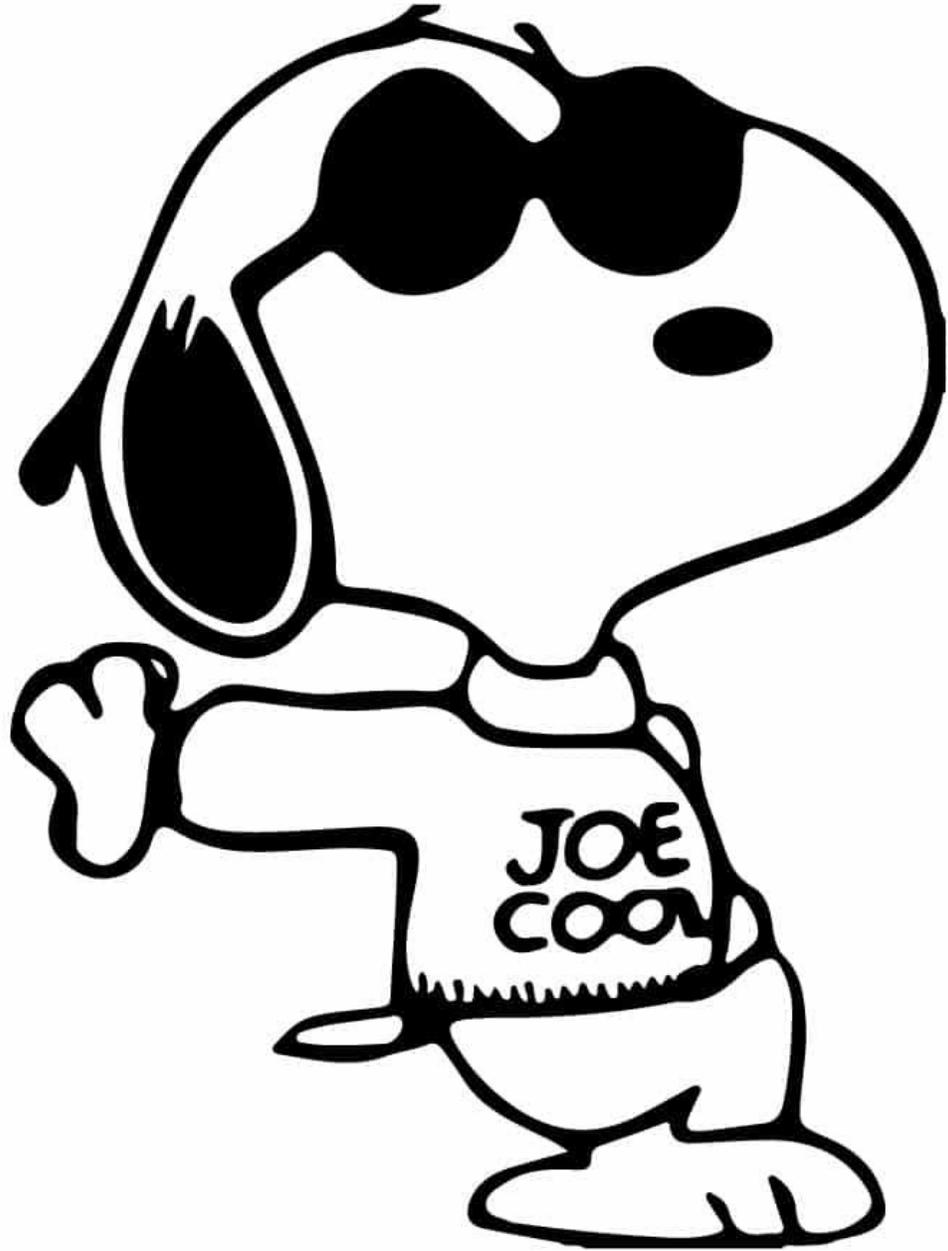
Risk Tolerance

Debt Tolerance



High Frequency Problem Solving

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**JOE COOL
OR
FRAZZLED
FRAN?**



