

BAIN

BUSINESS SALES OF HOUSTON

How to Qualify a Business Broker (Before He Qualifies You)

Finding the "right" Business Broker is not always an easy task. Many are listed on-line and many advertise businesses for sale, but how many are experienced, know what they're doing and can really be of assistance to a Buyer or Seller? The following checklist serves as an excellent guideline for finding the right Broker:

- 1. Years Experience** - Brokers handling business sales less than **THREE YEARS** are considered "beginners" in the industry. Experienced brokers generally have **FIFTEEN** or more years of full-time experience in the Business Transfer Profession. A Broker with **THIRTY** or more years experience should be able to anticipate and handle practically any problems or issues that might occur throughout the sale.
- 2. Education** - A well-rounded Business Broker should have a College Degree- preferably a business degree - with emphasis in finance, marketing, accounting, economics and law. An advanced degree (**MBA**) is also very important.
- 3. Specializations** - Does the Broker represent all types of businesses? Some Brokers do specialize in certain businesses, such as motels, auto-related businesses, accounting practices, medical-related businesses, etc. Does the Broker have experience in the **TYPE** of business you are most interested in?
- 4. Credentials** - Does the Broker possess Professional or Trade Credentials? Is he a **Licensed Real Estate Broker** (qualified to handle leases and Real Property)? Is the Broker a "BCB" [the "**Board Certified Broker**" designation awarded by the **Texas Association of Business Brokers**] ? Is the Broker registered with the **Texas State Securities Board** (in the event an "Asset Sale" must be converted into a "stock sale")? Is the Broker also active in the Community through involvement in non-Business Brokerage organizations?
- 5. Business Size** - Is the Broker a "Main Street Broker" (qualified to handle businesses up to a \$1,000,000 selling price) or does the Broker have experience handling larger (M&A) transactions?
- 6. References** - Is the Broker willing to furnish names of References - including Professional Contacts and former Buyer and Seller clients?
- 7. Attitude** - Does the Broker **show a genuine concern for your interests**? Does the Broker really listen to you or just try to "sell you?"

ONCE YOU'VE FOUND A PROFESSIONAL BUSINESS BROKER YOU FEEL COMFORTABLE WITH, STAY IN CONTINUOUS CONTACT WITH HIM. HE WILL SUCCESSFULLY GUIDE YOU THROUGH THE BUSINESS TRANSFER PROCESS.

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