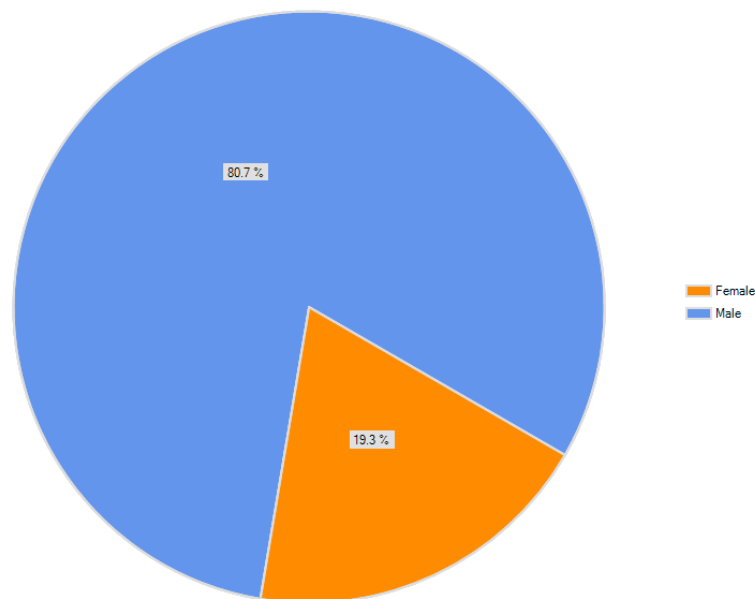


Buyers' Demographics

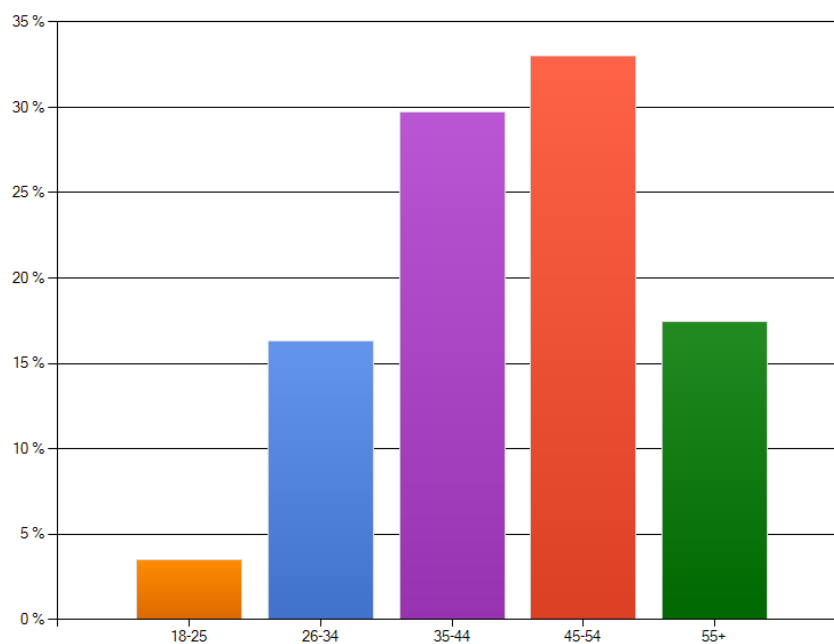
Demographically business buyers tend to be predominantly middle aged and male, interestingly this year there has been a swing towards even more male, middle-aged buyers – from 69% male last year to 80.7% this year, and the average age of buyers is up from 39 to 44.

This seems to be partly a reflection of the greater risk currently involved in buying a business.

What is your sex



What is your age?

