

FOR EXECUTIVES SEEKING TO BUY, SELL, OR RECAPITALIZE BUSINESSES

Business Broker, M&A Advisor or Investment Banker?

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, some by Mid-market M&A Advisors, and some others by investment bankers. 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	Investment Banker
Size Of Business	Less than \$2M	\$1M - \$100M	\$50M and higher
Type of Business	Mostly Retail	Distributors, Manufacturers, Healthcare, Technology, Large retail, B2B companies	Public or large private companies
Typical Representation	Seller & Buyer (DUAL AGENT)	Either Buyer Or Seller	Either Buyer Or Seller
Typical # Of Employees	Less than 10	Tens or Hundreds	Any size
Typical Acquirers	Individuals	Corporations, PEGs	Public Companies or Large PEGs
Typical Sale Type	Asset	Asset or Stock	Stock or Mixed
Business Valuation	Street Multiple / Rules of Thumb	Strategic Value, DCF	Strategic Value, DCF

