

FOR EXECUTIVES SEEKING TO BUY, SELL, OR RECAPITALIZE BUSINESSES

Business Broker or M&A Advisor?

Picking the Right Intermediary for the Sale of Your Business

You are ready to sell your business. You ask around and find that some businesses are sold by Business Brokers and some by Mid-market M&A Advisors. The difference in intermediaries can make difference of 20% to 40% or more in what you can take away in many situations. So, picking the right intermediary can have a major impact on your nest egg. Which one of these is right intermediary for selling your business? Who should you use?

The following table shows the applicability of these intermediaries based on various metrics.

	Business Broker	Mid Market M&A Advisor
Size Of Business	Less than \$2M Less than 10 employees	\$2M - \$100M Tens or Hundreds of employees
Type of Business	Mostly Retail (aka "Main Street")	Distributors, Manufacturers, Healthcare, Technology, Large retail, B2B companies
Typical Representation	Seller & Buyer (Dual Agent)	Either Buyer Or Seller
Typical Acquirers	Individuals	Corporations, PEGs
Typical Sale Type	Asset	Asset or Stock or Mixed
Licenses	Real Estate (RE)	Securities & RE
Pre Sale Planning	No	Yes - Extensive
Business Valuation	Street Multiple / Rules of Thumb	Strategic Value, DCF, Dilution