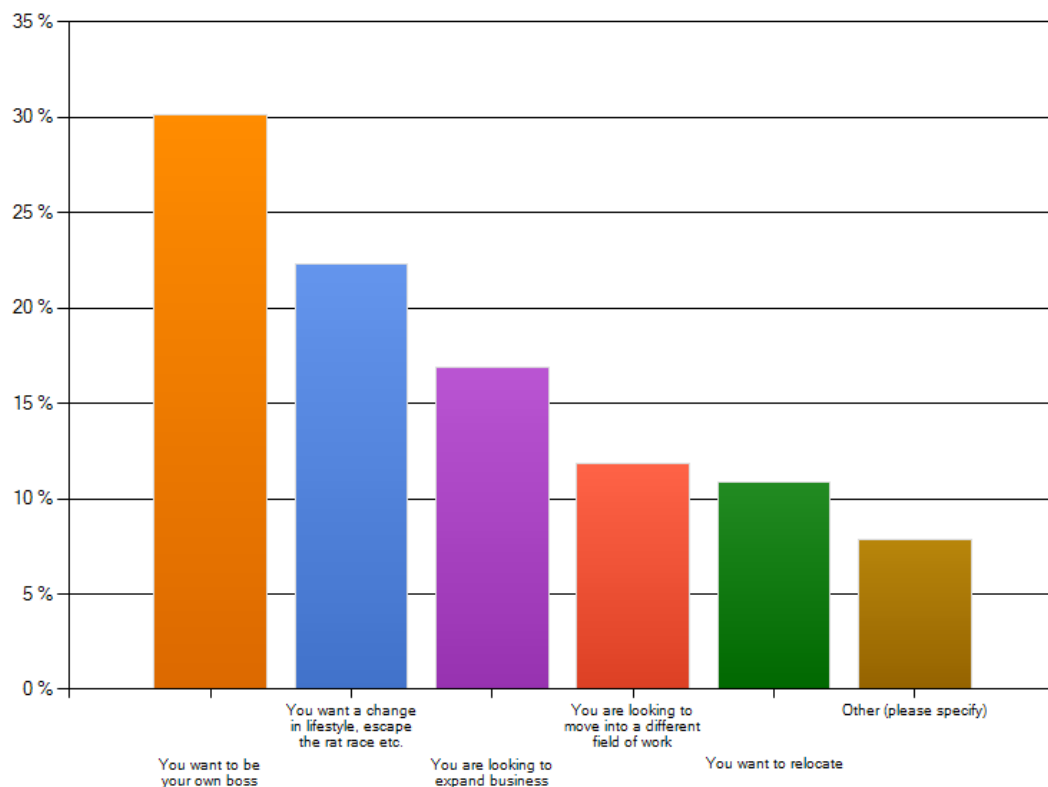


Reasons for buying a business?

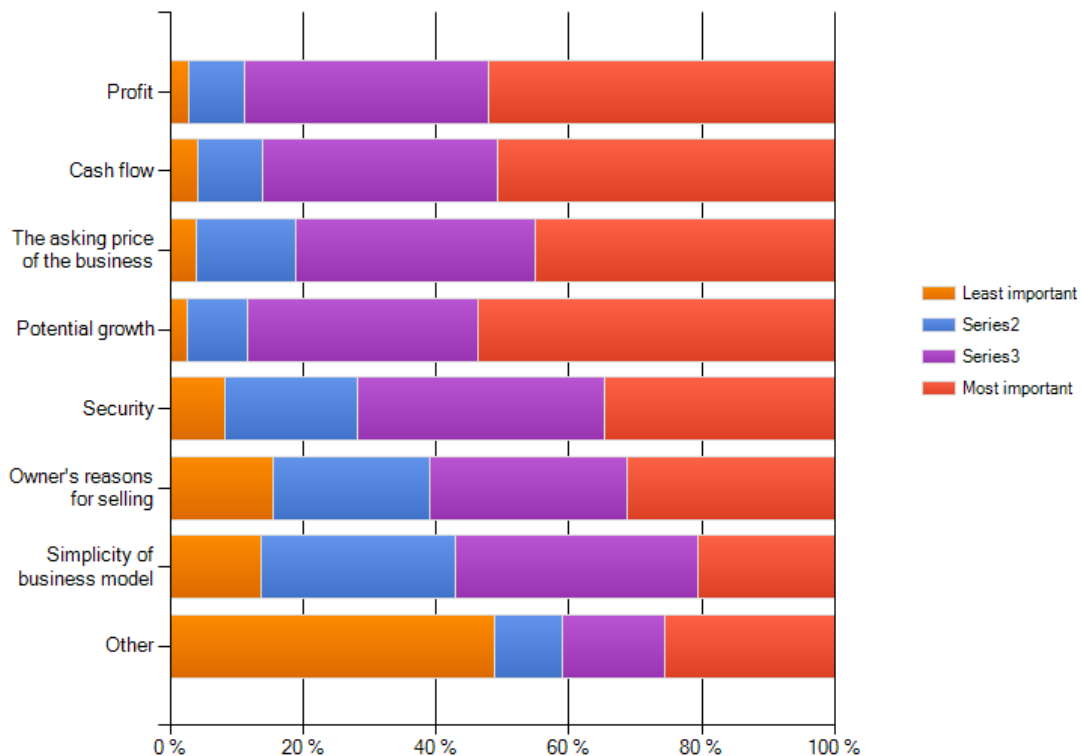
In terms of the reasons for wanting to buy a business, worldwide there is one stand out reason – which is the independence of being your own boss. After that, it depends on where you are from, but the more mature the market in the country, the more people are looking to expand or move into a new area of business, and the less mature the market, the more it is about the 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 and included quite a few ‘others’ outside the known issues, although they were lower down the list than the key concerns of profit, cash flow, growth and the asking price.

More than anything it seems there is no one key metric, but that buyers are looking at all factors, with precautionary concerns such as **security** and the **seller’s reasons for selling** slightly lower down. ‘Others’ listed included– Stimulation, lifestyle and location, as well as the broader answer of ‘market conditions’.



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 this year.

