THE INDEPENDENT BUSINESS BROKERAGE STARTUP CHECKLIST

13 Things to Have in Place Before You Take Your First Listing

Starting a business brokerage involves more than forming a company and finding a seller.

Use this checklist to identify what you already have in place, what still needs to be developed and where you may need outside resources before representing your first client.

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1. LICENSING & REGULATORY REQUIREMENTS

☐ Determine whether a real estate license is required for business brokerage in your state

☐ Determine whether you must operate under a qualifying broker or broker-in-charge

☐ Complete required pre-licensing education and examinations

☐ Complete background check and fingerprint requirements, if applicable

☐ Confirm post-licensing and continuing education requirements

☐ Determine whether your brokerage entity requires a separate license or registration

☐ Confirm advertising and branding requirements associated with your license

STATUS: ☐ READY ☐ IN PROGRESS ☐ NOT STARTED

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2. BUSINESS BROKERAGE TRAINING

☐ Understand the business sale process from listing through closing

☐ Learn how to analyze business financial statements

☐ Understand confidentiality requirements

☐ Learn how to qualify prospective buyers

☐ Understand business acquisition financing and debt coverage

☐ Learn the due diligence process

☐ Understand the role of landlords and leases in business transactions

☐ Develop transaction negotiation skills

☐ Identify experienced resources you can turn to when a transaction becomes complicated

STATUS: ☐ READY ☐ IN PROGRESS ☐ NOT STARTED

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3. BUSINESS VALUATION

☐ Understand Seller's Discretionary Earnings (SDE)

☐ Understand EBITDA

☐ Know how to identify and support appropriate add-backs

☐ Understand earnings and revenue multiples

☐ Have access to comparable business sales data

☐ Understand asset values and industry-specific valuation factors

☐ Establish a consistent valuation methodology

☐ Have the tools necessary to prepare and support an opinion of value

STATUS: ☐ READY ☐ IN PROGRESS ☐ NOT STARTED

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4. BUSINESS & FINANCIAL INFRASTRUCTURE

☐ Establish your legal business entity

☐ Register your DBA or trade name, if applicable

☐ Obtain an EIN

☐ Complete required state registrations

☐ Establish a business bank account

☐ Set up an accounting system

☐ Establish a process for tracking commissions, expenses and taxes

☐ Engage appropriate accounting and tax resources

STATUS: ☐ READY ☐ IN PROGRESS ☐ NOT STARTED

5. INSURANCE & RISK MANAGEMENT

☐ Obtain Errors & Omissions insurance that specifically covers business brokerage activities

☐ Confirm coverage for transactions that do not include real estate

☐ Evaluate general liability insurance needs

☐ Evaluate cybersecurity coverage

☐ Confirm appropriate automobile coverage for business use

☐ Establish procedures for protecting confidential buyer and seller information

STATUS: ☐ READY ☐ IN PROGRESS ☐ NOT STARTED

6. LEGAL DOCUMENTS

☐ Listing agreement

☐ Buyer confidentiality/NDA agreement

☐ Purchase agreement

☐ Amendments and transaction modification forms

☐ Referral agreement

☐ Co-brokerage/commission agreement

☐ Seller confidentiality documents

☐ Required disclosures

☐ Have documents reviewed or prepared by qualified legal counsel familiar with business brokerage in your state

STATUS: ☐ READY ☐ IN PROGRESS ☐ NOT STARTED

7. ESCROW & CLOSING PROCEDURES

☐ Determine whether your brokerage will hold escrow funds

☐ Understand state escrow requirements

☐ Establish the appropriate escrow account, if required

☐ Create procedures for deposits, receipts and releases

☐ Establish reconciliation and record-retention procedures

☐ Identify a closing attorney, escrow agent or other professional experienced in business transactions

☐ Develop a standard closing process

STATUS: ☐ READY ☐ IN PROGRESS ☐ NOT STARTED

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8. BRAND & PROFESSIONAL PRESENCE

☐ Select and register your business name

☐ Secure your domain

☐ Establish professional business email

☐ Develop your logo and visual identity

☐ Create your brand positioning and messaging

☐ Obtain professional photography/headshots

☐ Establish professional social media profiles

☐ Create business cards and other necessary marketing materials

Can your brand clearly answer this question?

Why should a business owner trust you with the sale of one of their largest financial assets?

