

Selling Your Business? Why You Should Use a Business Broker!

By Gary Papay, CBI, M&AMI

Any business owner who has sold a business on his or her own will tell you it's a long, tedious and stressful process. It consumes time and distracts you from the day to day operation of the business. When your focus should be on maintaining or increasing the value of your business, all of your time and energy is directed to the sale process.

That's where an experienced business broker can pay huge dividends. There are many areas where the business broker expertise pays off:

- **Confidentiality.** If you as an owner are attempting to sell your own business, that process alone reveals that the business is up for sale. Employees, customers, suppliers and bankers all get nervous and competitors look to make a kill. A business broker will protect the identity of the company and contact only owner approved buyers through a blind profile – a document describing the company without revealing its identity.
- **Business Continuity.** Selling a business is time-consuming for an owner who already is probably wearing many hats for the company. By taking on the additional load of selling the business, essential functions will get less attention and possibly damage the business. The owner can maintain a focus on running the business when a broker is working on the sale.
- **Reaching potential buyers.** Business brokers have the tools and resources to reach the largest possible base of buyers. They then screen these potential buyers for revenue that would support the potential acquisition.
- **Marketing.** A business broker can help present your company in the best light to maximize the sale price. He or she has an understanding of the key values that buyers are looking for and can assist in identifying changes that can lead to a better selling price.
- **Valuing your Business.** Putting a value on a business is far more difficult and complex than valuing a house. Every business is different, with hundreds of variables that have an impact on the value. Business brokers have access to business transaction databases that can be used as guidelines or reference points. But the best way for a business owner to truly feel comfortable that he got the best deal is to have several financially viable parties bidding for his business, which is much more likely using the resources of a professional business broker.

114 S Railroad St, Hughesville, PA 17737 • Ph: (570) 584-6488 • Fax: (570) 584-0199
gpapay@ckbc.net • www.ckbc.net

- **Balance of Experience.** Most corporate buyers have acquired multiple businesses while sellers usually have only one sale. An experience business broker can level the playing field for a business owner making his one and only business sale.
- **Closing a Deal.** Since the business broker's sole function is to sell the business, there's a much better chance that a deal will be closed in less time. The faster the sale, the lower the risk of employee problems, customer defection and predatory competition.

Utilizing the services of an experienced, professional business broker allows the owner to focus on running the business reducing the risk of business erosion during the sale process. A sale facilitated by a business broker helps maximize sales proceeds by involving a large universe of buyers in a confidential, competitive bidding process.

Gary Papay, CBI, M&AMI, President of CK Business Consultants, Inc. is a professional intermediary and business appraiser with more than 34 years of experience in the sale and transfer of privately held mid-market companies. Gary has attained the designation of Merger and Acquisition Master Intermediary with the International Business Brokers Association and M&A Source. Gary can be reached at www.ckbc.net.

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