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 one and two 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:

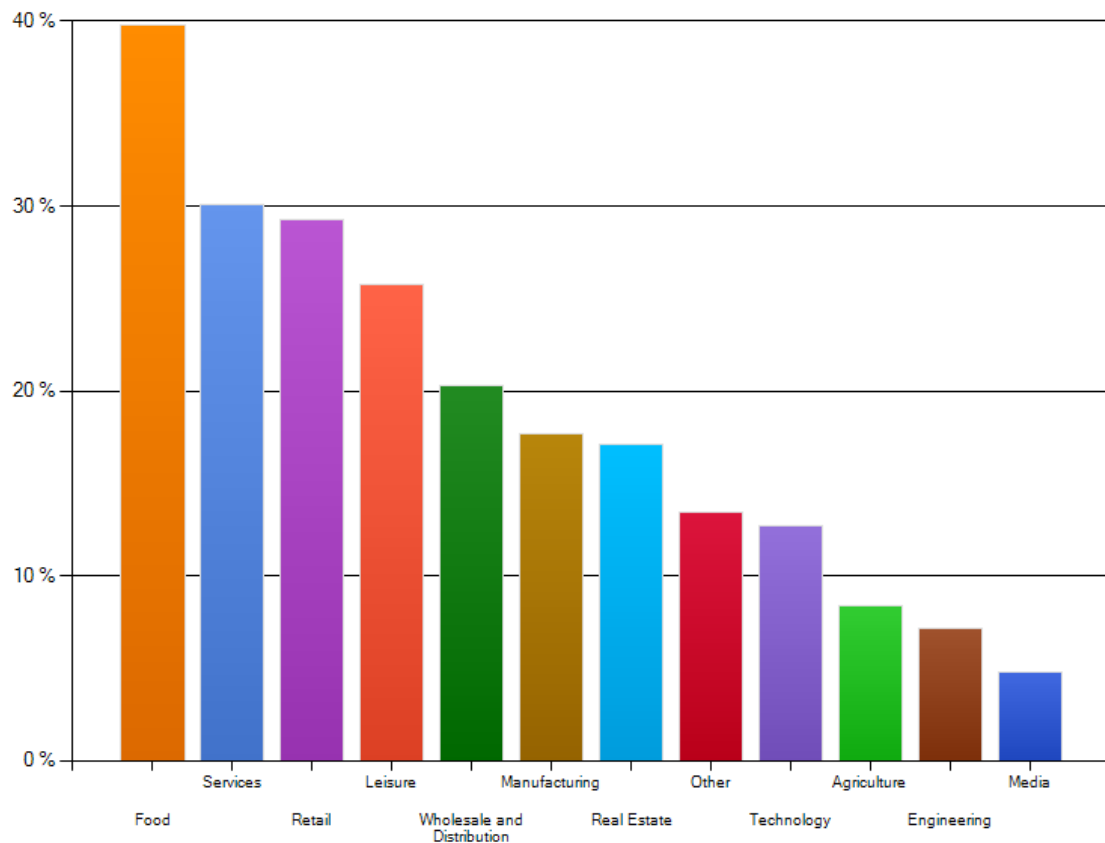
"I grew up in a family where my parents had businesses in the retail sector as well as a wholesale therefore this type of business appeal more to me."

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

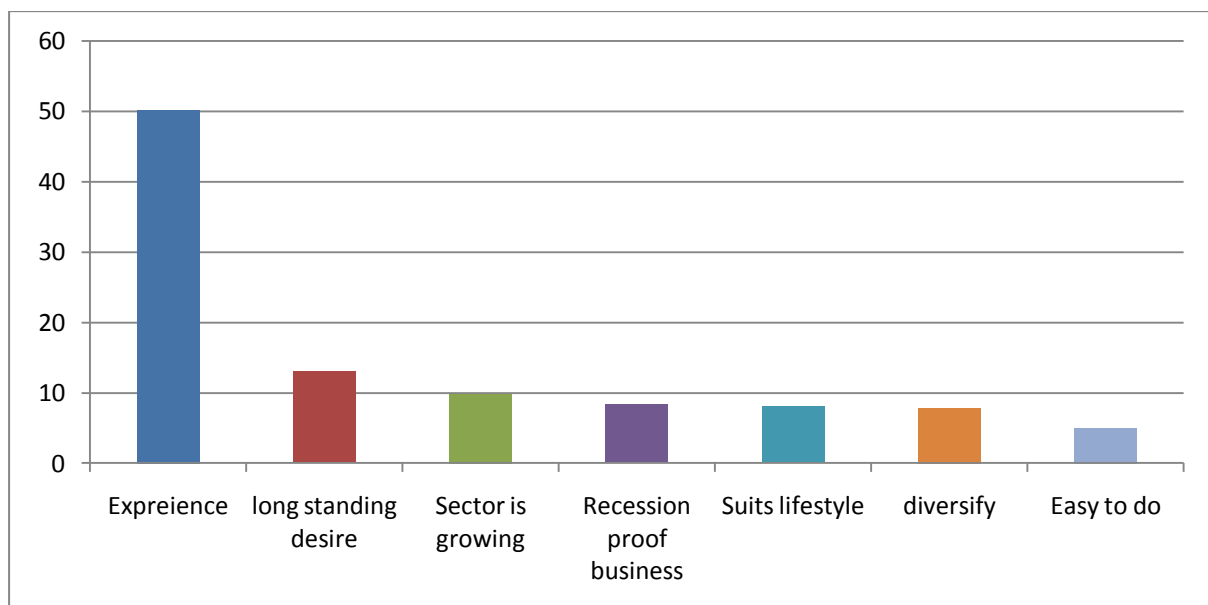
"Change of perspective / personal requirements"

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

What sectors are of most interest to you?



