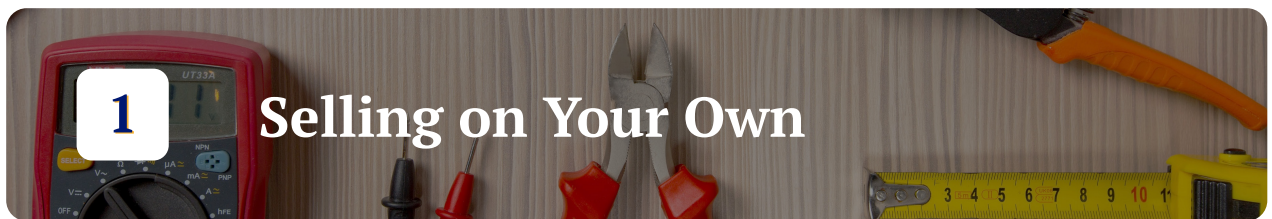


# Why You Should Expect More From Your Business Broker

## *A Whitepaper About Options for Selling Your Business*

Selling your business is the ultimate goal of every business owner. You've spent years creating something from nothing, invested hours of sweat equity in building it from the ground up, and planned every detail, big and small. Now it's time to let go and make a graceful and (hopefully) profitable exit.

The next step is to decide how to sell your business. Can you do it yourself? If not, who should you get to help you? Because business owners often struggle with such questions, we've put together a summary of advantages and disadvantages of ways to sell your business.



If you're thinking about selling your business on your own, it's important to consider the realities of the process. We've put together this list of questions for you to consider. If you can answer "yes" for each one, then selling your business on your own may be an option:

1. Do you actually have the time to manage the process?
2. Can you take that time away from running your business?
3. Are you up for making the big decisions when you encounter obstacles?
4. Are you able to determine an unemotional valuation of your company?
5. Have you ever sold a business before?
6. Are you knowledgeable about marketing the company for sale?
7. Do you have a plan for keeping it confidential?
8. Will you be able to remain objective to buyer requests?
9. Will you be able to arrange financing?
10. Are you willing to negotiate with buyers?

Any business owner who has sold a business on his or her own will tell you it's a long, tedious and stressful process that consumes time and distracts you from the day-to-day operations. Selling a business on your own can also be difficult if you want to ensure the highest price possible. Rather than focusing on maintaining or increasing the value of your business, all of your time and energy instead is directed to the sale process.



## 2

# Attorneys and Accountants

While using your attorney or accountant is an acceptable option, you must find out if they have experience selling businesses first. They have preexisting knowledge of your business, which can help. For example, an accountant has immediate access to your company's current and historical earnings, cash flow, balance sheets, equity statements, and the company's performance. This can make them effective in terms of evaluation and preparation of documents needed for sale.

However, in order to get the best possible buyer for your company, you'll need the ability to cast a wide net to attract buyers. And most attorneys and accountants have access to a limited pool of qualified buyers. Because of that, most accounting firms and attorneys will recommend working alongside a professional business brokerage firm. This allows them to complement their financial and legal expertise with business-selling expertise.



## 3

# Private Equity Firms

Private equity firms invest in companies and then look to sell their stake in about five years for a substantial profit. That means this option is suited for owners who are looking to grow their businesses over several years before making their exit. Here are some questions to ask if you're considering using a private equity firm:

- Do they have the right resources and expertise to help you grow the business?
- Can you work for someone else and be accountable to them for approximately one to three years?
- Are you fully committed to operating and growing your business for the next several years?

Most private equity firms want to buy companies over \$100 million and rarely work with companies grossing \$10 million. And even when they do, they're not focused on personal touch as much as business growth and a return on their investment. Before you pursue a private equity firm, just make sure you're open to hearing external voices in operations discussions and taking direction over several years' time.

## 4

# Business Brokers

The differences between business brokers, merger and acquisition intermediaries, and investment bankers come down to the title they pick for themselves. When it comes to selling a business, the functions are the same, and just as in every profession, you will find very good practitioners and very bad ones.