Frustration + Pain
Life Insurance + Vultures
Dedication + Sacrifice

The “I Will Be Different” Lie





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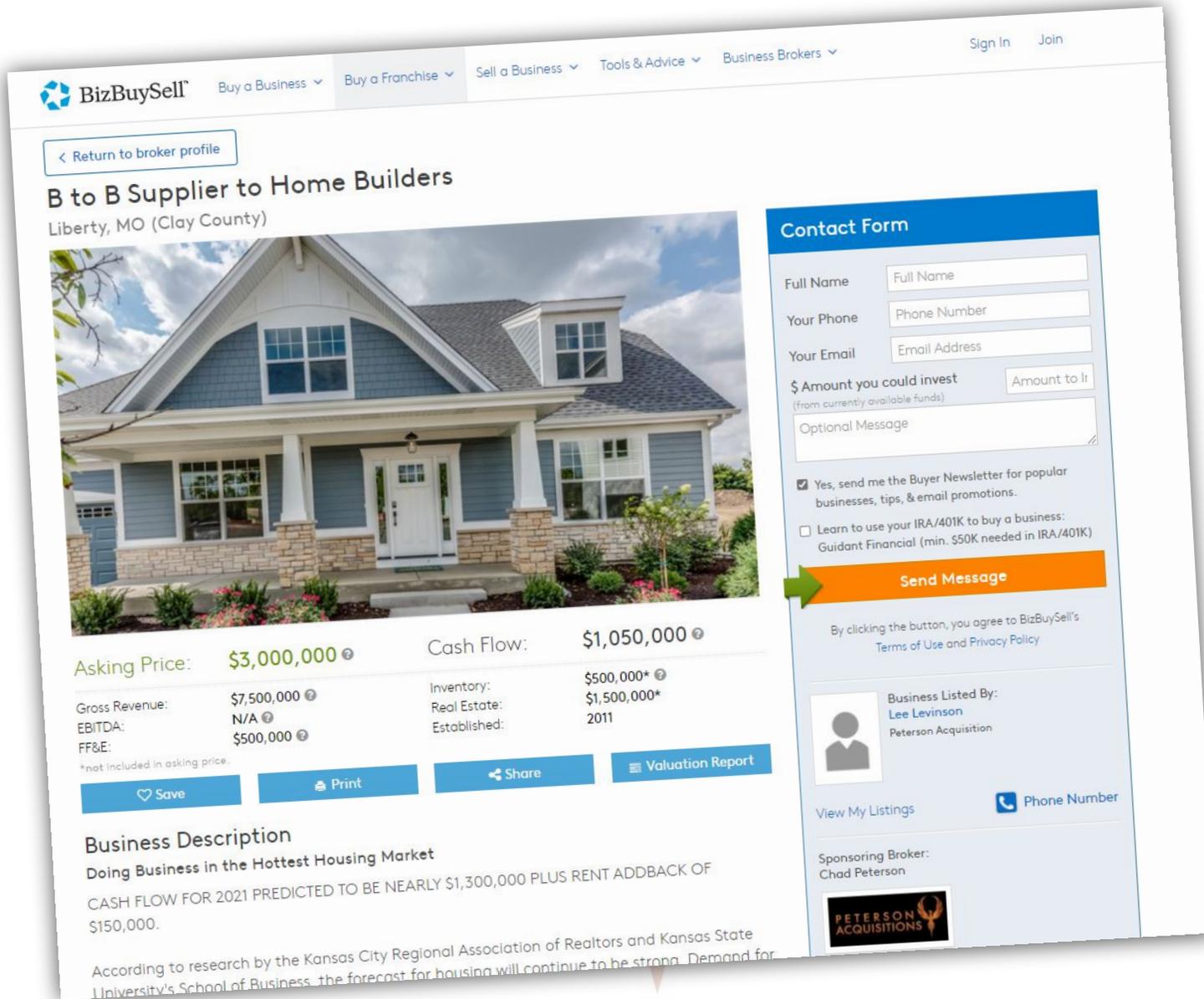
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DAY 4



Business Shopping



BizBuySell Buy a Business Buy a Franchise Sell a Business Tools & Advice Business Brokers Sign In Join

[Return to broker profile](#)

B to B Supplier to Home Builders

Liberty, MO (Clay County)



Asking Price: \$3,000,000 **Cash Flow:** \$1,050,000

Gross Revenue:	\$7,500,000	Inventory:	\$500,000*
EBITDA:	N/A	Real Estate:	\$1,500,000*
FF&E:	\$500,000	Established:	2011

*not included in asking price.