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



Buyer sentiment

Generally buyer sentiment seems to be largely unchanged from 2009, more interesting to note are the differences between different countries. Echoing the ideas of a two or even three speed recovery,

On a more positive note, almost all those surveyed are not deterred from looking to buy, which is significantly more positive than last year, and most feel they are more likely to buy this year than last year.

From the comments it also seems many buyers had been looking for to buy opportunities in 2009, and have either held back or had offers fall through, and are now determined to make a final push to buy a business. Many buyers also commented that this window of opportunity will not last that long.

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”

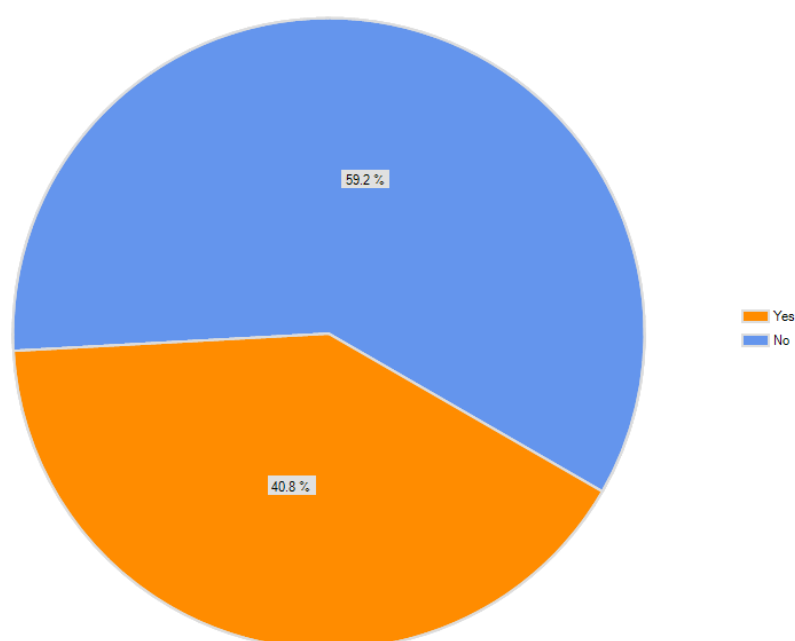
Very few said this wasn't a good time to buy – of those who did, the majority said they would wait till 2011, as they felt the economy had some more to drop.

Examples of comments included:

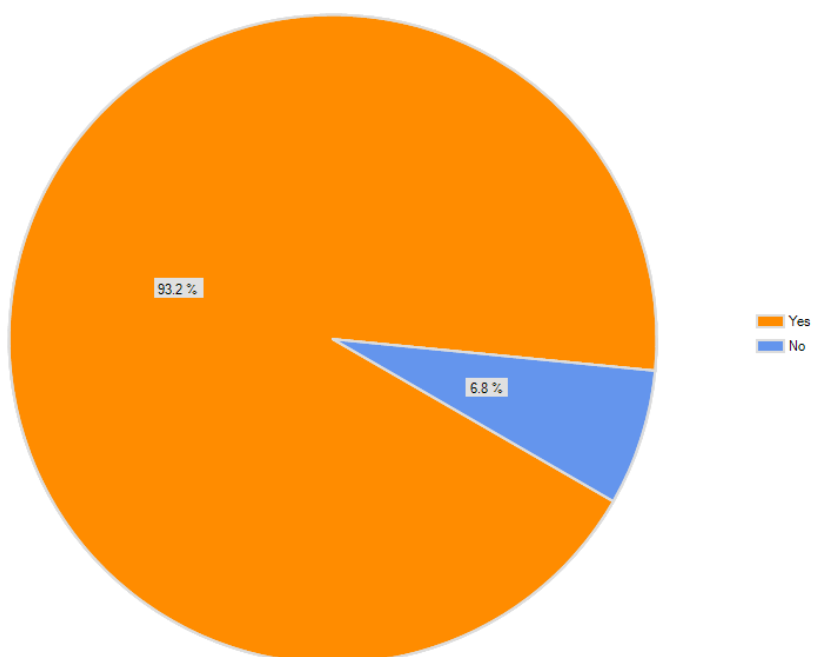
“There will be another down-leg in the economic contraction. A deflation of false optimism will put downward pressure on complicated equity opportunities.”