STATUS: ☐ READY ☐ IN PROGRESS ☐ NOT STARTED

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9. BUSINESS BROKERAGE WEBSITE

☐ Confidential listing presentation

☐ Buyer registration

☐ Confidentiality/NDA process

☐ Listing inquiry process

☐ Seller lead capture

☐ Valuation request capability

☐ Listing search functionality

☐ CRM integration

☐ Email marketing integration

☐ Analytics and lead tracking

☐ Secure handling of confidential information

☐ Mobile-friendly design

STATUS: ☐ READY ☐ IN PROGRESS ☐ NOT STARTED

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10. TECHNOLOGY STACK

☐ Customer Relationship Management (CRM)

☐ Buyer database management

☐ Seller and listing management

☐ Lead tracking

☐ Electronic signatures

☐ Secure document storage

☐ Transaction management

☐ Email marketing

☐ Marketing automation

☐ Reporting and analytics

☐ AI and productivity tools

☐ Establish integrations between your major systems

Can you measure:

☐ Cost per lead

☐ Cost per listing

☐ Lead-to-appointment conversion

☐ Appointment-to-listing conversion

☐ Marketing source performance

☐ Cost per closing

STATUS: ☐ READY ☐ IN PROGRESS ☐ NOT STARTED

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11. LISTING MARKETING & DISTRIBUTION

☐ Establish accounts with appropriate business-for-sale marketplaces

☐ Develop your website listing process

☐ Establish an email marketing strategy

☐ Develop a social media distribution strategy

☐ Establish procedures for direct buyer outreach

☐ Develop co-broker relationships where appropriate

☐ Establish a process for updating listings across multiple platforms

☐ Create procedures to protect seller confidentiality throughout the marketing process

STATUS: ☐ READY ☐ IN PROGRESS ☐ NOT STARTED

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12. BUYER DATABASE

☐ Establish a system for capturing buyer inquiries

☐ Create a buyer registration process

☐ Establish a buyer qualification process

☐ Track geographic preferences

☐ Track industry/business preferences

☐ Track price range

☐ Track buyer liquidity

☐ Track financing needs

☐ Track experience and qualifications

☐ Track acquisition timeline

☐ Establish ongoing communication with registered buyers

☐ Develop a strategy for continuously growing the database

Remember:

A buyer database becomes more valuable as you learn who those buyers are and what they can actually acquire.

STATUS: ☐ READY ☐ IN PROGRESS ☐ NOT STARTED

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13. SELLER LEAD GENERATION

Identify the channels you will use to consistently generate listing opportunities:

☐ Direct prospecting

☐ Referral partners

☐ CPAs

☐ Attorneys

☐ Lenders

☐ Commercial real estate professionals

☐ Existing business owners

☐ Direct mail

☐ Email marketing

☐ SEO/content marketing

☐ Paid digital advertising

☐ Social media

☐ Networking

☐ Database marketing

Establish how you will measure:

☐ Leads generated

☐ Cost per lead

☐ Valuations completed

☐ Listing appointments

☐ Listings signed

☐ Appointment-to-listing conversion rate

☐ Transactions closed

☐ Cost per listing

☐ Cost per closing

STATUS: ☐ READY ☐ IN PROGRESS ☐ NOT STARTED

HOW READY IS YOUR BROKERAGE?

Go back through the 13 sections and mark the status of each.

READY

_____ of 13

IN PROGRESS

_____ of 13

NOT STARTED

_____ of 13

What did the checklist reveal?

11-13 ARE READY

You have identified and established much of the infrastructure required to begin operating your brokerage. Your next challenge is executing consistently and building your pipeline.

7-10 ARE READY

You have made meaningful progress, but several components of your brokerage still need to be sourced, developed or implemented.

0-6 ARE READY

A significant portion of your brokerage operating system still needs to be built. Consider the time, cost and expertise required to complete the remaining areas as part of your startup plan.

BUILD THE SYSTEM OR START WITH ONE?

Starting independently gives you the freedom to create your brokerage your way. It also means taking responsibility for sourcing, building, testing and managing each of the components on this checklist.

A franchise takes a different approach.

We Sell Restaurants franchisees enter a system specifically designed for restaurant brokerage, including training, technology, marketing resources, operating processes, buyer infrastructure, coaching and an established brand.

The question isn't simply what it costs to start.

It's what you need to build before you're ready to compete.

See What We Sell Restaurants Has Already Built

Compare the training, technology, marketing, systems and resources available through a We Sell Restaurants franchise with the items you would need to build and manage independently.

Explore the We Sell Restaurants Franchise Opportunity