

Picking the RIGHT Business Broker

by Jeff Dousharm & Jethro Hopkins
No Coast Business Advisors

This is a BONUS excerpt from our book:

**Exit Lever: How Smart Business Owners & Buyers
Avoid the Mistakes that Ruin the Sales of Businesses**

If you have not already gotten a copy, we highly recommend it as it can save you \$135,000 and 6 months of time for each mistake you can avoid!

In the meantime enjoy this report!

The natural question most intelligent Sellers and Buyers have is:

How do I find the RIGHT Business Broker to help me?

There are plenty of Business Brokers out there, both good and bad.

And in developing our company we looked for key differences that make the greatest impact. First and foremost we are business owners ourselves, and so we know what matters to owners - both as a Buyer and a Seller. And we built our policies and processes to SERVE our clients and make the experience better.

The following list will help you see how we are different from most and let you know **what to look for in a broker (and why)**.

1. Certification

In some realms of business, certifications and credentials matter, and in some they don't. With something as important as buying or selling a business, it's important to know that there is some level of accreditation, accountability and certification involved. Anyone on the street can call themselves a Business Broker, but what does that really mean?

Are they a member of any professional organization?

Do they have any real training or affiliation with educational programs?

Are they just a realtor who tries to do a business deal once in a blue moon?

We recommend working with Business Brokers who are IBBA certified. We **require** all of ours at No Coast Business Advisors to be IBBA certified so our clients can have peace of mind knowing our brokers are prepared to best serve their interests.

What to look for:

National Certification & Credentials

Biggest benefit for you:

Greater assurance that the people you are trusting are qualified.

2. REAL Business Experience

Your experience as an owner simply can't be replaced by theory or books. As mentioned in the very beginning, we own multiple businesses outside of brokering. We have decades of experience and the background to bring valuable insights to the table that can only come from having paid your dues. What this means to you is that you are working with people who are just like you - not someone who has never sat in your seat or known the challenges you face.

There's a difference in this kind of relationship so we recommend that you work with Business Brokers who have been through the complex situations and trials that come with being an owner.

What to look for:

Business Brokers who have owned or had solid business experience outside of brokering

Biggest benefit for you:

They speak your language and more fully understand your position

3. Network of Business Brokers Nationwide

Why work with just one broker when you could work with a network to find more opportunities?

We have multiple locations and Business Brokers. Working with a network of brokers means that you have more access to deals as both a Buyer and a Seller.

So, whenever you evaluate a broker to decide the best fit for your needs, ask about this kind of access. Do they bring an expanded reach and networking muscle from being a part of a larger entity, or if they just play small on their own.

What to look for:

National network or team

Biggest benefit for you:

Greater connection on deals for Buyers and Sellers

4. Local AND National Markets:

In addition to having multiple brokers in a network, operating in both local and national markets means that great Business Brokers are going to work and reach out through multiple geographic areas to connect the right deals.

When you are limited to just a local market for prospective deals, you may miss out on opportunities.

And on the flip side it's also important to have boots on the ground and the right relationships in the local markets to provide the best service for clients.

By operating in both local and national markets the right Business Brokers will get you the best of both worlds.

What to look for:

Business Brokers who operate in both local and national markets

Biggest benefit for you:

Access to more opportunities to connect the best Buyer and Seller for a deal

5. Advanced Valuation Tools & Software

As we mentioned in an earlier chapter, how a Business Broker values a business is critical to your success.

So when you meet with or evaluate a broker, be very direct in asking how they value a business.

If they don't have the tools and software to produce the best valuations, then you are setting yourself up for additional problems when it comes to financing, closing, and maybe even leaving money on the table.

At NCBA we use a blending of three accepted valuation methods including comparable sales. This helps our clients get the valuations they need to deals they deserve.

What to look for:

Business Brokers who can show you multiple valuation methods provided through advanced tools and comparable sales

Biggest benefit for you:

Better valuations eliminate road blocks to getting the deal done

6. Pre-qualified Client Listings with SBA

Having SBA pre-qualified listings means that the Business Broker has a relationship with an SBA Preferred Lender. This is a valuable resource and demonstrates the kind of investments they are putting into their deals.