Save Print Share Valuation Report

Business Description

Doing Business in the Hottest Housing Market

CASH FLOW FOR 2021 PREDICTED TO BE NEARLY \$1,300,000 PLUS RENT ADDBACK OF \$150,000.

According to research by the Kansas City Regional Association of Realtors and Kansas State University's School of Business, the forecast for housing will continue to be strong. Demand for

Contact Form

Full Name

Your Phone

Your Email

\$ Amount you could invest Amount to Invest

(from currently available funds)

Optional Message

Yes, send me the Buyer Newsletter for popular businesses, tips, & email promotions.

Learn to use your IRA/401K to buy a business: Guidant Financial (min. \$50K needed in IRA/401K)

Send Message

By clicking the button, you agree to BizBuySell's Terms of Use and Privacy Policy

Business Listed By: Lee Levinson Peterson Acquisition

View My Listings Phone Number

Sponsoring Broker: Chad Peterson



Research & Learn

Blind Ads Show A Lot!

**REASONABLE PRICING =
DICTATED BY
THE BANK!**

Rule of Thumb:

SDE x 3



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Typical Range:
1.5x to 4.5x

GUIDELINES FOR MULTIPLES

**Low
1.5x**



Heavy Owner
Involvement

SDE < 70k

High Labor Demand

Customer Concentration

Harder to Finance

Opportunity = Address
Weaknesses

**Low Mid
2.5x**



SDE < 120k

Labor Heavy Industry

Not a Niche Biz

Erratic Earnings

Service / Retail /
Construction

Biz < 5 years

**High Mid
3-3.5x**



3x = Standard

Easy Transition to Owner

3.5x = Higher Earnings

SDE > 500k

Absentee Owner

**High
4+x**



SDE > \$600k

Desirable Industry

Manufacturing

Steady Growth

Strong Mgmt Team

Intellectual Property



Make A List
Profile to Narrow
Your Scope



PREPARE PRIOR TO TALKING TO A BROKER



CALCULATE YOUR PAYMENT

A Quick Guide

Quick Example:

- + **\$900K Asking Price – 3X Cashflow**
- + **Cashflow = \$300K**
- + **Required Down Payment = \$90K**
- + **Loan = \$810K**
- + **Annual Payments (10 yr / 7%) = \$113K**
- + **Post Close Net Cashflow = \$187K** *(after payment)*

KNOW HOW TO CALCULATE THESE!

Amortization Schedule Calculator

Amortization is paying off a debt over time in equal installments. Part of each payment goes toward the [loan principal](#), and part goes toward [interest](#). With mortgage loan amortization, the amount going toward principal starts out small, and gradually grows larger month by month. Meanwhile, the amount going toward interest declines month by month for [fixed-rate loans](#).

Your amortization schedule shows how much money you pay in principal and interest over time. Use this calculator to see how those payments break down over your loan term.

Mortgage amount
\$ 810,000

Mortgage term in years
10

Or
Term in months
120

Interest rate per year
7

CALCULATE

ADD EXTRA PAYMENTS ▼

Monthly Payments

\$ 9,404.79

Total Principal Paid \$810,000

Total Interest Paid \$318,574.42

TODAY'S RATES

[Show amortization schedule](#)

Current Mortgage Rate
7, 2022

[Advertiser Disclosure](#)

