

Name

Address

Phone

Email

BUSINESS PLAN FOR PURCHASE OF BUSINESS NAME

Executive Summary

Content: Brief summary of the Business to be purchased and performance history. Buyer, sales price, and financing terms.

Example:

Executive Summary

Sally's Laundry Service is a full-service coin-op laundry leasing and maintenance service with 25 clients in Idaho and Utah. Sally's provides washer and dryer service to apartment property managers and owners, national parks, and universities. The company has been in business 32 years, dedicated to consistently providing reliable, clean machines at competitive prices.

Chad Smith is seeking to purchase the existing business and assets for a sales price of \$900,000. He wants to finance the purchase with a 25-year loan.

The company has historically performed very well with profit margins between 12% and 15% annually. The company has no debt and low overhead.

VISION AND MISSION

Content: Where will the business be in future? What are the priorities and values of new owner and business?

Example:

Sally's Laundry provides prompt maintenance and delivery of washers and dryers. Top priorities for new owners are: new technology, quality, cleanliness, and reliability.

COMPANY OVERVIEW

Content: Extended history and summary of business including competitors, operations, employee count, marketing strategy.

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Sally's Laundry service supplies complete washing, drying and maintenance services for laundry equipment. It provides quality products and service to ensure clean, reliable clothes washing.

Sally's has been a family-owned business operating out of Malad for over 30 years. Many of the contracts have been in place for the last 30 years. This demonstrates the commitment and trust between Sally's and its clients.

There is one regional competitor based in Washington. Sally's Coin operated laundry service sets itself apart from the competition with a commitment to providing professional, friendly, prompt, and most importantly, convenient services.

There is no current plan to hire employees after the sale. Chad Smith will manage the business. Chad and his daughter, Kaylee will provide maintenance services. Chad's son Ryan will provide bookkeeping services. Sally's will continue to be a family business.

Owner Profile

Content: Owner history/resume with a focus on why the new owner is qualified to successfully take on ownership of the business.

Chad Smith has had a 30-year career in mechanical and electronic repair and project management. He is a graduate of Idaho State University's Electrical and Instrumentation technology program. His work experience ranges from heavy industrial construction to maintenance work.

The last 10 years, he has worked as a contractor for the Department of Energy. This uniquely qualifies him in areas of industrial control systems, electrical and instrumentation systems. His management skills include responsibility for multimillion-dollar projects and overseeing a department of integrated control system engineers.

PRODUCT/SERVICE STRATEGY

Content: Discuss how the business will continue. What products/services will remain the same? What will be different? Are there unique business practices that need to be explained, so the financials make sense? Will the new owner take on existing staff?

Maytag and Speed Queen coin-operated washers and dryers are the current products Sally's provides and supports. All these machines are currently coin operated and soon all washers and dryers will be fitted with credit card readers. This will increase revenue and cut maintenance costs. The life-span of these machines is indefinite. Typically, the company purchases three or four new machines annually.

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Sally's typically splits the income from the machines with each client 50/50. On the P&L these are the "commissions."

If the customer wants new machines in a location, Sally's negotiates with the property owner. A typical payment arrangement would be:

- Sally's purchases and installs the machine
- The property owner pays Sally's approximately \$30 each month per machine (a decrease in the commission).
- Machine is paid off within approximately two years.

Marketing Plan

Content: Which marketing channels will the new owner keep? What will be added? How will clients learn about the new ownership? Is the customer list included in the sale?

Example

The current business owner has never had to sell its services. New business comes from word of mouth or when property owners/managers add new properties. Sally's added two new contracts in 2019. The strategy will remain the same for the new owner.

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FINANCIAL PLAN

Content: Describe what will be sold and any notable exceptions to what will be sold (e.g. land but not the building), inventory, customer lists etc. You will also need to attach the list of items below.

Example:

Chad has agreed to purchase Sally's Inc. for \$900,000 in exchange for approximately 900 coin-operated washers and dryers and the attached contracts. This values each machine and contract at \$1000.00 each. The price of a new washer or dryer without contract cost approximately \$800. The purchase will also include a coin counting machine and washer and dryer parts.

Please see attached:

Cash flow projection

Owner tax returns

Buyer tax returns

Profit and loss statements

Balance sheet