Business Analysis Questionnaire

Contact Information:

Legal Name: _____

D.B.A.: _____

Owner(s) Name: _____

Owner's Title/Position: _____

Principal Location: _____

Affiliate location(s): _____

Phone: _____

Fax: _____

Toll Free: _____

Residence: _____

Mobile: _____

Email: _____

Website: _____

Type of Business: ☐ Sole Proprietorship ☐ Partnership ☐ Corporation

Year the company opened: _____

Year the current owner acquired the business: _____

Days of the Week the Business is Open: _____

Hours of the Day the Business is Open: _____

Number of Employees: _____ F/T _____ P/T

Type of Sale: ☐ Asset ☐ Share

Seller Motivation for Exiting Business:

Broker: _____

Office: _____

Business Analysis Questionnaire

SELLER'S DISCLOSURE STATEMENT

This series of questions and answers are to inform prospective buyers about this business. It is supplied by the seller to provide relevant information and to answer frequently asked questions, but it does not take the place of the buyer's inspection of the business and its financial and other records. Those must be carefully examined and approved by the buyer. The broker has not verified the accuracy or the completeness of any of the information supplied herein by the seller.

THIS SECTION TO BE COMPLETED BY THE SELLER

PLEASE EXPLAIN ALL "YES" ANSWERS ON THE AMMENDMENT

A: Business Conditions

		Yes	No
1.	Are you aware of any circumstances in the industry or market area that may adversely affect future profitability of the business?	☐	☐
2.	Is the business in default on any of its financial or contractual obligations?	☐	☐
3.	Has the business or any of its owners been the subject of any bankruptcy filing, assignment for benefit of creditors or insolvency proceeding of any kind?	☐	☐
4.	Have you had or do you anticipate any disputes with the landlord or problems with the premises the business occupies?	☐	☐
5.	Have there been any deaths, violent crimes, or other criminal activity on the premises within the last three years?	☐	☐
6.	Are you aware of any substance, materials or products on or near the premises which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, paint, solvents, fuel, medical waste, surface or underground storage tanks, or contaminated soil or water?	☐	☐
14.	Does the business have a franchise, distributorship, or licensing agreement? If yes, please provide a copy of each.	☐	☐

B. Regulations

		Yes	No
1.	Is the business or its operator required to have any licenses or permits other than a local business license?	☐	☐
2.	Must the new owner personally qualify for any license or permit?	☐	☐

C. Legal Considerations

Does the business have any of the following?

	Yes	No
1. Union or other employment agreements	☐	☐
2. Employee stock ownership plan	☐	☐
3. Un-funded pension liabilities	☐	☐
4. Profit sharing plan	☐	☐
5. Back wages or claims for same	☐	☐
6. Unpaid medical or insurance claims	☐	☐
7. Lease agreements (other than premises)	☐	☐
8. Equipment maintenance agreements	☐	☐
9. Advertising contracts (including Yellow Pages)	☐	☐
10. Other outstanding contracts and agreements	☐	☐
11. Pending or existing litigation	☐	☐
12. Unresolved insurance claims	☐	☐
13. Product liability exposure	☐	☐
14. Customer warranty obligations	☐	☐

D: Other

	Yes	No
Are there any other facts or conditions not disclosed above that may adversely affect the operation of the business, a buyer's decision to purchase it or the price he might pay for it?	☐	☐

IF YOU HAVE ANSWERED "YES" TO ANY OF THE PREVIOUS QUESTIONS,
PLEASE GIVE A COMPLETE EXPLANATION ON THE ATTATCHED ADDENDUM WHICH FORMS PART OF THIS DISCLOSURE DOCUMENT

Addendum to Seller's Disclosure Statement

Question	Explanation of "Yes" Answers
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Business Analysis Questionnaire

IMPORTANT

It is crucial that the following questions be answered as candidly as possible, as they will have a direct impact on the quality of the final analysis. Overstated values resulting from inaccurate information means that the length of time that a business will sit for sale will likely be much longer than normal, while understating as a result of incorrect information means that a seller risks selling their business for less than what they should be getting.