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

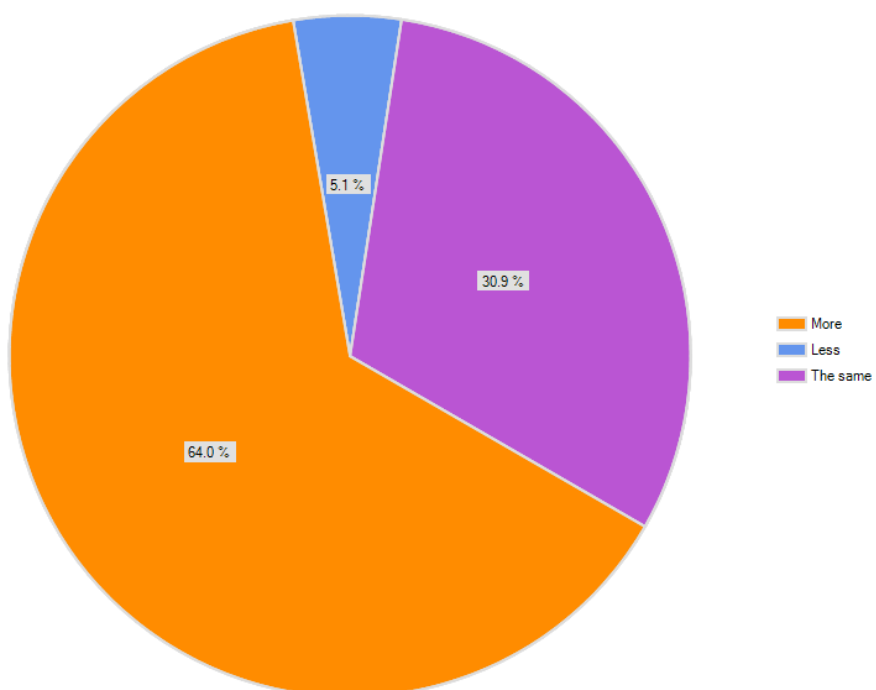
Have you bought a business before?



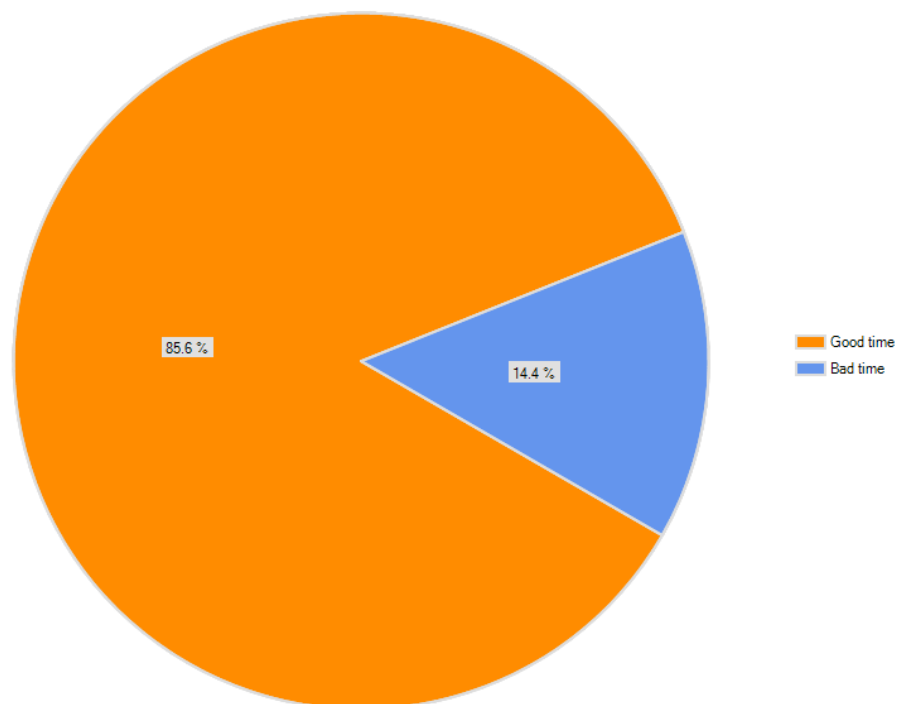
Are you still looking to buy a business?