Purchase

Zip Code
66201

Property Value
\$ 406,250

Loan Amount
\$ 325,000

Loan Term
30 year fixed

Credit Score

GOOGLE Loan Amortization Calculator



SPREADSHEETS

Can be a big help

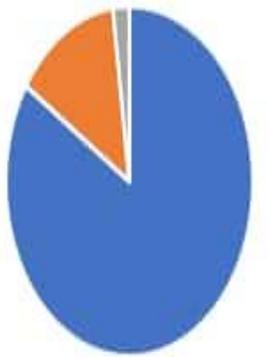
	January	February	March	April	May	June	July	August	September	October	November	December	Total
Car Payment	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 2,400.00
Rent	1,500.00	\$ 1,500.00	\$ 1,500.00	1,500.00	1,500.00	1,500.00	\$ 1,500.00	1,500.00	1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	8,000.00
Utilities	70.00	50.00	\$ 80.00	70.00	100.00	100.00	\$ 100.00	80.00	100.00	50.00	100.00	90.00	920.00
Groceries	\$ 100.00	\$ 300.00	\$ 300.00	\$ 400.00	\$ 400.00	\$ 300.00	\$ 300.00	\$ 100.00	\$ 80.00	\$ 300.00	\$ 100.00	\$ 100.00	\$ 2,980.00
Insurance	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 6,000.00
Subtotal	\$ 2,370.00	\$ 2,550.00	\$ 2,580.00	\$ 2,670.00	\$ 2,650.00	\$ 2,600.00	\$ 2,610.00	\$ 2,400.00	\$ 2,360.00	\$ 2,550.00	\$ 2,580.00	\$ 2,390.00	\$ 30,310.00

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Going Out	\$ 60.00	\$ 80.00	\$ 60.00	\$ 40.00	\$ 40.00	\$ 20.00	\$ 20.00	\$ 500.00	\$ 80.00	\$ 40.00	\$ 100.00	\$ 200.00	\$ 1,240.00
Hobbies	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 200.00	\$ 300.00	\$ 500.00	\$ 200.00	\$ 10.00	\$ 10.00	\$ 20.00	\$ 20.00	\$ 1,300.00
Shopping	\$ 100.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 80.00	\$ 50.00	\$ 50.00	\$ 600.00	\$ 200.00	\$ 1,380.00
Travel	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00
Subtotal	\$ 1,170.00	\$ 140.00	\$ 120.00	\$ 100.00	\$ 290.00	\$ 370.00	\$ 570.00	\$ 780.00	\$ 140.00	\$ 100.00	\$ 720.00	\$ 420.00	\$ 4,920.00

Total	2,770.00	\$ 2,940.00	\$ 2,970.00	\$ 3,180.00	\$ 3,180.00	\$ 2,500.00	\$ 2,650.00	\$ 3,300.00	\$ 2,810.00	\$ 35,230.00			
Budget	3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 36,000.00			
Saved	\$ (540.00)	\$ 310.00	\$ 300.00	\$ 230.00	\$ 60.00	\$ 30.00	\$ (180.00)	\$ (180.00)	\$ 500.00	\$ 350.00	\$ (300.00)	\$ 190.00	\$ 770.00



Portion of Budget



■ Necessities ■ Luxuries ■ Saved



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DAY 5



PFS + NDA



**Do You
NEED TO SEE
More Information?**

The Blind Ad Shows A Lot **The CBR Shows Even More**



Broker Obligation To Sellers

- 
- 20 to 50 Buyers Per Transaction
 - Job of Broker to Protect Seller from Tire Kickers
 - Seller Fatigue

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QUALIFIED VS. NOT QUALIFIED

STAND OUT IN THE CROWD

(BY UNDERSTANDING WHY THE
NDA + PFS ARE NEEDED – AND
HAVE THEM READY)



WWW.PETERSONACQUISITIONS.COM
913-647-7500
8700 MONROVIA SUITE 310
LENEXA, KANSAS 66215

Non-Disclosure and Confidentiality Agreement

Legal Document Peterson Acquisitions

Peterson Acquisitions' Agreement with our Sellers requires us to obtain a Non-Disclosure and Confidentiality Agreement and evidence of financial ability before we disclose the name and location of the business. Information you disclose to us will be kept confidential. IN CONSIDERATION FOR information on businesses offered for sale by Peterson Acquisitions, (to be referred to as "PA") I understand and agree as follows:

