What does a business broker do? Everything, from the first meeting to the handover

Owners tend to think a broker either does very little or does everything. The real list is longer than the first and shorter than the second.

By Grady Collins
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Preparation-first business brokerage for owner-led companies.

A business broker is the person who represents the owner of a privately held company in its sale, and most of the job is running the process so the owner can keep running the business. The broker learns the business, gets it ready for a buyer's review, markets it confidentially, finds buyers and brings them forward, runs the back-and-forth on price and terms, and keeps due diligence and closing moving. Most are paid a success fee at closing. 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.

That one paragraph is the short answer. The rest of this article is the long one, because the short answer leaves out most of what owners don't see until they're in the middle of a sale. It follows the order of The five stages of a business exit, then covers the parts of the job that never appear on a task list, what a broker doesn't do, and what stays with the owner no matter who runs the sale.

Other names for a business broker

Business brokers go by several names, and the differences are mostly about deal size and focus.

- Business intermediary is the umbrella term for anyone who represents a buyer or seller in the sale of a company, and the industry uses it for brokers too.
- M&A advisor or M&A intermediary (M&A stands for mergers and acquisitions) usually means someone working on larger companies, often sold to private equity firms or larger companies in the same industry. The work is much the same, and the buyers and deal terms tend to be more complex.
- Investment banker usually means a firm working on the largest deals. These firms are generally registered as securities broker-dealers. Since 2023, a federal exemption has let some brokers on sales of smaller private companies work without that registration, though state rules still apply.

- Sell-side advisor is any of these when it represents the seller. A buy-side advisor represents a buyer.
- Exit planner is a different job. An exit planner helps an owner plan for leaving the business, often years ahead, and usually doesn't run the sale itself.

A real estate agent is the closest cousin, and the comparison comes up often. Both act as an agent for a client in a sale and are usually paid a commission at closing. The work is different, though. A house or building sells on its location and condition and is marketed as widely as possible. A business sells on its earnings and its people, has to be marketed quietly, and brings employees, customer contracts, licenses and buyer financing into the deal. The overlap is the building. Ohio requires no license to broker a business itself, but a real estate agent needs one, and a business sale that includes the sale or lease of real estate must run through a real estate licensee. That's why some business brokers are also licensed real estate agents.

Two things owners tend to get wrong

The first is that selling a business should be easy, so a broker adds little and isn't worth the fee. Owners who think this usually picture the listing and the closing and not much in between. The in-between is months of document requests, buyer questions, lender questions and negotiation, most of it arriving while the owner is still responsible for this month's results.

The second runs the other way. Some owners assume they can hand the business to a broker and wait for a check. A broker does carry most of the legwork, but the broker can only present the business as well as the broker understands it, and that understanding comes from the owner. The financial statements, the tax returns, the customer list, the leases and the answers to buyers' questions all start with the owner.

Both mistakes lead to the same place. The work of a sale has to get done either way. The only real choice is whether it happens before the business goes to market, when there is time to do it well, or in the thick of a deal, when a buyer is waiting for the answer.

Before the business goes to market

Most of a broker's early work is learning the business well enough to explain it to a stranger who is deciding whether to spend millions of dollars on it. That usually means the following.

- Learning what the owner wants from the sale. Price matters, and so do timing, what happens to employees, how long the owner is willing to stay on, and whether the owner would carry part of the price as a note.
- Collecting the documents a buyer will ask for later. That is three to five years of financial statements and tax returns, the leases, major customer and supplier contracts, licenses, equipment lists, payroll and organizational charts.
- Recasting the financial statements to show what the business earns for an owner, adding back one-time and personal expenses that ran through the company. Each add-back needs a document behind it, because a buyer's accountant will test every one.

- Estimating a realistic range of value from the recast earnings and from what similar businesses have sold for. That range is a market opinion, not a certified appraisal, and the owner's expectations get set against it early, before a buyer does it less gently.
- Finding what a buyer is likely to question and deciding what can be fixed before listing. Customer concentration, an owner who holds every important customer relationship, a lease with two years left, books that don't tie to the tax returns. Some of these can be fixed in months and some can only be explained.
- Setting the terms of the engagement in a listing agreement, including the fee, how long it runs and how either side can end it. What does a business broker charge? covers that agreement in detail.
- Bringing the owner's attorney and CPA in early, so the tax and legal structure is thought through before an offer forces the question.

Marketing the business without giving it away

A business for sale can't be advertised like a house. If employees, customers or competitors learn about the sale too early, the business can lose value before a buyer ever sees it. The broker runs the system that keeps the sale quiet, which How to sell your business confidentially covers step by step.

- Writing a blind profile, a short description that tells a buyer what kind of business is for sale without naming it.
- Writing the confidential information memorandum, the full document that tells a buyer the business's story and backs it up with the numbers.
- Finding buyers through listing sites, the broker's own list of buyers, and direct outreach to companies and investors who are likely to want this particular business. A competitor, a private equity firm with a company in the same industry and a first-time individual buyer each need a different approach.
- Requiring a signed nondisclosure agreement and a buyer profile, with the buyer's background and financial capacity, before anything confidential is shared. Where a buyer will need a loan, the broker asks early whether a lender has looked at them.
- Taking the first calls and answering the first round of questions, so the owner spends time only with buyers who are serious.
- Preparing the owner for buyer meetings, including which questions are coming and which answers need a document behind them.