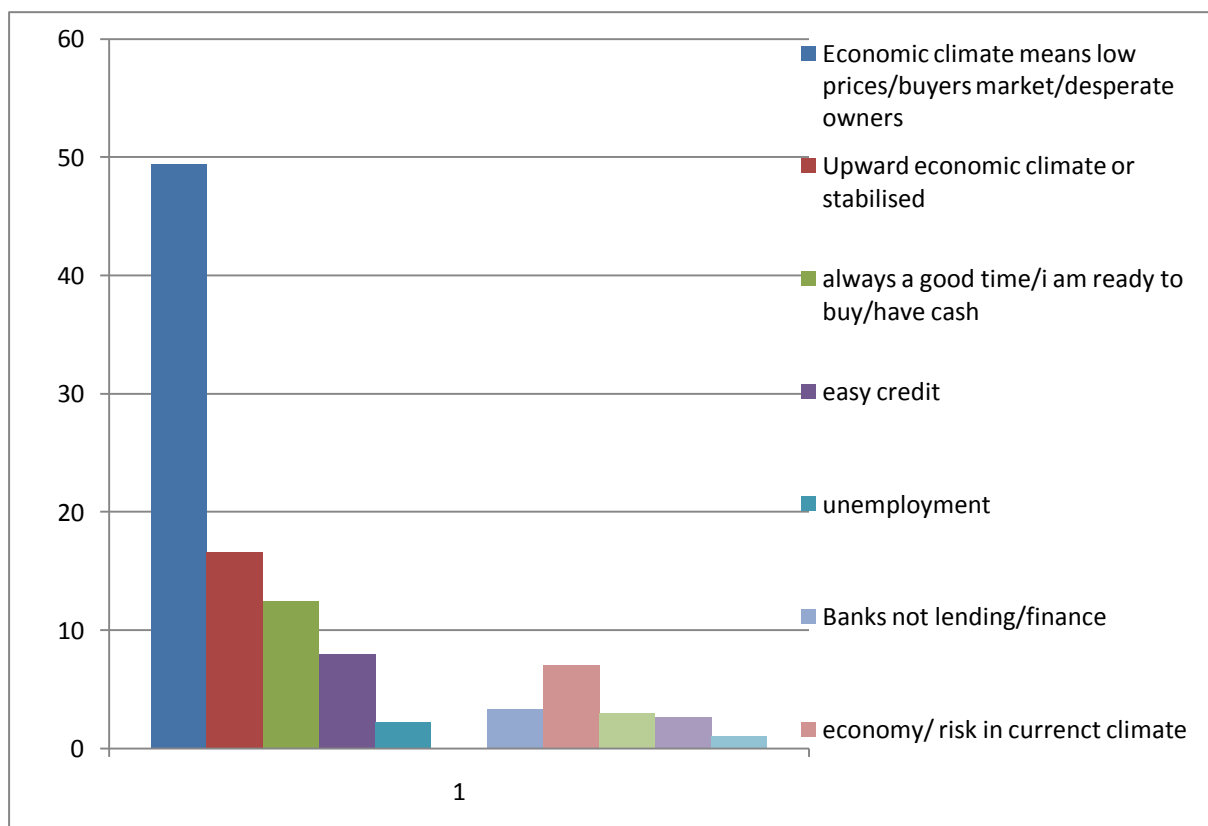
Are you more or less likely to buy a business in 2010?



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



Why?



Finance and credit

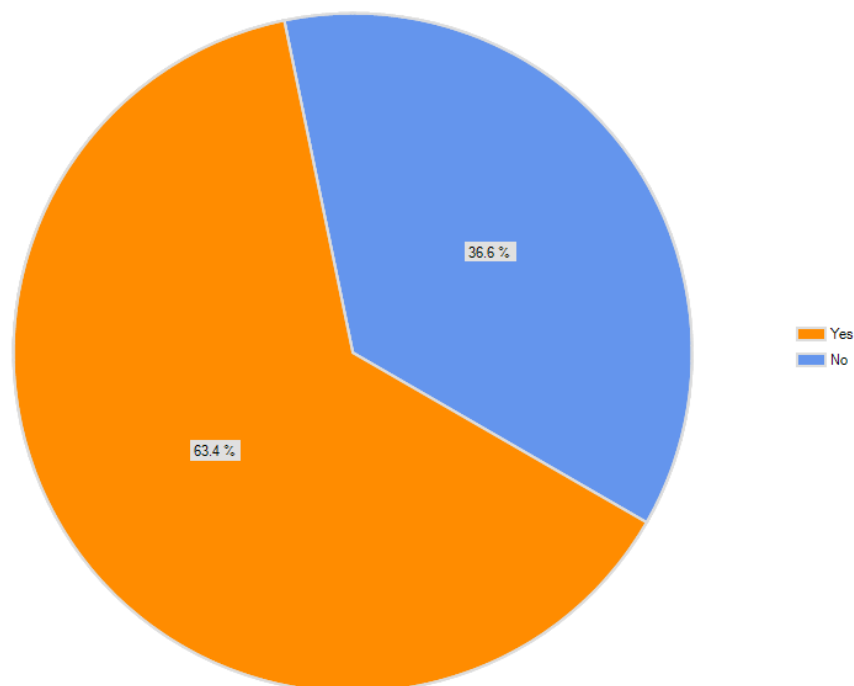
Overall credit availability has definitely increased, with the majority of buyers saying they found it easy to obtain credit – though again it is worth noting regional variations here – as they are more marked than in other areas of the survey.

The full picture though is slightly less clear – with a definite divide based on the types of business being bought, and more diversity in where the credit comes from - eg government support – which is significantly higher than it had been before the credit crunch.

