What does a business broker charge? And do you need one? A guide for Greater Cincinnati owners

The percentage is the number everyone asks about. What it's charged on, and what it costs to get out of the agreement, usually matter as much.

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Preparation-first business brokerage for owner-led companies.

Most business brokers are paid a success fee when the sale closes, figured as a percentage of the price. On smaller Main Street sales the rate is often around 10 percent, and it usually steps down as the price rises, so a $5 million company pays a lower percentage than a $500,000 one. Many brokers also set a minimum fee, and some charge a retainer up front. Every engagement is different and the terms are set case by case, which is why the agreement matters more than any rate you read online. Some owners don't need a broker at all, and the last section of this guide covers when that may be the case.

Choosing who runs the sale is part of the transaction stage in The five stages of a business exit. This guide covers the money side of that choice. How to choose a business broker in Cincinnati covers the rest, including the questions to ask in a first meeting.

How business brokers charge

Fee structures can vary, and most agreements use one or more of them. The ranges below come from published sources and are general information only. Each broker sets its own fees, and every fee is negotiated separately between the owner and the broker.

The success fee is the main part of the fee for most brokers, and it's owed only if the business sells. For sales up to about $1 million, an attorney who also works as a business broker put the typical range at 10 to 15 percent in an article for BizBuySell, with a lower rate on the amount above that. Very small businesses, under about $100,000, are often sold for a flat fee instead.

Larger sales usually use a sliding scale that drops the percentage in steps. A common version, the Double Lehman scale, charges 10 percent of the first $1 million of the price, 8 percent of the second million, 6 percent of the third, 4 percent of the fourth and 2 percent of everything above $4 million.

On a $3 million sale that works out to $240,000, or 8 percent. On a $5 million sale it's $300,000, or 6 percent.

A minimum fee sets a floor so a small or discounted sale still covers the work. BizQuest, a business-for-sale marketplace, puts typical minimums for small businesses at $10,000 to $25,000. On a sale under about $150,000, a minimum like that can take a large share of what the owner walks away with.

Some brokers charge a retainer, an upfront or monthly fee to start the work. Others take nothing until closing, though some ask for a modest amount up front to cover hard marketing costs, such as listing-site fees. Retainers are more common as deals get larger. In Axial's 2026 survey of 331 advisors, most of them working on middle-market sales, 71 percent charged some form of upfront fee. When there is a retainer, ask whether it's credited against the success fee at closing. Most are, but not all.

What the fee is charged on

Grady, who spent years as a chief financial officer on the buying side of acquisitions, asks the same first question of any advisor's engagement letter, and it's the one an owner should ask too. What will they charge, and what is that number based on? A 10 percent fee on the "price" can mean different things depending on how the agreement defines the price.

Check how the agreement treats each of these.

- Money paid later. A seller note or an earnout is part of the price, but the owner may not see it for years, and an earnout may never pay in full. Most agreements charge the fee on the full price at closing, including the part the seller finances. Some brokers will take part of their fee as the payments come in. Ask before you sign, not after the letter of intent.
- Inventory and working capital. Some deals price inventory or working capital separately from the business. Find out whether the fee applies to those amounts too.
- Debt the buyer takes over. If the buyer assumes a loan or a lease obligation, some agreements count that toward the price.
- The building, which has its own section below.

None of these is a trick. They are the places where an owner and a broker can read the same clause two different ways, and the agreement should leave no room for that.

When the building or a lease is part of the deal

Ask whether the building is part of the commission before you sign, and get the answer written into the agreement. Owners who sell the building with the business, or keep it and lease it to the buyer, are often surprised to find the agreement covers more, or less, than they assumed. A lease is usually commissioned differently from a building sale, so if you plan to keep the property and lease it to the buyer, ask how that part is handled too.

In Ohio, no license is required to broker business assets alone, but a sale that includes the sale or lease of a building must run through an Ohio real estate licensee. A business broker without a real estate license either brings in someone who has one or leaves that part to the owner.

On the buying side, the building is often its own negotiation anyway. Companies that buy businesses regularly may leave the building out of the business purchase entirely and have a separate real estate team negotiate any building deal on its own track. Selling a business that owns its building walks through the choices.

Who pays when the buyer has a broker too

The seller usually pays the broker's fee, and the seller pays it once. If the buyer has a broker of their own, the seller's broker shares part of the fee with them, which is called co-brokering. An even split is common, and splits of 60 percent to the seller's broker and 40 percent to the buyer's broker are common too. The share is agreed between the two brokers and should be disclosed to the seller in writing.

Many buyers don't bring a broker at all, and companies that buy businesses often don't. Then whatever the seller owes their own broker is the seller's to work out.

When a buyer hires a broker and the seller's broker won't share the fee, the buyer pays their broker directly. The same BizBuySell article puts those buyer-paid flat fees at $5,000 to $25,000, often half up front and half at closing. Some buyers with a broker ask in the letter of intent for the seller to cover their broker's fee. The seller can agree, counter or say no, and if the seller agrees, the cost usually shows up somewhere else in the price or terms.

How long the agreement runs, and the tail

A listing agreement usually runs six months to a year. After it ends, most agreements keep a tail period during which the broker is still owed a fee if a buyer they introduced closes. Tails commonly run anywhere from six months to two years.

