

A photograph showing the hands and forearms of two people in business attire shaking hands. The person on the left is wearing a dark suit, and the person on the right is wearing a light pink blazer. The background is blurred, showing greenery and a building.

8 REASONS TO HIRE A BARKER BUSINESS BROKER

You have poured your heart and soul into your business. So, when it comes time to sell, how can you ensure the best possible outcome? Hiring an experienced Business Broker is a suitable place to start. Here are eight good reasons why.

1. Accurate business appraisal

Determining the possible sale value of your business in the current market requires both knowledge of appraisal methods and an understanding of the landscape of buyers. A trained Business Broker will know how to properly normalise your accounts and how to apply a multiple-of-earnings assessment or alternative appraisal methodology. Buyers prefer to purchase businesses represented by a professional because they feel more confident the financial information has been reviewed by a third party, who has an unbiased opinion.

2. Effective marketing

A trained business brokerage will know how best to position your business to attract qualified buyers. Quality marketing materials, including a “teaser” advertisement and comprehensive overview of the business in the form of an Information Memorandum, will help attract the best buyer candidates and weed out unsuitable buyers. Barkers will also list your business for sale on their website, run it through their own database of pre-qualified suitable buyers as well as marketplace websites to target acquirers of businesses that fit your size and profile.

3. The right buyers at the table

The universe of potential buyers for your business may be wide and diverse – from individual entrepreneurs to strategic acquirers, private equity firms, and aggregators. There are pros and cons to each. A good Broker will have in place a robust buyer network, as well as resources to reach additional candidates, so the right parties are at the table. Additionally, a Broker can help screen buyers to ensure they have the financial ability to acquire your business, and the right skills to operate it.

4. Effective negotiation

Purchase price is just one component of an offer. Deal terms also significantly impact the attractiveness of a proposal. Are you required to stay on for a lengthy transition? A Broker can help you navigate terms, make informed decisions, and communicate effectively with the parties involved. Additionally, business acquisition negotiations can be emotionally charged. An trained Business Broker will help the parties keep emotions to a minimum and stay focused on a mutually beneficial outcome.

5. An outsourced, efficient process

Running a sales process can be time-consuming. Without the use of a trained Business Broker, the Vendor will need to prepare their own Information Memorandum, undertake a marketing campaign, manage multiple negotiations and respond to ongoing requests for information.

Most business owners have their hands full just running their business, so it makes sense to outsource much of the effort to a professional. A Barker Business Broker will help you avoid any business performance issues that might emerge if you are pulled in too many directions during the process.

6. Confidential dialogue

A sales process requires disclosure of confidential information to multiple parties. Without the assistance of a Broker, it can be difficult to confidentially engage with potential buyers. A Broker can approach buyers, or, with your authority, other industry players, with a “blind teaser,” followed by a Confidentiality Agreement before any information is exchanged. Likewise, a Broker is more likely to be able to retain confidentiality from employee enquiry or other stakeholders of the business.

7. Documentation

There are a number of legal documents involved in a business sale transaction, from the Confidentiality Agreement (CA) right through to the Sale and Purchase Agreement. Your Barker Business Broker has access to industry templated agreements and is skilled in dealing with the often time-consuming back and forth negotiations that take place between vendor and purchaser. This is part of the service offered by Barker Business Brokerage and comes at no extra cost on top of the agreed commission, which is only paid on success. Leveraging the trusted experience of a Broker to help with these negotiations while engaging your Solicitor to do final document review, is an effective way to minimise costs.

8. Using your advisers

Many business owners have established trusted relationships with their accountants and lawyers. They have specific roles in a business sale, but these are quite different from a broker. You will usually be paying for every minute of their advice or an upfront fee, whereas a business broker only charges commission – no sale, no commission and no cost to the vendor. Barker Business Brokers work closely with your advisers but have the added advantage of dealing every day with buyers, knowing what they are looking for and understanding the wider market. The role of the Broker is to build trust with the advisers on both sides of the transaction so that conflicts are minimised, and win-win situations are created. Also, our motivations are completely aligned to the Business Owner. The higher the sales value, the higher the sales commission.



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