1. Information provided on businesses by "PA" is sensitive and confidential and its disclosure to others would be damaging to the businesses and to "PA's" fiduciary relationship with the Seller.
2. I will not disclose any Information regarding these businesses, including the fact that the business is for sale, to any other person who has not also signed and dated this Agreement except a retained attorney or accountant, in which case I agree to obtain their consent to maintain such confidentiality. The term "Information" does not include any information that is, or becomes, generally available to the public or is already in my possession. All Information provided to review the business will be destroyed in the event the review is terminated.
3. I will not contact the Seller, Seller's employees, suppliers, or customers except through "PA". I will not use the confidential information I receive through this process to compete with the Seller.
4. For any business presented to me by "PA", I agree to make all communications, offers to purchase, negotiations, or inquiries through "PA" for a period of not less than two years after the date the business is presented. I agree to utilize "PA's" documents for the purchase of the business. I agree not to purchase any of the businesses shown by "PA", in part or in whole, without involving "PA" in all aspects of the purchase.
5. All Information is provided by the Seller and is not verified in any way by "PA". "PA" is relying on Seller for the accuracy and completeness of said Information, has no knowledge of the accuracy of said Information and makes no warranty, express or implied, as to such Information. Prior to finalizing an agreement to purchase a business, it is my responsibility to make an independent verification of all Information. I agree that "PA" is not responsible for the accuracy of any Information I receive and I agree to indemnify and hold "PA" harmless from any claims or damages resulting from its use. I will look only to Seller and to my own investigation for verification of all information regarding any business offered by "PA".
6. "PA" does not give tax, accounting, or legal advice; I understand that it is my responsibility to obtain independent legal or professional counsel, and any statements or representations made by "PA" do not constitute such.
7. Should I enter into an agreement to purchase a business "PA" offers for sale, I grant to the Seller the right to obtain, through standard reporting agencies, financial and credit information concerning me or the companies or other parties I represent and understand that this information will be held confidential by Seller and "PA", and will only be used for the purpose of Seller extending credit to me should an agreement to do so arise. In the event that I pay an earnest money deposit, and I, the Buyer, cannot consummate this business/investment purchase through no fault of my own, the earnest money deposit will be refunded in full LESS any amount expended for an appraisal, credit report, U.C.C. filing search, or other expenses incurred and agreed to herein, or for services which I, the potential buyer, would obviously derive benefit from regardless if this sale had been consummated. I agree that if I should refuse to or delay completion of this transaction, then any funds or deposit with the "PA" will be forfeited. www.PETERSONACQUISITIONS.COM 913-647-7500 WORLDWIDE BROKERS 8700 MONROVIA LENEXA, KANSAS 66215 SUITE 310



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**Be Prepared
to Sign
An NDA**

***(Note: You
WANT this!)***

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8700 MONROVIA SUITE 310
LENEXA, KANSAS 66215

PERSONAL FINANCIAL STATEMENT

First Name: James

Last Name: Curtisray

Are you aware of any credit problems, judgments, bankruptcies, etc. that would impact your ability to obtain an SBA loan? NO

ASSETS

ACCOUNT	AMOUNT
Cash on Hand and in Banks	4100
401K, IRA, or SEP IRA (1)	4200
Real Estate	4300
Stocks, Bonds, Government Securities, etc.	4400
Other Assets (2)	4500
TOTAL ASSETS	4600

LIABILITIES & NET WORTH

ACCOUNT	AMOUNT
Notes Payable / Credit Cards	4700
Liens on Real Estate / Mortgage	4800
Other Liabilities (2)	4900
Total Liabilities	5000
Net Worth \$	5100



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Be Prepared to Complete A PFS

*(Note: You
WANT this too!)*



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DAY 6



Making an Offer

GOOD BROKERS
HAVE A SYSTEM

CONFIRM FINANCING

- ✓ **Do you have 10% of the offer price to put as a down payment**
- ✓ **Do you have any blemishes on your credit?**
- ✓ **Can you afford this business?**
- ✓ **Don't waste time going down a path that will fail**

A red bowling ball is positioned on the left side of a wooden bowling lane. In the background, several bowling pins are visible, slightly out of focus. The lane is illuminated with warm, golden light.