The length matters less than the definition. Attorneys at Morgan Lewis call what counts as a broker's buyer a "hotly contested" point, because the broker wants it broad and the seller wants it narrow. A sound definition covers buyers the broker can show they introduced, such as a buyer who signed a nondisclosure agreement, received the confidential information memorandum or met with the owner. It shouldn't reach anyone who happened to hear the business was for sale.

Ask for one more thing in writing. When the agreement ends, the broker should deliver a written list of the buyers covered by the tail, by a set deadline. Then both sides know exactly which buyers carry a fee, and the owner can talk to anyone else freely.

Before you sign

Before signing any engagement letter, ask four questions.

1. What is the fee, and what is it based on?

2. Are the retainer and the minimum fee in line with what the market charges? A reasonable one is normal, and an unusual one deserves a question before you sign.
3. Is what you're hearing in the first meeting how the broker will actually work, or is it a sales pitch? Every broker is on their best behavior while trying to win the engagement.
4. If it doesn't work out, how do you get out, and what will that cost? Look at the term, how either side can end the agreement, any fee owed if you cancel, and the tail.

The third question is the hardest to answer from an agreement, so test it. Most people show how they'll operate before anything is signed. Does the broker answer the phone, or call back soon? Send a question or ask for something before you sign, and see how long the answer takes. A broker who is slow to respond while trying to win your business is unlikely to get faster after you've signed.

Have your attorney read the agreement before you sign it. How to choose a business broker in Cincinnati covers the other terms worth asking about, including exclusivity and what happens if a full-price buyer appears and you decide not to sell.

Do you need a business broker?

No law requires one, and some owners are better off without one. A small, simple business may not be worth a broker's minimum fee, especially at a boutique firm. An owner who already has a buyer, such as a longtime employee, a family member or a competitor who called with an offer, has skipped the hardest part of what a broker does.

The real test is the owner. Ask yourself four questions. Are you comfortable stepping away from the business to run a sale? Do you have the time? Do you have the experience? Have you sold a business before? If the honest answer to all four is yes, you may be able to run the sale yourself.

There is a fair argument on the other side. An old saying holds that a lawyer who represents himself has a fool for a client, and some apply it to owners selling their own business, since it's hard to negotiate well from that close. Terry Monroe, a longtime business broker, describes owners who assume that success running a business makes them ready to sell one. Walker Deibel, writing from the buyer's side in *Buy Then Build*, tried to buy a company without a broker and came away seeing what the broker had been doing for the seller, mainly walking them through the value and getting them ready emotionally to sell.

Owners who sell on their own run into the same problems again and again.

- Price. Owners tend to value their own business too high, or accept too little because they don't know the market.
- Slipping results. Running a sale takes time away from running the company, and a drop in results during the sale usually leads to a lower price.
- Confidentiality. Without someone between the owner and the buyers, word of the sale can reach employees, customers or competitors early.
- A single buyer. Selling to the first buyer who asks leaves no competing offer to measure against.

- The letter of intent. Signing a letter of intent before an attorney reads it can lock in terms that are hard to change later.

An owner who sells without a broker still needs help where they're weakest. A good transaction attorney handles the letter of intent and the purchase agreement. The owner's CPA handles the tax side and the numbers the buyer's lender will review. With those two in place, some owners don't need a broker. Owners who aren't sure can ask a broker to work on only part of the sale, such as closing a deal with a buyer the owner already found, often for a reduced fee.

Where to start

Every sale is different, so treat the ranges in this guide as a starting point for the conversation, not a quote. Main Street Exit Partners is a business broker in Cincinnati for owner-led companies across Greater Cincinnati, Northern Kentucky and Southeast Indiana. It works on a success fee paid at closing, with no upfront engagement fee. A minimum fee applies to every engagement, and the specific terms are reviewed privately before you sign anything. How it works with owners who want to sell your business is described on its own page, and a private conversation about where things stand is a reasonable place to begin.

Common questions

Who pays the business broker's fee?

The seller usually pays it at closing. If the buyer has a broker too, the seller's broker shares part of the fee with them, so the seller pays one fee, not two. A buyer who hires a broker the seller's broker won't share with pays that broker directly, often a flat fee. A buyer can ask in the letter of intent for the seller to cover their broker's fee, and the seller can agree, counter or decline.

What is the Double Lehman scale?

The Double Lehman scale is a sliding formula for a broker's success fee. It charges 10 percent of the first $1 million of the sale price, 8 percent of the second million, 6 percent of the third, 4 percent of the fourth and 2 percent of everything above $4 million. On a $5 million sale that comes to $300,000, or 6 percent. Brokers often use it for sales above a couple of million dollars.

Do business brokers charge upfront fees?

Some do, and many don't. On smaller Main Street sales, most brokers work on a success fee paid at closing, and some ask for a modest amount up front to cover hard marketing costs. Retainers, paid up front or monthly, are more common as deals get larger. If there is one, ask whether it's credited against the success fee at closing. Main Street Exit Partners charges no upfront engagement fee.

Sources

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The Exit Library is designed to help owners understand the business-sale process before they are in the middle of it.

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