

QUESTIONS TO ASK A BUSINESS BROKER



Questions to ask a Business Broker BEFORE you retain their services

You are most likely looking for a professional to represent your business for sale. This is probably a large value transaction, possibly the largest so far in your career and time is certainly money in this instance. The fees for representation can appear enormous and the entire profession is new to most business sellers. North Carolina has no licensing requirements for Business Brokers and they range from the best business consultants you could possibly meet to some that have no training and are frankly out to try to turn a fast buck. It is important that the Business Broker you select be experienced, ethical, and efficient. We hope these questions will assist you in identifying the right firm and the right broker to represent you in your transaction.

1. How long have you been a business broker?
2. What qualifies you to be a business broker? (IBBA membership and CBI designation is a must)
3. What did you do before becoming a business broker?
4. Have you ever purchased a business?
5. Have you ever sold a business of your own?
6. Have you ever bought or sold a business with the assistance of a Business Broker?
7. How many clients do you currently have?
8. How many clients will you accept at any given time?
9. Are you a member of the International Business Brokers Association [IBBA]?
10. Are you a Certified Business Intermediary [CBI]?
11. Are you a member of the American Business Brokers Association [ABBA]?
12. Are you an Accredited Business Intermediary [ABI]?
13. Are you a sole practitioner or associated with a firm?
14. Is your business listed with the Better Business Bureau?
15. Do you co-broker? If not, why??
16. What was the last business you sold where you split commission?
17. Who can I speak with that has sold their business with you?
18. Who can I speak with that bought a business from one of your clients?
19. What are the highest and lowest valued businesses you have represented? Did they sell? How long did it take?
20. What are your fees? Is there a retainer? How much? Why?
21. What is the fee charged at closing?
22. Why should I hire a Business Broker?
23. How many clients have not renewed their representation agreement with you at the end of the term? Why?
24. How will you market my business?
25. How long will it take to find a buyer for my business?
26. How will you handle confidentiality with potential buyers?
27. What documents will you need from me?
28. How often will I hear from you?
29. What buyer prequalification will you perform?
30. Who will determine the asking price for my business?
31. What experience do you have with performing business valuations?
32. What methods do you use in valuations, when and why?
33. Who will have final authority on accepting or rejecting an offer?

E N L I G N B U S I N E S S B R O K E R S

WHEN IT'S TIME TO SELL YOUR BUSINESS... CALL IN THE EXPERTS

34. What clients have you worked with in my industry or similar to my business in sales or type?
35. What is your definition of an ideal seller client?
36. What is your definition of an ideal buyer?
37. What other Business Brokers do you recommend?

Jeff Snell is the founder and Principal Broker of Enlign Business Brokers, a member of the International Business Brokers Association [IBBA] and a Certified Business Intermediary [CBI], the American Business Brokers Association [ABBA] and an Accredited Business Intermediary [ABI]. He can be reached at (919) 341-1100 or jsnell@enlign.com.

Enlign Business Brokers is a Professional Services Firm headquartered in Raleigh, NC providing business interme-