

62 Reasons for Sellers Hiring Brokers

1. Access broker or advisor's database of potential buyers and investors
2. Advertising run and paid by broker
3. Affiliated brokerage or advisory offices may attract more buyers
4. Assistance during escrow closing
5. Background check on potential buyers run by broker or advisor
6. Broker or advisor can confer with seller, legal and tax counsel about terms of sale
7. Broker or advisor understands and can depersonalize negotiations
8. Brokers and advisors enable buyers and sellers to access a broader pool of potential partners
9. Brokers and advisors have broader third-party perspective from done deals and failed deals
10. Brokers and some advisors know how to sell businesses; most sellers don't
11. Business advice re contracts (exclusive of legal advice)
12. Buyer competition: Create and manage it
13. Coach sellers to answer buyers' questions and concerns
14. Compensation basis is commission upon sale or partially contingent upon done deal
15. Compile necessary information about the business
16. Confidentiality preservation and knowledge of what/when to show buyers
17. Continual followup with buyers for decisions
18. Control buyers: Brokers and some advisors know what is appropriate and inappropriate
19. Dealmaking team: Referral to accountants, appraisers, brokers and lawyers
20. Deals almost die numerous times; Brokers and some advisors know how to revive them
21. Define best probable price and terms before going to market
22. Determine best offer price
23. Determine best selling price
24. Determine best time to offer business for sale
25. Develop marketing strategy and plan its implementation
26. Disclose, to buyers, sensitive information about the business
27. Explain and handhold seller throughout selling process
28. Financial analysis and recasting by broker or advisor
29. Help buyer obtain financing
30. Initiate contact with likely purchasers
31. Intermediary can speak for the seller
32. Maximize price buyers will pay for the business
33. Mediate and negotiate with buyers
34. Minimize interference with seller's management of company
35. Most buyers start with business brokers and Internet searches
36. Negotiating strategy
37. Owner afraid of trying to sell by-owner
38. Owner does not have relevant capability to sell by-owner
39. Owner does not have time to try to sell by-owner
40. Owner does not know how to find buyers
41. Owner doesn't know the probable price buyers will pay
42. Owner needs quick sale due to pressing crisis
43. Owner referred to broker or advisor by happy seller
44. Prepare owner to sell and prepare business for sale
45. Prepare two versions of the business profile (teaser and full)
46. Professional advisor recommends owner hire broker or advisor
47. Qualify and screen buyers
48. Receive, present and help evaluate purchase offers
49. Reconcile differences between tax returns and financial statements
50. Reduce frustration during offering and sales process
51. Seeing the business from the perspective of buyers
52. Seller does not have a network of contacts with access to buyers
53. Seller does not understand the implications between strategic and financial buyers
54. Seller doesn't want to be distracted from running business
55. Seller fears adverse effect if premature disclosure (about sale) to key employees and lenders
56. Showcase the seller's business to buyers
57. Time savings broker or advisor provides sellers
58. Understands local marketplace of businesses for sale
59. Understands seller's industry
60. Unsolicited offer from a buyer requires expert help
61. Using broker is the only way sellers know about
62. Wants to get the highest price

Source: Ted J. Leverette, "Partner" On-Call Network LLC
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