

## FEATURE ARTICLE

# Quality or Quantity – What is Your Practice?

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Many organizations pride themselves in the practice of always saying yes to prospective clients. What some fail to understand is that sometimes no is simply the better answer.

In our line of work, the most important thing we can do is say no. We say no because it allows us to be honest to ourselves, and more importantly, our clients. Our no communicates clearly upfront what we can or cannot do, allowing no room for misunderstandings. As brokers, we say no to two kinds of clients:

1. Business owners who are hesitant about selling or have unrealistic expectations: Without the right motivations, it is difficult for clients to remain committed to the sometimes long and tedious process. We give our clients enough room so they can decide for themselves when the time is right.
2. Business owners who are trying to “get-out-while-they-can”: While these business owners may be motivated to sell, most buyers shouldn’t buy them. Companies with downward trending patterns are unmarketable, no matter how you dress them up.

Once we have found a quality client with a good company, we owe it to them to find the right buyer. Our most important duty as business intermediaries is to match our clients with the best buyers, classified as having the three **Ms**:

**Money:** This one is obvious. The show doesn’t start unless a buyer has sufficient resources able to be leveraged for a transaction.

**Motivation:** Many buyer prospects dream of being their own boss but most will never take the next step. These window-shoppers spend years looking, but no company will ever be the “right” one. We owe it to our clients to bring them prospects with sincere interests in acquiring their companies.

**Management:** Many of our clients think beyond closing the deal and consider whether a buyer is good for the wellbeing of the company’s future. After all, for most of our clients, their business is their “baby.” While we discourage seller financing or earn-outs, a prospective buyer’s management ability is especially important if there are contingent payments after the sale. The right buyer must be able to run the company successfully after the deal is done.

Although our practice may sound cynical, by saying no we are really making our yes much more powerful. We are saying yes to a selective group of business owners with marketable companies who are ready to sell. We are saying yes to serious and qualified buyers who need our help to close a deal. We are also saying yes to our own time, which is our most precious resource.

Of course, this approach also has benefits for our own organization. By being more selective, we are able to spend considerably more time, energy and resources on the clients we choose to represent. This leads to better quality deals, a higher success rate and happier clients who, in turn, provide unbeatable referrals.

The question to ask yourself is this: do you want to be just another broker in town or do you want to be the one that everyone turns to? It’s completely your decision.

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