So it's important not to get caught up in the names. When it comes to selling your business, you want to find the best professional to handle your transaction. Because most owners sell a business only once in their lifetime, it's a momentous occasion. But it's also filled with unexpected challenges that could turn into monumental disasters if not handled correctly. A professional business brokerage firm can help by providing six major benefits:

### Confidentiality

Business brokers are used to managing business sales with confidentiality. If, as an owner, you try to sell your own business, you will reveal to stakeholders that the business is up for sale. Employees, customers, suppliers, and bankers can get nervous, and competitors may look to take advantage of the opportunity—which will decrease your company valuation.

### Business Continuity

Selling a business is time-consuming for an owner who wears many hats for the company. By taking on the additional load of selling the business, essential functions will get less attention and wreak possible damage to the business. With a broker working on the sale, the owner can maintain a focus on running the business.

### Reaching Potential Buyers

Most professional business brokers have the tools and resources to reach the largest possible base of buyers than any other option in this whitepaper. They can also screen these potential buyers to ensure they are qualified.

### Marketing

Professional business brokers understand that selling your business is a matter of translating its value to buyers. They'll present your company to buyers in the best possible light to maximize the sale price. Because they interact often with qualified buyers, they have a great understanding of the key values buyers look for in any acquisition.

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## Valuing Your Business

Putting a value on a business is a difficult process—hundreds of variables 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 interested or bidding for his business. This scenario is much more likely using the resources of a professional business broker.

## Closing a Deal

Since the business brokers' sole function is to sell businesses, every deal has a much better chance to close in less time than with other options. The faster the sale, the lower the risk of employee problems, customer defection, and predatory competition.

## What Should You Look for in a Business Broker?

We know it can be difficult to find a professional business broker. We've heard a wide range of painful stories from clients who made uninformed decisions early on in the process of selling their businesses.

That said, we believe you should expect more from your business broker than promises. When you're considering hiring a business brokerage firm for the sale of your business, we recommend you only consider firms with these four qualities:

- **Industry Designations:** These designations speak to the continual educational training a broker goes through to ensure they serve their clients with the best possible knowledge, philosophy strategies, and ethics.
- **Experience:** Good business brokers will have a track record of success. If you're talking to a broker, make sure to find out how long they have been in business and how many closings they have had.
- **Professionalism:** This can play a huge role in the experience you have as an owner selling your business. For starters, make sure your broker has a professional website, brochures, and Confidential Business Review (CBR). You should also be able to gauge their approach through any customer testimonials on their website.
- **References:** Do other professionals vouch for your broker? Pay attention in particular to whether the firm has references from lawyers, accountants, or former buyers and sellers. Professional business brokers will offer a wide range of references on their website to help you in this regard.



## Conclusion

While there are many resources to choose from in selling your business, we think the most logical would be to use a professional business brokerage firm with the experience and database to market your business, map out an efficient and effective route to a sale, and offer you a professional experience. At the end of the day, a great broker will not only help you to find your exit, but also make sure you have everything it takes to get there successfully.

However, we understand that working with a professional business broker isn't for every business owner. No matter the direction you choose, we hope this whitepaper was helpful on your journey to a successful exit!



## About Us

Benjamin Ross Group represents business owners who want to sell their businesses and leave their employees and customers in capable hands. We support our clients through the biggest business decision of their lives, so they can move on with confidence, peace of mind, and a competitive price for their hard work.

We sell 95% of the businesses we represent, compared to the national average of 20%. And we earn our clients' trust because of our expertise, professionalism, and extensive network.

If you are thinking about selling your business, please [contact us](#) to speak with an advisor who can help you start the process. You can also reach us via email at [info@benjaminrossgroup.com](mailto:info@benjaminrossgroup.com) or by phone at [\(215\) 357-9694](tel:(215)357-9694).

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