



**STEPS TO
SUCCESS**

SUCCESS WHITEPAPERS FOR ASPIRING BUSINESS BROKERS

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Investing In Yourself

Education Paths in Business Brokerage

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Charles has more than 30 years of hands-on experience in business ownership, operations, and equity and asset transactions. He established Touchstone Business Advisors in 2003 with offices in Aspen/Basalt, CO.

A true lifelong learner, Charles holds an undergraduate degree from Harvard College, as well as Master's degrees in Microbiology and Public Health from Harvard University and University of Hawaii.


Charles brings this passion for learning to his role as Chair of the IBBA's Steps to Success Committee and Co-Chair of the Member Engagement Committee.



INTRODUCTION

It is said, there is no more profitable investment than investing in yourself. This is particularly true as it relates to the business brokerage profession. When boarding a plane, hiring a wealth advisor, or facing a major surgical procedure, you want the most qualified pilot, fiduciary, or surgeon available to minimize risk and deliver the best possible outcome. So too, business owners faced with selling what is often their largest and/or most important asset, want the most highly qualified intermediary available to handle the sale of their business for the highest possible return, transfer and preservation of their legacy and minimization of risk inherent in the complex aspects of the transaction.

In this white paper, we will explore some of the reasons why education, life-long learning, and credentials, while not always mandated, are important in building a successful career in business brokerage, plus where to access those resources.



**“LEARN
CONTINUALLY.
THERE’S
ALWAYS ‘ONE
MORE THING’
TO LEARN!”**

STEVE JOBS

Business brokerage is a multi-faceted discipline requiring knowledge and skills in accounting, finance, law, sales and marketing, psychology, technology, and negotiations, plus the ability to be independently motivated, to multi-task and anticipate and solve problems. Needless to say the knowledge base employed by successful business brokers is acquired over years of formal and informal education, training, mentorship and direct experience, including knowledge and skills acquired prior to entering the business brokerage profession.

So how does an individual decide whether a career in business brokerage is right for them?

For those exploring a career in business brokerage, the International Business Brokerage Association (IBBA) has created a series of educational white papers and webinars to assist individuals to better understand the profession. These resources may be accessed at <https://www.ibba.org/more-ibba/become-a-business-broker/>. Since individuals considering this path come from a variety of backgrounds and experience, IBBA has also developed an online tool to assess your competency in key skill areas of business brokerage, known as the Business Broker Knowledge Assessment, which may be accessed at <https://www.ibba.org/education/knowledge-assessment/>.



WHERE TO BEGIN

One of the first decisions aspiring business brokers make is whether to enter the profession as an independent sole practitioner, to purchase a franchise as a sole practitioner or to join an existing independent or franchise office. This decision may guide the next step, which is to acquire the basic education needed to supplement their existing knowledge and experience. Unfortunately, a book or short course may only provide an overview and some of the basic mechanics. A commitment to a formal education program provided through a professional association or education company or university, plus training provided by a managing broker of an independent office and/or franchise is recommended. Additionally, ongoing individualized mentorship and a commitment to life-long learning will pay benefits.

Formal education resources vary widely in breadth, depth, and quality. The gold standard in education is provided by IBBA, the world's largest professional community of business intermediary specialists. Courses ranging from *Business Broker Basics* to advanced topics for experienced Business Brokers, with courses available online, in person around the U.S. and Internationally, at Conferences and bundled in boot camp style *Summits*. Other associations, universities and private companies offer weekend courses, topic specific webinars, and books/print materials. Additionally, franchise organizations and independent multi-broker offices offer basic education and training for their affiliated brokers.

The following page provides links to some of these resources.



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IBBA – International Business Brokers Association

(<https://www.ibba.org>)

M&A Source – Advanced online, in-person and conference courses

(<https://masource.org>)

AM&AA – Alliance of Merger & Acquisition Advisors

(<https://www.amaaonline.com>)

APMAA – Association of Professional Merger & Acquisition Advisors

(<http://www.apmaa.com>)

ABBA – American Business Brokers Association

(<https://americanbusinessbrokers.org>)

NABB – National Association of Business Brokers

(<https://www.businessbroker.biz>)

Kennesaw State University – Coles College of Business

(<https://coles.kennesaw.edu/executive-education/m-a-merger.php>)

SOBB - School of Business Brokerage

(<https://www.schoolofbusinessbrokerage.com>)

Business Brokerage Press – Webinars, books and print materials

(<https://businessbrokeragepress.com/industry-resources/industry-associations-networks/>)

Kaplan – Real estate business brokerage online course

(<https://www.kapre.com/professional-development/business-brokerage/>)



The business brokerage industry as well as the mergers and acquisitions industry have strong associations which exist for the benefit of their members, but also to provide information to the clients their members serve. The dominant association for Business Brokers is the **International Business Brokers Association** (<https://www.ibba.org>). Other associations for business brokers and M&A professionals include M&A Source, AM&AA, APMAA, ABBA and NABB.