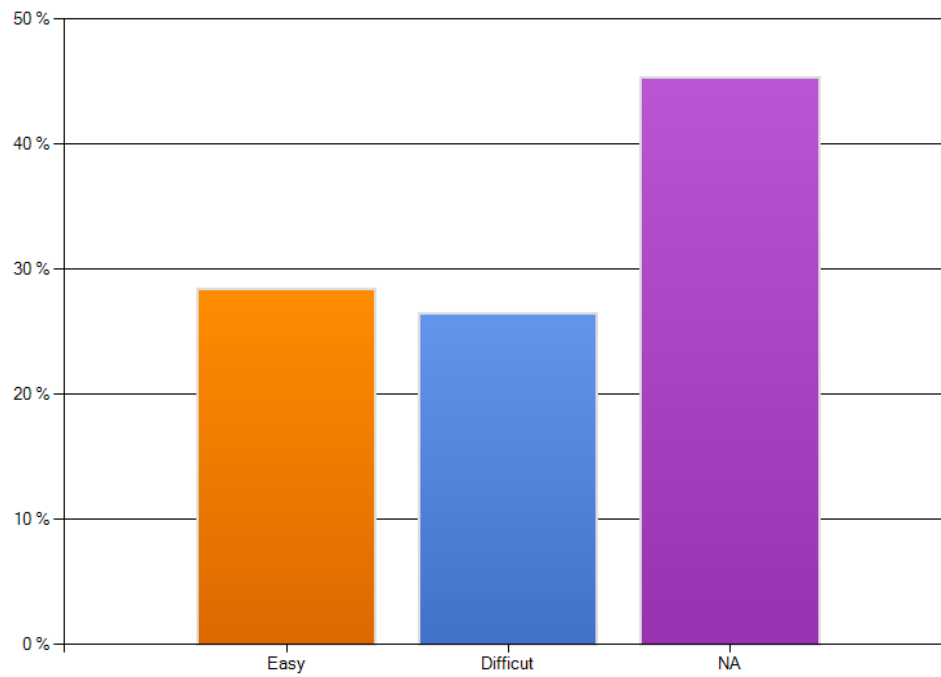
Buyers who have said credit was difficult to obtain stated issues with getting the banks to agree to the valuation or the equity value of the business.

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.

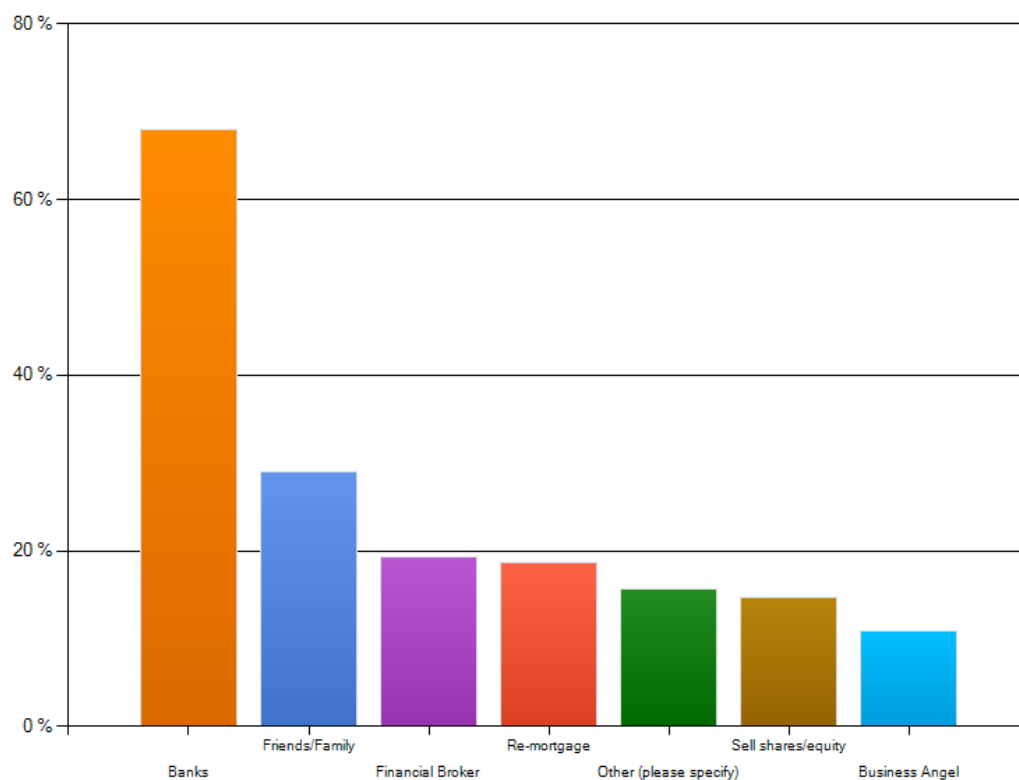
Do you have finance in place, ready to purchase a business?



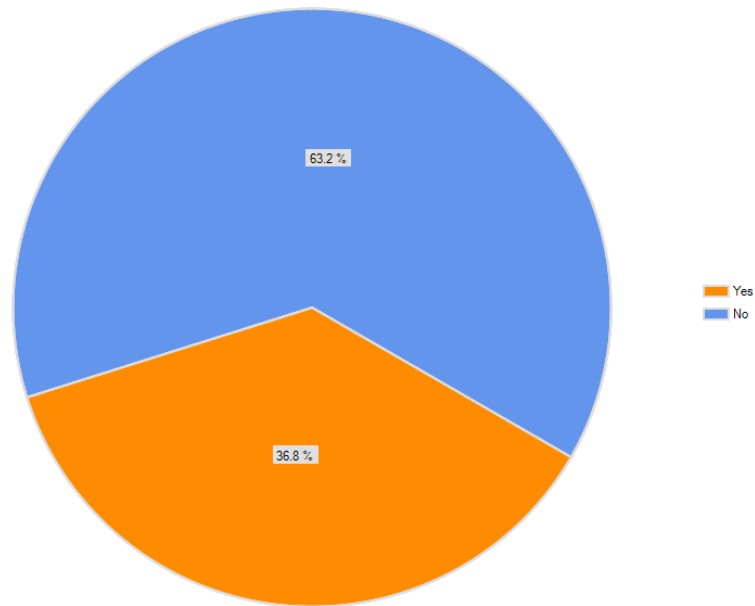
Have you found it easy or difficult in obtaining credit?