**SHOOTING
YOU
STRAIGHT
IS BETTER
THAN FANTASY**

OFFER TO PURCHASE

Manager Initials: Date:

Date : _____

1. The Buyer agrees to purchase from the Seller the assets of the business known as _____, located at _____, including all equipment, fixtures, goodwill, inventory, trademarks, trade names, and other intangible assets, but excluding cash, securities, and earned accounts receivable.
2. Business purchase price of \$ _____ shall be paid as follows:
 - a. \$ _____ Deposit on the date of this agreement, included in down payment.
 - b. \$ _____ Additional deposit upon acceptance by Seller, included in down payment.
 - c. \$ _____ Balance of down payment due at the closing in cash or certified check.
 - d. \$ _____ Total Down-Payment
 - e. \$ _____ Bank financing
 - f. \$ _____ Seller financing
 - f. \$ _____ Additional terms: _____
 - g. \$ _____ Total Purchase Price
3. The closing shall take place on or before 5:00 P.M. on _____, 20____, at the office of Peterson Acquisitions; Buyer and Seller to pay their own closing costs.
4. The full purchase price shall include saleable inventory of \$ _____ at Sellers cost. If the actual amount is more or less, the purchase price shall be adjusted accordingly.
 - However in no event shall the inventory be less than \$ _____ or exceed \$ _____
 - At Sellers cost and paid direct to seller in addition to purchase price.
5. The sales tax, if any, shall be paid by the Buyer on: vehicles, fixtures and equipment.
6. When physical possession is delivered to Buyer, Seller warrants that all equipment will be in working order and that the premises will pass all inspections necessary to conduct such business.
7. The Buyer and Seller agree to execute all documents necessary to finalize this transaction.
8. Seller agrees to provide a list of business debts and that all debts will be paid off prior to or at closing.
9. The Seller warrants that it has a clear and marketable title to the business being sold, except as mentioned in #8.
10. The following adjustments and prorations shall be made at closing: Rent, Deposits, Taxes, Utilities, Payroll, and other expenses accepted in writing by Buyer.
11. Buyer and Seller agree to the following contingencies

<u>Buyer Initial</u>	a. Buyer to apply and be approved for financing and offered acceptable terms. If buyer does not apply with at least one Peterson approved lender, the deposit becomes non-refundable. Application to be completed within 14 days.	<u>Seller Initial</u>
_____	b. Buyer review and approval of the financials of the business to be completed within 21 days of receipt.	_____
_____	c. Buyer obtaining a valid lease or assignment of lease satisfactory to Buyer.	_____



Complete a Thorough OFFER TO PURCHASE Form

Key Terms:

- + Price
- + Asset vs. Stock
- + Seller Carry
- + Assets Included / Excluded
- + Owner Transition
- + Non-Compete
- + Close Date



FIND A PARTNER IN THE SELLER

AVOID ADVERSARIAL APPROACH



The Value of a **3rd Party Attorney**



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DAY 7



Successful Transitions



PARTNER **With the Seller**



**WORK TOGETHER
WITH THE BANK**

- Pre-Close**
- Checklist**
- Will**
- Be**
- Extensive**



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Employee Retention Morale

YEAR 1 =
Seek
Steady
vs.
Disruptive

NEXT STEPS





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EXTRA



Additional Thoughts



WORK WITH THE BROKER



BROKER CHECKLIST

- ✓ **Experience**
- ✓ **Entrepreneurial**
- ✓ **Financial Acumen**
- ✓ **Banking Knowledge**
- ✓ **Hustle / Activity**
- ✓ **Negotiation Skills**
- ✓ **Real Exit Planning**



