

10 things to expect from your business intermediary

04 October 2009 Categories: [Entrepreneurship](#)

Buying or selling a business is complex task as there are so many moving parts. The moving parts obviously include the buyer and seller but may also include lenders, landlord, franchisors, attorneys, accountants, customers, suppliers, competitors, employees and others. Just as you can get help from a residential real estate to buy or sell a house, there are also business brokers or intermediaries who provide the services of an intermediary. If you are looking for the help of an intermediary or business broker, consider the following.

1. Trust and Ethics.

When selling your business you want to feel assured the intermediary has a strong commitment to trust and ethics so you know your business and its interests are fully protected. Getting an ethical and trust commitment from your business broker is the most important ingredient. It is critical and should be non-negotiable.

2. Real Estate License.

Many states in the US require a business broker to hold a real estate license in order to represent an owner of property in a sale and be paid for providing that service. In California, a license is issued by the California Department of Real Estate for two types of persons; a Broker and a Sales Agent. A Broker can either work for themselves or choose to hire Sales Agents that work under the Broker.

3. Specialization.

Does the Business intermediary you are considering hiring specialize in either residential sales, business opportunities, commercial real estate, mortgages or finance or a combination of these? Because of the complexities and differences of each markets, most Brokers or Sales Agents tend to specialize in one area. Even within these broad specializations there are specialists. For example, in business opportunities, if a transaction is greater than \$5,000,000 there are there are Broker/Sales Agents that specialize in this market called M&A intermediaries.

4. Experience

Has the Business Intermediary owned and operated a business? Business ownership teaches many skills and requires a unique understanding of what is involved in owning and operating a business. When detailed negotiations take place between the business owner and a potential buyer, all the options must be explored, fully considered and understood.

5. Accreditations.

Does the have formal training or education to support the service they provide? There are different types of accreditations with some including the Certified Business Intermediary (CBI) from the International Business Brokers Association and the Certified Business Broker (CBB) from the California Association of Business Brokers.

6. Association memberships.

Accreditations are good, staying up with the accreditations is better. To see if a Business Intermediary is a member of their industry association, check the International Business Brokers Association (IBBA) at <http://www.ibba.org> or search the web for “Business Broker Organization” in the state where you live.

7. Communicates and explains clearly

Selling or buying a business requires dealing in financial, legal, industry and other forms of jargon. Are you able to communicate easily and clearly with your Business Intermediary and understand what they are talking about?

8. Network of professionals.

Selling a business often brings together different professionals such as Accountants, Attorneys, Property Management Companies, Landlords, Escrow officers, Appraisers, Tax Agents, Lenders, Franchisors and Financial Planners. Does your Business Intermediary have professionals he can introduce you to if your business requires that expertise?

9. Testimonials.

What do the past customers have to say about the services of the Broker/Sales Agent?

10. Finance.

Most sellers do not wish to carry any finance or they wish to carry as little finance as possible. Is your able to introduce you to finance professionals who would finance the deal for a qualified buyer?

Buying or selling any item of value must be done properly so the value of the asset is protected. Using the services of a professional intermediary to guide you through the process and protecting your investment is good business.

Andrew is a 5-time business owner that loves helping entrepreneurs exit or enter business ownership. His services include business brokerage; helping owners sell and/or buyers purchase a business. He also provides consulting on purchasing a franchise, certified machinery and equipment appraisals and business valuations. Andrew is a CBI with the International Business Brokers Association and CBB with the California Association of Business Brokers. He also carries a Brokers License from the California Dept. of Real Estate, is a member of the Sacramento Metro Chamber of Commerce and the Sacramento Chair of the California Association of Business Brokers.

Article Source:<http://www.articlesbase.com/entrepreneurship-articles/10-things-to-expect-from-your-business-intermediary-1298901.html>