Required Financial Information (Attach to this Questionnaire)

- ☐ Minimum of three years of Income Statement (or Profit and Loss Statements, or Corporate Tax Returns).
  - ☐ Interim Income Statement and Balance Sheet along with year end projections.
- ☐ A list of assets to be sold or valued with the business along with the estimated fair value (i.e. equipment, furniture and fixtures, vehicles, accounts receivable, inventory, land and/or buildings etc.) – using the replacement value for the same vintage of equipment in place and operational.
- ☐ One Year tax returns and the interim statement.

Operational (Attach to this Questionnaire)

- ☐ Provide as much information about the business as possible (including brochures, sales literature, etc.), its customers, and a copy of the Selling Memorandum.
- ☐ Ownership (the equity interest of each owner), management overview, roles and responsibilities, as well as the company's key employees.

Business Overview

1. Summarize your business, in general terms, the products and the services it provides, role in the community if applicable: _____
2. List some of the highlights, attributes of your business? (Example: competitive advantages or growth opportunities)_____
3. Describe the business history: _____

Major Business Lines & Sources of Revenue

4. What type of products and/or services are offered? _____
5. What is the average inventory the business carries?_____
6. Please identify the percentage breakdown of your revenue:

Retail	Wholesale	Online	Commercial / Industrial	Residential
_____ %	_____ %	_____ %	_____ %	_____ %

7. Are their any other revenue sources?______

Business Attributes

8. Identify the Strengths of your company?______

9. Identify any opportunities to improve or potential to expand your business?______

10. Will the new owner be required to have any special skills?______

Business Clientele

11. Describe the profile of your target customer base in terms of demographics: I.e. Age, Gender, geographic location ____

12. For each client category, identify what percentage of revenue does each category represent?

				Commercial / Industrial
				_____ %

13. What geographic areas is your business currently serving?

Primary Target Area: _____

Secondary Area(s): _____

Local	Multi-city	Provincia l	Multi-Pro v	National	Internationa l
_____ %	_____ %	_____ %	_____ %	_____ %	_____ %

14. Do clients come from the area, or do your customers travel to your location, etc._____

15. How do you market your business?_____

16. What advertising and promotions do you run?_____

17. Identify market or industry trends that will effect the business: _____

18. Describe your businesses pricing strategy: _____

19. Describe your businesses payment cycle: _____

20. List your main business competitors: _____

21. What is your businesses competitive advantage: _____

29. Describe your businesses organizational structure in terms of human resources, departments and number of employees in each: _____

22. Describe the owner's position in detail, what is the owners role in the company:_____

23. What would the Fair Market Salary be to replace the owner(s)?(Spouse, relative or partner if applicable and/or not staying on): _____

24. Describe The Key Employees in the following section:

Emplo ye			Years with Compan

e			y

25. Describe the seasonality of your business: _____

26. For Franchises, what are the royalties, commission structures and payment requirements placed on the company by the Franchise agreement? Also include any restrictions placed on the sale/transfer of the business. _____

27. Describe the business's ownership structure (I.E.: Owner 50% ownership, employees 50% ownership):_____

28. Are there any other factors that we should consider?_____

29. Is there anything else we should know about your business as a whole that could be relevant to pricing marketing, or selling your business? _____

30. What is the strategic importance of your businesses location?_____

31. What is the square footage of the facility? _____

32. Are their favourable lease terms? _____

33. What percent of the facility is currently in use? Is there room for expansion?_____

34. Are there any individual customers who account for more than

10% of annual gross sales? If yes list each by name and indicate the approximate percentage of annual gross sales and any relationship to the business or its owners. ☐ ☐

35. Are there any commitments to employees or independent contractors regarding future compensation increases? ☐ ☐

36. Are there suppliers who have a personal or special relationship with the business or its owners? If yes, list each such supplier, the nature of the relationship and approximate amount of annual purchase. ☐ ☐

37. Are any of the employees or independent contractors related to any of the owners of the business or one another? If yes, list them by name and describe the relationship. ☐ ☐