

# Buying vs. Selling Process



## BUYING | SELLING



### The Dream

#### THE BUYER'S DREAM.

Prospective buyers have many dreams that inspire them: a fulfilling career, a new location, working with a partner or family member, or getting the chance to put their skill sets and passion to the test.

#### THE SELLER'S DREAM.

The seller's dreams are more focused. They've already achieved their goals and are seeking change. The real image they're conjuring up is a line of qualified buyers outside their door.

**Reality: Many Inns sell that way.**



### Preparation

*Act the detective. Compile your information and assess your personal and financial standing so you can move forward.*

Immerse yourself in the innkeeping world. Attend our Aspiring Innkeeper Seminar, spend time at a few inns, and interview the innkeepers. Then, use what you've learned to build your model for acquisition.

Our valuation methodology is an invaluable tool for owners looking to enhance the profitability and future value of their inn and is the first concrete step in the transfer process.

**For Sellers**, the valuation process looks at six different methods of value, the crux of which is establishing the asset value as an inn and the ability of the business to support that asset.

**For Buyers**, it establishes the proper price and terms for your ideal inn, allowing you to take a proactive approach to the purchase process.



### Action

Put your model to the test. Select candidates based on location, size, style, food service, and owner's quarters. Once you have your likely candidate in sight, seek professional help to engage the innkeeper.

Get professional help to get the word out. Take a deep breath, the process is just beginning.

*Assess each other. How serious is the Buyer? Is the Seller on board? When you decide you're both completely invested, swap financial information.*

Should you pursue the next step? Consult a professional to establish value.

Keep your fingers crossed!

**For Buyers**, develop your offer, write your Letter of Intent, and prepare to negotiate.

**For Sellers**, accept, reject, or negotiate the offer.



### Stretch Run & Due Diligence

*Assemble your team with a consultant, attorney, and accountant.*

#### FINANCING

Develop your Financing Plan Proposal (with guidance), track down bankers and banks for financing, and work with your consultant/accountant to review all books, records and tax returns of the inn for the last three years.

Great job. Keep on moving.

#### Physical and Environmental Inspections.

*While the Buyer is scheduling an engineering inspection, the Seller is preparing for it. Then there is a period of re-negotiation based on physical and environmental inspections.*

License, zoning, and permit check.

Pat yourself on the back. You've passed your inspection.

*Work with your attorneys and consultants to produce a Purchase & Sale Agreement.*

*Outcome of presenting: accepted, rejected, or negotiated.*

Financing approval means purchase success.

Gather your documents for the transfer process: licenses, permits, exclusion/inclusion lists, supplier lists, contracts, survey etc.



**WORK TOGETHER ON TRAINING AND PASS THE REINS TO THE NEW OWNER.**

**SHAKE HANDS AND CELEBRATE.**

**YOU'VE REACHED CLOSING NIRVANA!**