CERTIFICATION HAS ITS ADVANTAGES

In addition to asking friends, business colleagues, legal and financial advisors for referrals, many sellers will turn to the Internet to find a business broker in their area. Professional associations provide “*Find a Broker*” listings of their members, but simply being a member of a professional association only partially differentiates brokers in the same geography. With business sellers seeking to instantaneous qualify brokers online, one or more “*credentials*” signifying an independent certification of successfully completing a program of education, passing a comprehensive examination and documenting experience, may be the best way to immediately standout and to gain the trust of potential clients.



Some states require a business broker to possess a real estate license, because the sale of a business often includes transfer of a lease or real estate ownership. However, while a real estate license to handle that aspect of the business sales process is an important component, it is only one of many other proficiencies that are required to be a successful Business Broker. Some Business Brokers and M&A Professional also hold general business, law, or CPA degrees, but credentials that signify competence specifically in Business Brokerage, Mergers & Acquisitions and Valuations, include:

Certified Business Intermediary (CBI) – offered by IBBA

(<https://www.ibba.org/cbi-certification/>)

Accredited Business Intermediary (ABI) – offered by ABBA

(<https://americanbusinessbrokers.org/Accreditation.html>)

Certified Business Broker (CBB) – offered by California Association of Business Brokers (CABB)

(<https://cabb.org/become-a-business-broker/certification>)

Mergers & Acquisitions Master Intermediary (M&AMI) – offered by M&A Source

(<https://masource.org/mami-certification/>)

Mergers & Acquisitions Master Finance (M&AMIFin) – offered by M&A Source

(<https://masource.org/mami-certification/>)

Certified Merger & Acquisition Advisor (CM&AA) – offered by AM&AA

(<https://www.amaaonline.com/cmaa/>)

Certified Machinery & Equipment Appraiser (CMEA) – offered by NEBB Institute

(<https://www.nebbinstitute.org>)

Accredited Senior Appraiser (ASA) – offered by ASA

(<https://www.appraisers.org/credentials>)

Business Certified Appraiser (BCA) – offered by ISBA

(<https://www.certitrek.com/isba>)

Certified Business Appraiser (CBA) – offered by NACVA

(<https://www.nacva.com/cba-mcba>)

Certified Valuation Analyst (CVA) – offered by NACVA

(<https://www.nacva.com/cba-mcba>)

Accredited in Business Valuation (ABV) – offered by AICPA

(<https://www.aicpa.org/membership/join/credentials.html>)



The most recognized credential for Business Brokers is the *Certified Business Intermediary* (CBI) credential, which is a designation for those brokers who have made the decision to complete a specific program of education, pass a comprehensive examination and demonstrate experience with completed transactions as the lead broker. CBIs also commit to continuing education requirement for renewal of their credential every two years. Only 30% of the IBBA's members have been awarded this prestigious designation.

Here are some additional reasons why business broker credentials, such as the CBI, matter especially in this mostly unregulated industry:

- Beyond subscribing to the industry Code of Ethics, those earning credentials are recognized for having dedicated themselves to the highest level of education, competency, and commitment to continuing education;
- Credentials signify a higher level of experience, training, and education necessary to handle the business valuation, marketing, negotiations, contracts, and complex details involved in the sale or purchase of privately held businesses;
- Because credentialled brokers are active in the industry, they tend to possess greater knowledge of the most up-to-date market trends and industry data related to business valuation, SBA financing, taxes, legislation, and an understanding of the requirements of buyers searching for a business;
- They also have affiliation with other members, who have expertise across a wide variety of business and industry types, from which they can fill knowledge gaps necessary to understand unique value drivers;
- Credentialled brokers tend to have established relationships with other professionals (CPAs, Attorneys, etc.) who will be critical not only to the transaction but also to the impact of the transaction from a tax and/or estate standpoint; and
- Credentials may contribute to higher SEO visibility in association and Internet search functions.

CONCLUSION

Selling a business is often one of the most crucial financial transactions in an individual's life. Sellers actively search to engage a well-educated and experienced broker, who will greatly assist in optimizing the transaction, translating complex issues in an understandable way and anticipate issues related to selling. As a credentialed Business Broker, you will have the confidence and skills to develop a network and speak intelligently with other professionals involved in your transactions. Investing in your education, joining a premier professional association, obtaining a recognized credential, and gaining relevant experience are all ways to differentiate yourself. This path will also help you to see new opportunities, will be fulfilling on many levels of self-actualization and will increase your capacity to help your clients.

ABOUT THE IBBA

Formed in 1984 and with nearly 1,600 members, the International Business Brokers Association (IBBA) is the largest international not for profit association for Business Brokers. The association provides Business Brokers with education, free benefits, conferences, professional designations, support programs and networking opportunities, and awards the [Certified Business Intermediary \(CBI\)](#) designation to qualifying Business Brokers.

To learn more visit www.ibba.org.

