



Financial Calculators

Some times it's the little things that show competence and professionalism. One little thing that many business brokers overlook is being able to proficiently operate a financial calculator. If you are in a listing appointment, assisting a buyer with outlining an offer or presenting an offer to the seller, it's vital that you be able to use a financial calculator.

Over the years, I've had several business brokers tell me they just guess what the payment will be or how much extra income the seller will earn by offering owner financing. This information is too important to being "guessing" or "ball parking". Residential Real Estate Agents, Financial Advisors, Bankers, Mortgage Brokers and countless other professionals are accustomed to utilizing a financial calculator and so should Business Brokers.

If you are competent with a financial calculator, congratulation, if not, consider buying one today. TI – Texas Instruments and HP - Hewlett Packard make the most popular financial calculators and either can be purchased at any office supply store for around \$25.

Practice the following calculations:

- ✓ Payments on different loan amounts at various interest rates, and amortization schedules.
- ✓ Balloon payments/calls due at various months or years.
- ✓ Interest earned by the seller on owner financing.
- ✓ Present Value and Future Value calculations
- ✓ Rate of Returns

This simple but important skill will provide a good rate of return for you with your buyers and sellers.

Donna S. Dailey
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