When Business Brokers go through the additional work to process and get deals pre-qualified it is a good sign of their commitment to giving clients the attention they deserve. Not every listing can be SBA pre-qualified, and good Business Brokers know when to make it happen.

And that's why we've invested years into the right relationships to offer this service at NCBA for our clients.

What to look for:

SBA pre-qualified listings by the Business Broker you are considering

Biggest benefit for you:

Greater assurance of commitment and attention to client needs in financing and beyond

7. Active Marketing

There is a big difference between placing a listing on boards and doing active marketing for a listing.

There are some “discount” Business Brokerages, and realtors who try to do Business Brokering on the side. They offer cut rates AND of course very bare bones service provisions. And this is why so many of their clients end up leaving out of frustration and a lack of results.

When you want better and faster results, look for Business Brokers that have systemized and active marketing campaigns for their listings. And if a Business Broker can't explain to you how they do more than just throw a listing on a board, *that's a clue!* It means they aren't likely doing anything else.

At NCBA we can break down the strategies and marketing for every client and listing we have, because we know what it takes to get results.

What to look for:

Marketing campaigns beyond board listings

Biggest benefit for you:

Increasing your probability of closing on a deal

8. Support Staff & Network of Vendors

When you need something, your Business Broker should have the answers and options- NOT send you looking for them.

If you go to a nice resort or hotel and need dry cleaning done, they don't stare at you blankly and say, "well, good luck." They step up to coordinate everything that needs to happen to make your life easier.

The same or better should be expected of a great Business Broker. If this is what they do, then they should have the relationships to step in because they know what clients might need.

At NCBA, we have invested a great deal of time, travel, and resources to have a stable of great relationships, staff, and vendors to serve our clients.

This doesn't mean we require clients to use our options, but we have the resources at our fingertips to offer solutions to our clients when needed!

What to look for:

Business Brokers with business vendors and relationships to serve you

Biggest benefit for you:

Less headaches and risk searching for solutions

9. Development and Education

It's important to look at what any serious Business Broker is doing for ongoing education and development.

Every high level professional and regulated service profession has some standard or requirement for continuing education.

Unfortunately many Business Brokers only look at this as an expense, and they try to avoid it. Long term this hurts their ability to properly serve their clients.

Our team invests over six figures a year in development, education, and training. What that means for our clients is that we have Business Brokers who are better equipped to serve and deliver the results expected. Markets and challenges are always changing, and that means our team has to be lifelong learners if we are to best serve our people.

What to look for:

Proof of Business Brokers who continue to train and invest in their skills

Biggest benefit for you:

Current skills and training means they aren't operating on outdated standards from a decade ago

10. Best Selling Authors

Authors get a lot of respect.

And best selling authors get even more.

Some say, “anyone can write a book.” Yet, very few ever do, and only a tiny fraction of those become best sellers.

Why is this?

The amount of work it takes to become an authority or expert in any field is challenging. And then consolidating that authority or expertise in a book that can communicate their ideas is even more difficult. And finally, putting that book and themselves out there for public scrutiny is very intimidating to most people.

And that’s exactly why you would want to work with the very few who have been through it successfully: it demonstrates their authority, commitment, and ability to serve others. It speaks volumes to their power to make things happen for you as their client.

What to look for:

Best Selling Book

Biggest benefit for you:

Sign of their authority, commitment, and ability to make things happen for you

Exit Lever BONUS Tip: Work with Owners, Not Just Employees

With some Business Brokers, you would end up working with random assistants and employees. But you are better off working with an owner.

At NCBA, in addition to brokers having outside business experience, they are also OWNERS in the brokerage itself.

This means they own their business or a piece of the business as a partner. And that's a different sense of security and relationship for clients knowing that they are working with someone with a lot more skin in the game.

So, when you evaluate a Business Broker, do some digging. Find out who you are really dealing with and decide what level you'd like to work with to get the best results that you deserve!

What to look for:

Business Broker who is an owner or partner, not just an employee

Biggest benefit for you:

Working with someone with more skin in the game

**to contact us feel free to visit:

www.NoCoastBusinessAdvisors.com

or email:

Jeff@NCBAbroker.com

Jethro@NCBAbroker.com

