

Selling your business: triumph or train wreck?

Business is good. You've built it, grown it and worked it. In fact, for many, the business is your baby. You love it, hate it and wonder what to do with it. Selling the business is a consideration, but how, when, what's it worth and "can I really let it go?"

The road to those answers is often long, hard, confusing and complex. Selling a business—letting go—can be a triumph or a train wreck. It can generate wealth and personal satisfaction or great pain, emotionally and financially. Getting the most out of your business requires preparation, a plan and a purpose. It's a long, winding road requiring good friends, objective sources and a good dose of patience.

The long, winding road

To triumph at selling your business, you must enter the "No Waffling Zone," a place where definition and final decisions have been made to proceed with the business sale. Entering this zone requires a great deal of due diligence, introspection, evaluation and prayerful consideration. It is best done with a circle of trusted friends, savvy advisors and a top-notch business broker. You need a team that can counsel and critique your operations and finances. You need a broker, often called a business intermediary, who can deliver sound, objective and definitive insights about the business, its value, past, present and future.

A business intermediary is one who specializes in the buying and selling of businesses. As a Certified Business Intermediary (CBI), their mission is know the DNA of a business seller and business buyer; to evaluate and construct the specifics of a buying/selling transaction; to manage the due diligence; and to tap into the financial and emotional realities inherent within the transaction. The intrinsic value of a CBI is that they are relationship specialists who work with, in and among all the various players--sellers, buyers, bankers, investors, entrepreneurs, employees, family members, lawyers and more. They take on the tough tasks of brokering the financial agreement. Their ultimate job is to reach a destina-

tion acceptable to all parties. While it's often a difficult, long-winding road, it's doable, even desirable.

Know thy broker

Selling a business is more than doable and desirable. In Collin County, it's a decision made easier by a strong economy, successful entrepreneurs and a host of investors, from private equity groups to large capital investment firms. Adding to the ease of business selling are the increasing numbers of quality business intermediaries ready to navigate the process.

While you can go online and search for "business broker" or "business intermediary," and find hundreds of names, your best approach is to start with the International Business Brokers Association (IBBA) Inc., based in Chicago. There, you can identify broker members and certified members located in your area. A Certified Business Intermediary (CBI) is the designation awarded by the



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IBBA. Receiving the designation involves in-depth educational courses (60 hours of coursework), a comprehensive exam, three years of brokerage experience and adherence to IBBA's ethical standards.

IBBA data show that Collin County ranks highest for the number of Certified Business Intermediaries, compared to Dallas and Tarrant counties. Almost 56 percent of business intermediaries in Collin County are certified,

compared to 48 percent in Dallas County and 44 percent in Tarrant County. Also, Collin County listed one CBI in Allen, and four others throughout the county. So, how do you know thy broker?

Here's how:

1. Check the IBBA Web site, located at www.ibba.org. Check to see if a broker is a member and/or a Certified Business Intermediary.

2. Depend on referrals and relationships for a quality business broker. Ask your banker, lawyer, CPA and other trusted advisors.

3. Meet with the broker at least twice before making a decision. By then, you'll be able to do a character check. You want a CBI that's interested in the relationship, not just transactions or commissions.

4. Ask your broker whom he or she represents. Most likely, a broker will officially represent the seller, but works closely with the buyer too. A quality broker serves as advisor, fact finder and negotiator, and ensures progress by offering objective, non-emotional perspective and practices.

5. Be aware: There are "bad brokers" just as there are bad lawyers and others. For example, Texas records show at least three business brokers convicted of fraud and related crimes since 2004. While such activities represent an extremely small percentage of qualified, high-integrity intermediaries, hucksters do exist. Be smart.

6. Choose a CBI you like. Take the Desert Island test. It's you and the CBI alone, on a small island, for weeks. Are you connected, committed and clearly in sync? Or, are you mumbling, grumbling and praying for a tsunami to hit? That will tell you.

7. Measure success. Talk to your broker about buying and selling successes. Experience and results matter. Make sure your CBI offers both.

These steps get you on your way to triumph. Selling your business is exciting, emotional, decisive and intent on keeping you financially secure. Avoid the train wreck. Achieve triumph. Find a CBI suited just for you.

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