

8 Tips for Finding the Best Business Advisor

The Professional Business Advisor

Selling your business for the highest price is the result of years of dedication and persistence. Finding buyers for your business sale can be difficult if you aren't in a hot industry or lack unsolicited offers. An option to gain access to a larger pool of buyers is to consider a business advisor.

What is a Business Advisor?

A business advisor is similar to a real estate agent. Business advisors provide the match making service of bringing together buyers and sellers of businesses. The right business advisor can help your small business to achieve the maximum dollar value. Consider the following tips to find the best business advisor:

1. **Get Referrals:** One best practice is to always get a referral from a trusted source. Ask your accountant, lawyer, peers, and industry association for names of good business advisors.
2. **Check IBBA:** The International Business Brokers Association® (IBBA) is a non-profit "trade association of business brokers providing education, conferences, professional designations and networking opportunities." IBBA has over 1300 members and provides a professional certification process.
3. **Practice Due Diligence:** Just as a prospective buyer of your company will exercise due diligence so should you. Examine your advisor's background, experience, and credentials. Are there any lawsuits or complaints against them? Check the Better Business Bureau. Investigate their references. Have they handled sales of your type of business before?
4. **Find a Specialist:** A business advisor who spends all their time selling businesses will add more value to your sales transaction than a part-time agent. A full-time business advisor can not only bring in a network of contacts but has an understanding of the principles of business valuation. Find someone who is dedicated to the profession. If your company value may be worth millions, consider merger and acquisition intermediaries.
5. **Keep a Secret:** Avoid losing key staff and suppliers by keeping your business sale a secret. The selling of your small business is a highly confidential matter. Your business advisor should ensure all safeguards are in place to protect your company. One word to your suppliers, employees, or customers that you are selling the company can have repercussions on your business operations.
6. **Deliver a Marketing Plan:** Selling your business is all about marketing. Properly positioning the sale of your company to attract and motivate as many buyers as possible should be your goal. Ensure your business advisor has a marketing plan including details of advertising strategies to attract a wide range of potential buyer leads.

7. **No Heavy Front Fee:** A business advisor fee ranges from 10 to 15% commission of the sale price of your company. Avoid any advisor asking you for a large, upfront fee to assess your business value or start an application process.
8. **Avoid the Pressure:** Never allow your business advisor to put you in a pressure situation. Do not make a rush decision. The selling of your company is a complex transaction. Take the time to learn and clarify all uncertainties.

The right business advisor can help your small business find a source of potential buyers and aid in the sale of your company. Selling your business is a complex matter. Work with your team of professional advisors for the best results.

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