

## 62 Reasons for Sellers Hiring Brokers

1. Access broker or advisor's database of potential buyers and investors.
2. Advertising run and paid by Brokers.
3. Affiliated brokerage or advisory offices may attract more buyers.
4. Assistance during escrow closing.
5. Background check on potential buyers run by broker or advisor.
6. Broker or advisor can confer with seller, legal and tax counsel about terms of sale.
7. Broker or advisor understands and can depersonalize negotiations.
8. Brokers and advisors enable buyers and sellers to access a broader pool of potential partners.
9. Brokers and advisors have broader third-party perspective from done deals and failed deals.
10. Brokers and some advisors know how to sell business; most sellers don't.
11. Business advice, re contracts (exclusive of legal advice).
12. Buyer competition: create and manage it.
13. Coach sellers to answer buyers' questions and concerns.
14. Compensation basis is commission upon sale or partially contingent upon done deal.
15. Compile necessary information about the business.
16. Confidentiality preservation and knowledge of what/when to show buyers.
17. Continual follow-up with buyers for decisions.
18. Control buyers: Brokers and some advisors know what is appropriate and inappropriate.
19. Deal-making team: Referral to accountants, appraisers, brokers, and lawyers.
20. Deals almost die numerous times. Brokers and some advisors know how to revive them.
21. Define best probable price and terms before going to market.
22. Determine best offer price.
23. Determine best selling price.
24. Determine best time to offer business for sale.
25. Develop marketing strategy and plan its implementation.
26. Disclose, to buyers, sensitive information about the business.
27. Explain and hand-hold sellers throughout selling process.
28. Financial analysis and recasting by broker or advisor.
29. Help buyer obtain financing.
30. Initiate contact with likely purchasers.
31. Intermediary can speak for the seller.
32. Maximize price buyers will pay for the business.
33. Mediate and negotiate with buyers.
34. Minimize interference with seller's management of company.
35. Most buyers start with business brokers and internet searches.
36. Negotiating strategy.
37. Owner afraid of trying to sell by-owner.
38. Owner does not have relevant capability to sell by-owner.
39. Owner does not have time to try to sell by-owner.
40. Owner does not know how to find buyers.
41. Owner doesn't know the probable price buyers will pay.
42. Owner needs quick sale due to pressing crisis.
43. Owner referred to broker or advisor by happy seller.
44. Prepare owner to sell and prepare business for sale.
45. Prepare two versions of the business profile (teaser and full).
46. Professional advisor recommends owner hire broker or advisor.
47. Qualify and screen buyers.
48. Receive, present, and help evaluate purchase offers.
49. Reconcile differences between tax returns and financial statements.
50. Reduce frustration during offering and sales process.
51. Seeing the business from the perspective of buyers.
52. Seller does not have a network of contacts with access to buyers.
53. Seller does not understand the implications between strategic and financial buyers.
54. Seller doesn't want to be distracted from running business.
55. Seller fears adverse effect if premature disclosure (about sale) to key employees and lenders.



56. Showcase the seller's business to buyers.
57. Time savings broker or advisor provides sellers.
58. Understands local marketplace of businesses for sale.
59. Understands seller's industry.
60. Unsolicited offer from a buyer requires expert help.
61. Using broker is the only way sellers know about.
62. Wants to get the highest price.

**Source:** Ted J. Leverette, "Partner" On-Call Network LLC