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Anatomy of a Business Sale
By the Numbers

By: Scott Balfour

I just closed a deal that in many ways was typical. As such, I thought I'd answer a question I often get: "What exactly do business brokers do?"

A seller walked into the office and mentioned he might want to sell his business.

We discussed the business and collected data including financials, equipment list, marketing materials, production and operations information, and other important details. Next, a business valuation was prepared, we agreed on an asking price, and entered into a listing arrangement. Once we had the listing, the following happened- by the numbers:

Marketing Effort:

- 14 page marketing brochure created.
- Listing posted on 3 industry web sites which further populated others.
- 3 industry experts consulted.
- Email marketing piece designed and sent to 23 Business Brokers, select customers in our data base, and other targeted audiences.

- 2 newspaper ads and 2 press releases made (confidentiality preserved when required).
- 12 key players in the market contacted.
- 1 ad placed in the company newsletter with a circulation of 6,141.
- Presentation made to a group of 6 Brokers at an office meeting, and 14 fellow brokers at a commercial marketing session.



Marketing Results:

- 60 plus inquiries received.
- 22 prospect confidentiality agreements obtained.
- 8 tours of the business.
- 3 offers received and negotiated.
- Contract for 100% of list price accepted in 178 days.

Closing the Sale:

- 194 page loan package prepared.

- 5 banks approached to determine the best fit.
- 2 banks cooperated together to finance the deal.
- 2 government agencies involved in the transaction.
- 113 days from contract to closing.

Fun Facts:

- Office file grew to 4.25 inches.
- 849 plus prospect follow-up contacts made by phone or email.
- 10 client meetings held.
- 4 final buyer meetings.
- 409 plus seller communications (this is on the way high side of normal).
- 153 plus buyer communications.
- 268 plus communications with banks, lawyers & governmental officials.

All in a day's work.

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Welcome



With 16 Years Experience
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