



Find the Right Professional to Help You Sell Your Business

By Gary Papay, CBI, M&AMI

As a business owner, and part of the baby boomer generation, you've seen your share of ups and downs in the business world. The time is coming to step back and take life in a different direction. You've decided it's time to seriously consider selling your business. Where do you turn?

Many business owners in similar circumstances look first to their accountant or their business attorney, people they've worked with and have developed a relationship with. But the fact of the matter is they aren't experienced in selling a business, just as you probably would not ask them to sell your home for you (which is much easier). No doubt, you'll consult with them as you prepare to sell your business. But an initial step should be to enlist the help of a professional business broker or intermediary.

A business broker or intermediary works to bring together buyers and sellers of businesses. Finding the right person to fill that role is crucial to making the right deal to sell your business. Here are some tips:

- **Be sure to get referrals.** It's always advisable to get a referral from a trusted source. Your accountant or attorney may be able to direct you to a broker with a proven track record. Business brokers should also be able to provide you with a list of satisfied clients.
- **Check with the International Business Brokers Association (IBBA.org).** The IBBA is a non-profit trade association with 1,900 members, providing education, professional certification, conferences and networking opportunities. The IBBA also provides the Certified Business Intermediary (CBI) designation for those members who have successfully completed a number of IBBA courses, including ethics, financial analysis, business pricing and valuation, legal and tax classes.
- **Look for a specialist in business sales.** A business broker who spends their full time selling businesses will add more value to your sales transaction than someone who just dabbles in the sale of businesses, among other endeavors. A full-time professional intermediary will bring along a network of contacts and an understanding of the principles of business valuation, marketing and confidentiality. Find someone who is dedicated to the profession. Again, ask for testimonials.
- **Find a broker/intermediary you can trust.** The business broker you contract with must be someone that you believe you can put your trust in because you will be working with him or her very closely for some time. He or she must have

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credibility and bring across to you a sense that you can rely on him or her to obtain the best price for the sale of your business in the shortest amount of time.

- **Be wary of upfront fees.** Fees vary depending on a number of criteria and what you need in the way of analysis, appraisal and valuation. A business broker's fee is typically a commission based on the sale price of your business, and sometimes includes a small upfront fee for valuation an/or marketing. Think twice before you decide to work with any broker who asks for an excessively large upfront fee to do a business valuation or to help market your company. Are they making their money from their valuation/marketing fee, or from selling your business? (It should be the latter.)
- **Keep your plans confidential.** The selling of your business should be kept quiet until the time is right. A professional business broker will ensure that all safeguards are in place to protect your company and all information is kept confidential. Leaking your plans prematurely to suppliers, customers or employees can have repercussions on your business operations.
- **Steer clear of the pressure.** Never rush into a decision. Selling the company that you've poured your heart and soul into for years is a complex proposition; not one to be rushed into. Be sure to take the time you need to learn about and clarify all uncertainties.

Selling your business will undoubtedly be one of the biggest transactions you'll ever make and one that you'll probably only do once. The right professional business broker will help you find a source of potential buyers and aid in the sale of your company. Work with a team of professional advisors for the best results.

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*The **International Business Brokers Association** is the largest international, non-profit association operating exclusively for the benefit of people and firms engaged in the various aspects of a business brokerage and mergers and acquisitions. IBBA has 1,950 members worldwide, with corporate headquarters in Chicago, Illinois.*

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