

Buying & Selling a Business: How You Can Win in the Business Quadrant

Garrett Sutton

RDA Press (Jul 10, 2012)

Softcover \$18.95 (210pp)

978-1-937832-04-9

For anyone interested in buying or selling a business, Garrett Sutton's excellent book is a great place to start.

Part of the Rich Dad Advisors series, Garrett Sutton's *Buying & Selling a Business* is an informative guide filled with useful tips for business owners or prospective buyers.

Sutton's experience providing business-related legal advice is an asset here—both buying and selling a business are best done with the help of legal counsel. Logical and well organized, *Buying & Selling a Business* covers all of the key issues surrounding a business purchase or sale, including the relationship of buyer and seller, professionals who should be part of the process, necessary financial statements, business valuation, negotiations, and financing strategies.

In addition to clearly written text, the book includes several cases to illustrate different business transactions, helpful “Rich Dad’s Tips” at the end of each chapter, and sample forms, such as a Confidentiality Agreement and a Letter of Intent for Sale of Corporate Assets.

Sutton's manner of addressing complex issues in meaningful, easy-to-comprehend terms is a plus. Business purchase and sale transactions involve many steps and a significant amount of detail, and the author's careful, clear explanations are a welcome change from legalese. He also characterizes the buyer and seller in an intriguing and enlightening way:

The buyer is watching the road ahead. All discussions are filtered through a view of future goals. In contrast, the seller is watching the rearview mirror. All discussions are filtered through historical contexts. While both may be in the same room, they often hear different conversations due to their respective filters.

Buying & Selling a Business highlights essential areas without an overemphasis on minutia. For example, the author explains a “selling prospectus” by providing an overview of its contents and listing preliminary questions that buyers should ask rather than delving into an exhaustive discussion. Likewise, the book's coverage of financials calls attention to the most important aspects of doing due diligence in purchasing a business.

The financial chapter presents a case that demonstrates the importance of retaining an objective CPA to review financials; it then identifies key statements, such as the balance sheet, income statement, pro-forma report, and cash-flow statement, without burdening the reader with too much detail. Sellers and buyers alike should find the chapter on valuation to be extremely beneficial. Here, Sutton deftly tells a story illustrating that there are many ways to value a business, followed by an explanation of valuation methods.

Sutton sprinkles helpful advice throughout the text, but it is the cases of small business buyers and sellers that make the content relevant and engaging to read. The book does a fine job of addressing the topic in overview form, but it does not offer a lot of detail. Still, for anyone interested in buying or selling a business, Garrett Sutton's excellent book

is a great place to start.

BARRY SILVERSTEIN (April 30, 2018)

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