What options have you considered in financing your business purchase?



When you enquire on a business, do you state what financial support you may or may not already have in place?

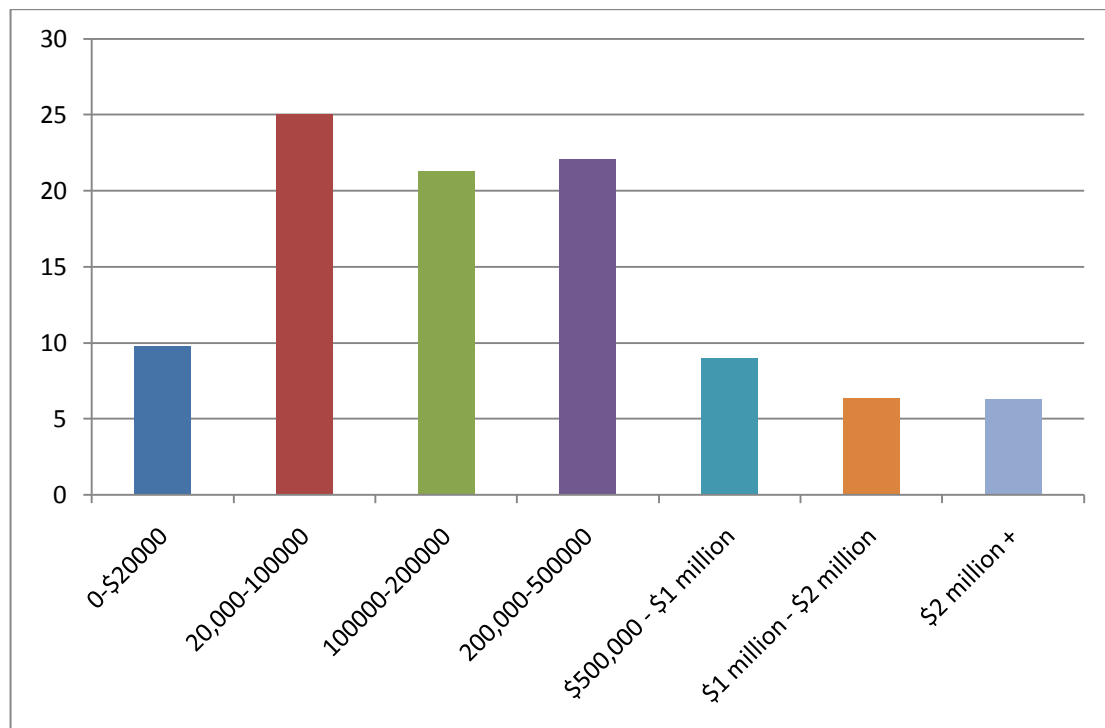


Budget

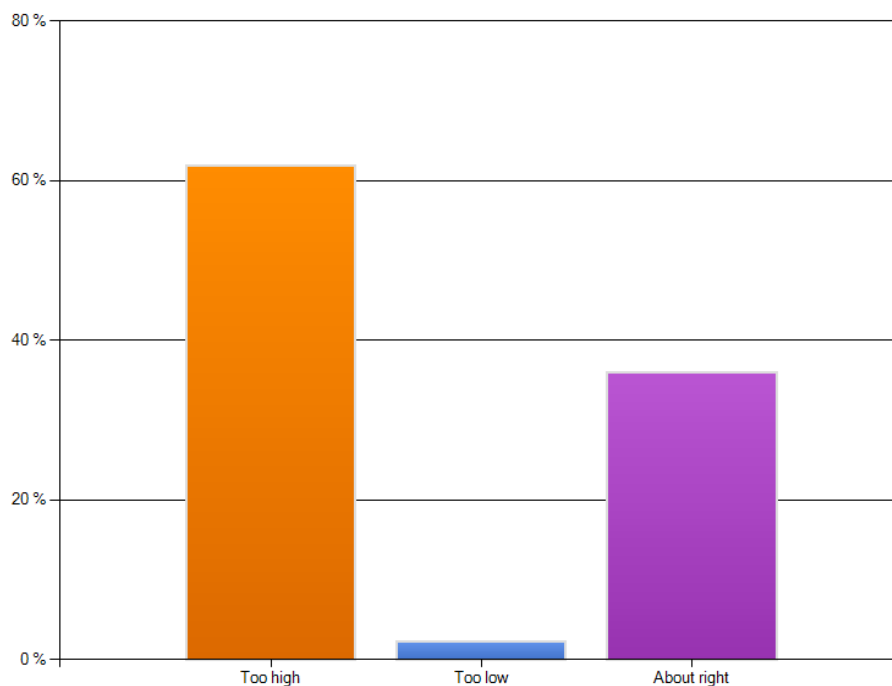
What is your budget for buying a business?

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.



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.

Conversely over 50% of respondents replied they don't use print media at all or is their least used media source.

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.

