



The Inventory of Business Brokerage

Business listings are often described as inventory. Without an available “inventory of businesses to sell” a business brokerage office is well...not really in business. As a business broker, if any of us walked into a retail store and found the shelves bare, or the only items available “picked over”, “damaged goods” or “overpriced” we would rightly predict that the business had limited days ahead. But, how many of us view the inventory of our brokerage practices in the same manner? If we did, it might prove an eye opening experience.

The beginning of a new year is a good time to take an inventory count and see exactly what we have to sell.

- How many real, in writing, current listings do we have?
- Of these listings, how many are overpriced?
- How many are “damaged goods”, meaning the business has lost substantial revenue, and profits during these recessionary times?
- How many have been “picked over”, or been on the back burner for months because buyers seem to have little interest in the business?

After doing this simple inventory evaluation exercise, we may decide that our brokerage practice resembles the retail store; the lights are on, there are a few things for sale, but we are really close to being out of business. Therefore, if we are going to keep the doors open in 2009, we must take steps to get rid of unsalable listings and acquire some saleable inventory. Luckily, the beginning of the year usually provides the highest number of business owners contemplating selling their business. Therefore, it’s the best time for business brokers to step up their marketing efforts to acquire saleable inventory. Some concentrated marketing efforts early in the year will provide an inventory of businesses to sell in 2009

(Watch for the next Business Broker’s Toolbox Tip that covers what type businesses buyers will be looking for in 2009.)

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