

FINDING A BUYER

1 Define Your Succession Goals

Before searching for a buyer, it is important to think about goals and expectations for the sale. This helps determine the type of buyer to look for and how the business should be positioned in the market. Use the Succession Ontario Vision Sheet to organize your thoughts about your personal goals.

Experts from the Business Development Bank of Canada (BDC) emphasize that sellers should clearly identify their objectives because the right buyer must align with the owner's goals for the transition.

2 Identify the Types of Potential Buyers

Several types of buyers may be interested in purchasing a small business. Understanding these categories helps narrow the search.

Strategic Buyers

Strategic buyers consist of businesses operating in the same or related industry. They may want to acquire a company to expand their market share, access new customers, or gain technology or expertise.

Individual Entrepreneurs

Many small businesses are purchased by individuals looking to become entrepreneurs without starting a company from scratch. This method of entrepreneurship is commonly referred to as 'Entrepreneurship Through Acquisition' or 'ETA'.

Employees or Management

A management buyout or employee sale can ensure continuity and preserve relationships with customers and staff.

Family Members

Intergenerational transfers are common among small businesses, although not all family members may want to take over the company.

3 Use Professional Advisors

Many owners find buyers through professional intermediaries. Advisors can help identify prospects, maintain confidentiality, and negotiate the transaction.

Common advisors include:

- ▶ Small Business Enterprise Centre (SBEC) Advisors
- ▶ Business brokers
- ▶ Accountants and financial advisors
- ▶ Lawyers specializing in business transactions

4 Use Online Marketplaces & Matching Platforms

Several platforms and tools connect buyers and sellers of businesses.

Examples include:

- ▶ [SuccessionMatching.com](https://www.successionmatching.com)
- ▶ [VillageWellth.com](https://www.villagewealth.com)
- ▶ [BizLink.pro](https://www.bizlink.pro)

These platforms can broaden the pool of potential buyers beyond the owner's local network.

5 Leverage Local Networks & Economic Development Resources

Local and regional networks often play an important role in connecting business buyers and sellers.

Helpful connections may include:

- ▶ Chambers of Commerce
- ▶ Industry associations
- ▶ Local business networks
- ▶ Economic development offices

For example, economic development organizations in Ontario can help connect business owners with resources, advisors, and potential buyers during a transition.

6 Maintain Confidentiality During the Search

Confidentiality is critical when selling a business. Premature disclosure could impact employees, customers, suppliers, or competitors.

Common confidentiality practices include:

- ▶ Requiring non-disclosure agreements (NDAs) for interested buyers.
- ▶ Sharing sensitive information only after initial screening.
- ▶ Working through intermediaries such as brokers or advisors.

Maintaining confidentiality helps protect the value and stability of the business during the sale process.