

Business broker takes matchmaking seriously

By MARGARET SCHMITZ RIZZO
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When Tim Skarda was looking for a business to buy, he just kept on looking.

There were interesting companies to buy, but he couldn't find one that was the right fit for him. After talking to business brokers, he realized that instead of buying a business for himself, he wanted to help other people buy and sell their businesses.

"I thought I could do some innovative things in my business brokerage firm," said Skarda, owner of Allied Business Group Inc.

Skarda helps people buy and sell small and medium-size businesses. Acting as a broker, he matches buyers and sellers. Like real estate agents, business brokers have no upfront fees. They take a listing for a designated period of time and get paid a percentage rate after they sell the business.

However, when a seller is putting a home on the market, he or she wants everyone to know about it. The agent puts a sign in the yard and an ad in the newspaper, and utilizes the Multiple Listing Service.

Business brokers keep the sale of a business much quieter. Business owners selling a company don't want to worry their customers, their employ-



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ees or their suppliers. Confidentiality is critical, so buyers are given generic information about a business for sale until they are considered qualified – both operationally and financially – and have signed a nondisclosure agreement. Only then do they receive more specific information about a company.

"It is very different in that aspect," said Skarda, adding that people don't know how simple it is to buy a business. Similar to homeownership, most buy a business with a 20 percent or 25 percent down payment and find financing for the remainder.

Skarda is familiar with the commercial loan business. He started a decade ago at UMB Bank's commercial credit department after graduating from the University of Kansas. Then he joined his father's business, Skarda Equipment Co., a wholesale distributor of automation equipment. There he learned the ins and outs of running a small business, which led to his desire for a business of his own.

"It was really a great learning experience for me, and I feel it helped me talk the talk and understand what business owners go through and the challenges they face," he said.

BUSINESS PROFILE

"I feel I can relate to them very well – not just distributors, but other business owners as well. Small businesses have unique challenges that I feel I've experienced firsthand."

Now Skarda helps others make life changes. Some buyers have lost their job or just want a career change. Sellers may want to retire, move cross country or try a new career. He finds a buyer and seller and makes the match.

"It is like a marriage," he said. "I take it as a pretty big responsibility to work with someone who wants me to sell their business ... They are depending on me so they can retire. Buyers are depending on me to help them find a new occupation in life. It is rewarding when people are happy with the deal when it is done. It's not easy to do."

The Kansas City Business Brokers Association is a network of business brokers that collaborate to sell one another's listings. Skarda has about 12 businesses he currently is trying to sell, but with the network, he can offer potential buyers about 100 businesses to choose from.

He works hard to help sellers understand the market value of their business. He is a member

of the Institute of Business Appraisers and the International Business Brokers Association. Like homeowners, sellers may have unrealistic expectations of what their business is worth. The business broker tries to educate his clients so they have enough knowledge to make a well-informed decision.

"In today's environment of voice mail and automated phone systems and frankly poor customer service – I want to keep a personal service focus," Skarda said. "My goal is not to do 20 deals a year and to burn them through, but to do good matches and make sure the buyer is qualified and competent to run the business and make sure they will enjoy running it and want to work at it."



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