

"Should I Buy A Small Business That is Losing Money?" New Discussion Post On BizBen.com Offers Advise To Entrepreneurs

When considering buying a small business or franchise resale that is losing money one has to be very careful. Brokers & Advisors discuss this topic On BizBen.

DUBLIN, CALIFORNIA, UNITED STATES, February 3, 2022 /EINPresswire.com/ -- When considering buying a business that is losing money one has to be very careful. There are reasons that the business could be losing money that aren't fatal or extremely difficult to fix and there are other reasons that should send potential business buyers running in the other direction.



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ProIntermediaries Discuss:
Should I Buy A Small Business That is Losing Money?
Read Their Comments & Advice >
Should You Buy A Small Business That Is Losing Money? Experts Weigh In

Here is what some Business Brokers, Agents, Consultants, & Advisors throughout the USA had to say on this topic:

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Business Brokers & Advisors weigh in on this topic with plenty of advise for those considering purchasing a small business or franchise that may be losing money - after Covid this could be realistic.”

*Peter Siegel, MBA -
BizBen.com Director*

“When considering buying a business that is losing money one has to be very careful. The first thing you need to do is find out why it is losing money. This should be done by your CPA or Due Diligence Specialist Advisor during the due diligence period. There are reasons that the business could be losing money that aren't fatal or extremely difficult to fix and there are other reasons that should send potential business buyers running in the other direction. If the business is losing money due to poor management, accounting, employees, ownership or marketing and branding then there is hope if everything else is strong and

you have the experience and skills to turn it all around. If the business is losing money because the market no longer desires its products or services or because the competition is doing everything better and cheaper or because the demographics of the local area have permanently

changed then there is probably nothing you can do to turn things around. In a situation like this it is advisable to just walk away and find a different business." Peter Siegel MBA, BizBen.com Director ([ProSell](#), ProBuy, ProIntermediary Programs)

The logo for BizBen.com features the word "BIZ" in orange and "BEN.com" in blue, all in a bold, sans-serif font.

BizBen.com - Assistance With Buying & Selling Small Businesses In The USA

"I have seen people buy a profitable business that has been open for a number of years and through mismanagement end up either selling the business at a reduced price or seeing the business fail, and so, yes, it is possible to take a business that is failing and turn it around and make it successful. Usually only seasoned business operators will want to look at businesses that are losing money, and only from years of experience are they able to analyze the business and see opportunity to turn the business around. There are certain factors which a business owner has little control over, such as the rent, but there are other factors which someone can find mismanagement, such as a business being over staffed." Joe Ranieri, Business Broker

"In many cases a business that is losing money is picked up by a competitor or as an expansion method. Most businesses that are losing money are rarely losing money because of inadequate gross profit. In most cases the overhead required to run the business isn't covered by the amount of gross profit created by the sales generated in the business. Speaking in very general terms, most businesses that are losing money have an overhead problem." Business Broker

"I agree that "maybe" is a good answer. I think most brokers would agree that, all too often excited entrepreneurs miss a step in planing the business they want to open. They plan the design, the rent, the concept, the social media etc.. but they forget that most businesses lose money for about 2 years before they really become profitable. When they are anxiously trying to figure out their start up capital, it often doesn't include this important piece and, like so many before them, they run out of money and that's where you come in. If there is something you can bring to table and you see the light at the end of tunnel then it could be a great deal. One huge benefit, verses starting something from scratch is that often it is less than it would be for you to do it, and second, you have some income from day one. The trick in deciding is to be sure that the issue isn't something that you can't fix, like a bad location or crazy high rent. In the end you are always buying potential. " Christina Lazuric CBI, Business Broker

"Maybe" is the right answer. But, to cut through all of the great advice in this thread, it's only for the experienced business owner/entrepreneur who is not relying on the business for his sustenance, who has excess money to invest that he is willing to risk (and lose), and who has the time, talent, and additional money for the long, arduous, frustrating job of turning a business around. Fortunes have been made using this approach, sometimes amounting to many times the investment. But, far more likely is that the purchase investment (in both money and effort)

will be lost." Tim Cunha, Business Broker

To read this entire Discussion Post on BizBen.com go to: [Should I Buy A Small Business That is Losing Money? | BizBen Discussion](#)

About BizBen.com

BizBen.com (online portal) assists those selling and buying small businesses and franchise resales nationwide. Serving business buyers, owner/sellers, business brokers, agents and small business advisors for over 25 years, over 500 new postings & posts are added daily for those seeking to buy or sell a small to mid-size business in the USA. BizBen.com offers an active Blog, Discussion Module, Resource Directory, over 8,000 Business For Sale & Business Wanted To Buy Postings, and live Webinars / Live Podcasts/Interview Educational Sessions are held weekly on BizBen.

About Peter Siegel, MBA

Peter Siegel, MBA is the Founder & Lead Advisor at BizBen.com (established 25 years, 8,000+ small businesses for sale & wanted to buy postings, with 500 new & refreshed posts daily). BizBen.com offers business buyers, owner sellers, business brokers and advisors free access to online postings, articles, blog posts, discussions, podcast, online events, resource directories, etc. Peter currently heads up the BizBen.com ProBuy, ProSell, & ProIntermediary Programs. Call Peter today at 888-212-4747 for assistance in selling or buying a small to mid-sized business or franchise resale.

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