

## Clare Advisors Releases New Guide on "Whether You Should Buy a Declining or Unprofitable Business"

WASHINGTON, D.C., UNITED STATES, March 9, 2023 /EINPresswire.com/ -- Clare Advisors just released a new blog detailing a few reasons a buyer could potentially acquire a declining or unprofitable business.

Many agency owners sell when they need additional support and resources to continue running the agency and maintain/grow it in the future. In some cases, an agency could be unprofitable or even declining when a buyer



expresses interest in acquiring it. A buyer can acquire an unprofitable agency for any of the following reasons:

New Industry or Capability - A buyer could be interested in gaining expertise in a new industry, or may want to offer a new capability to their current and future clients. Sometimes it is easier to buy versus build out a new division/capability.

Existing Client Base - A buyer may be interested in working with specific clients that the seller has.

Existing Employees - As mentioned above, it may also be easier to acquire an agency and immediately have new staff than it is to look for new hires that do the same work the buyer is interested in.

Lower Investment Price - Generally speaking, an unprofitable agency may have a smaller valuation than a profitable agency. A buyer may pay less cash at closing, with most of the overall purchase price consideration weighed more heavily on the earnout portion., in order to lower the financial risk.

Deciding whether or not to invest in a declining business can be a difficult decision to make. This

is why partnering with an experienced financial advisor can be a huge asset for a potential buyer looking to acquire an agency.

The professionals at Clare Advisors can help walk you through every step of the process if you're looking to acquire a business – from doing preliminary research and assessing financials to helping with due diligence and negotiating the agreements.

If you'd like to learn more about Clare Advisors or what to look for when considering acquiring a business, you can schedule a consultation on their company website at <a href="https://www.clareadvisors.com">www.clareadvisors.com</a>

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