The buyers of businesses can be split into a number of categories with each requiring an adapted approach:

- **Trade buyers** are competitors or complimentary businesses in the industry. Consequently, there can be a risk that they may simply be fishing for information about your business. Detailed discussions with this type of acquirer need care. The ideal trade buyer is one which can offer access to new clients, markets and enhance skills.

- The **strategic buyer** is arguably the best buyer as they are looking to use the key strengths of the business to their advantage. This typically involves access to a geographical or market sector they are not in (as it can be faster to buy in to a business trading in a particular area rather than trying to build from scratch) or an increase in market share leading to synergistic gains or cost savings. This strategic buyer is not only able to pay a premium price but will often also require only a limited on-going commitment from the vendors.

- **Private equity buyers** look for businesses which meet their specific requirements in terms of size and profitability. They are significant buyers of businesses as they are well funded and experienced in completing deals. If a target business meets their requirements then premium prices can be achieved.

- **Flotation** may also be considered as an exit strategy that allows a good valuation for a business to be achieved. However, it is rare for the vendor to be able to realise all of their shareholding. Nevertheless, it is an option to consider if you want to realise some of the value while retaining a level of ownership and potentially a management role in the business. The administrative and regulatory costs for a publicly quoted company are significant.

- The **management buy-out (MBO) or management buy-in (MBI).** These types of buyers may be in a position to offer a higher price than others as they can see the potential and are able to release it more easily due to their knowledge of the business. However, they may have less access to funds than trade buyers and private equity buyers. The risk of selling to these types of buyers could be that the deal aborts or the possibility of employees taking their eyes off the ball in the period up to the sale.