#DEALKILLER

Buyer Fears



#DEALKILLER
Over-Lawyering

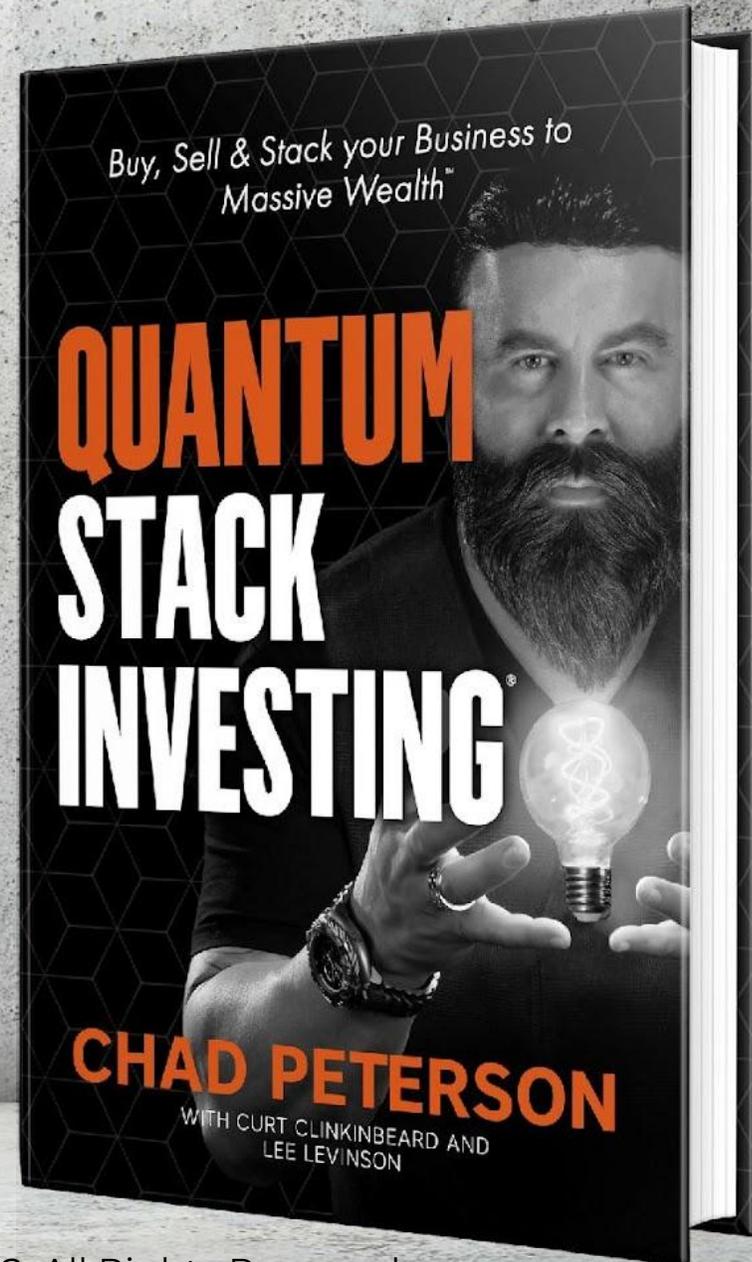


A customized Buyer program to find & acquire the right business deals based on your specific, overarching goals.



BOOK GOALS

- Smart Sellers
- Smart Buyer
- QSI Concept



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SIMPLE EXPLANATION

- **Sell One Business**
- **Use the Proceeds as
a Down Payment for
a Larger Business**



LEVERAGES

**DEBT = 10% Down +
Cashflow Makes
Payment**



LEVERAGES

MATH!

6X

Financial Potential



NEXT STEPS





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SELL FROM A POSITION OF STRENGTH





You Have Made Your Contribution



HEAVEN
& HELL



**Quantum
Stack®
Makes This
Faster!**

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Step 2: Pick a Broker

STEP 3: DETERMINE PRICE – CASHFLOW MULTIPLE



Step 4: Prepare CBR



Step 5: Create “Blind Ad”

STEP 6:

Prepare NDA



**STEP 7: ENSURE BUYER
PROSPECT CAN BUY**

STEP 8:
**Prepare Bank
for the Buyer**



Step 9: Negotiate Terms



Proprietary IP



Capitalize Market / Industry Trends

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Trim Waste

Future Plan



Capital Gains Vs. Income Tax

IMPACT LESS
THAN MOST THINK

Asset vs. Stock

Can Impact

(Need a Tax Advisor / CPA)