Offers and negotiation

Main Street Exit Partners leads commercial negotiation and process management. In practice that is most of the middle of a sale.

- Comparing offers on more than price. Two offers at the same number can be very different deals once you look at how much is paid at closing, how much depends on a seller note or an earnout,

how the buyer is paying for it, what working capital has to stay in the business and how long the owner is expected to stay.
- Keeping more than one buyer in the conversation where possible, since a single buyer has no reason to improve an offer.
- Negotiating the letter of intent with the owner's attorney reading it before anyone signs. Terms agreed loosely at this stage are hard to change later.
- Carrying the hard conversations about price and terms, so the owner and buyer can stay on good terms with each other. Brokers have long kept the owner and buyer from negotiating face to face, because the more aggressive side tends to win and the other side leaves unhappy, which makes the deal harder to close.
- Delivering bad news to the owner plainly when an offer is weaker than hoped, or when the market is saying something about the business that the owner doesn't want to hear.

Due diligence and closing

Owners tend to underestimate how fast the requests come once a letter of intent is signed. The buyer's advisors and lender each send their own lists, often with overlapping questions and short deadlines. The broker's job is to keep that from swamping the owner and the business.

- Organizing the data room and tracking every request until it's answered.
- Keeping a calendar for the deal and holding everyone to it. Deals that drift tend to die.
- Working with the buyer's lender. On a deal with a Small Business Administration (SBA) loan, the lender orders its own review of the business and has its own requirements, and a broker who knows them can head off delays.
- Working with the attorneys on both sides, the accountants, the landlord on a lease assignment, and the title or closing company.
- Helping resolve the problems diligence turns up, such as a missing license, a lien, a customer who won't consent to a contract assignment, or a month of weak results, before they turn into a reason for the buyer to walk away.
- Planning the handover alongside the closing. The closing transfers ownership, but the buyer also needs the lease, licenses, insurance, phone numbers and utilities in place, and a plan for when the owner introduces the buyer to employees, customers and suppliers.

The parts of the job that don't show up on a task list

Most owners sell a business once. The broker has been through it many times, and a good share of the value is in the parts of the job that never appear in a listing agreement.

- Part psychologist. A sale stirs up more than owners expect. Pride in what they built, worry about employees, doubt about what comes next and, late in a deal, sometimes a strong urge to call the whole thing off. A broker who has seen it before can tell the owner it's normal and help them decide with a clear head.

- Part hand-holder. Selling takes many months, and much of it is waiting. The broker keeps the owner informed when there is news and when there isn't, so silence doesn't turn into worry.
- Part sherpa. The broker knows the route and where people usually get hurt, such as the point in diligence when a buyer finds something unexpected, or the week before closing when a lender adds a condition.
- Part negotiator. The broker can push hard on price and terms without damaging the relationship the owner will need with the buyer through the transition.
- Part buffer. Buyers test owners, and owners are close to their businesses. A broker takes the first round of criticism, which keeps the owner from saying something in frustration that costs money.
- Keeper of momentum. Deals lose energy in the long middle stretch, and someone has to keep pushing for the next document, the next answer and the next signature.

Buyers notice the difference too. A former corporate development leader at a large company that bought dozens of smaller service businesses told Grady in November 2026 that his team preferred deals where the seller had a broker. The broker had already set realistic expectations with the owner, knew the questions a buyer would ask and had much of the documentation ready before diligence started. And the broker helped a first-time seller through a long and sometimes difficult process, which kept the deal from stalling.

None of that changes whom the broker works for. A seller's broker works for the seller, owes the seller loyalty and has to put the seller's interests first. That changes only under a separate written agreement, such as a buyer representation agreement, or a dual agency agreement that both sides sign where state law allows one. Each arrangement carries different legal duties, and the owner's attorney can explain them. A smoother deal helps the buyer, but it matters to a seller's broker because it helps the seller close on good terms.

What a business broker doesn't do

A broker isn't the owner's attorney, accountant, appraiser or lender, and a good one is clear about where those lines sit.

- No legal advice. The owner's attorney leads legal review and drafts or reviews the purchase agreement.
- No drafting legal agreements. Writing or rewriting the legal terms of a purchase agreement, a lease assignment or any other contract for a client is the attorney's job. A broker who does it risks the unauthorized practice of law, which in Ohio the Supreme Court of Ohio regulates. A broker can fill in the blanks on an attorney-prepared form, such as names, dates and prices, but the legal language belongs to the attorney.
- No tax advice. The owner's tax advisor and attorney lead tax structuring, such as an asset sale against a stock sale or how the price is allocated.
- No certified appraisal. A broker's value range is a market opinion. When a lender, a court or a partner needs a formal valuation, a credentialed appraiser does it.
- No lending decisions. The buyer's lender decides whether and how much to lend.

- No guarantees. No broker can promise a price, a buyer or a closing date.
- No running the business. The owner keeps doing that through closing, which is the next section.

What the owner still does

A broker takes on most of the legwork, and the owner still carries a real load. The owner provides the documents, answers the questions only the owner can answer, meets buyers, makes every decision on price and terms, and signs. During due diligence, requests can come from the buyer, the buyer's accountant, attorney and lender, and the closing company all in the same week.

All of that comes on top of running the company, and that is where sales go wrong. Panelists at an ACG Cincinnati member lunch in October 2026 described deals that ended because the company's results slipped while the owner's attention was on the sale. A buyer who sees revenue dropping during diligence will usually ask for a lower price, and some walk away.

This is why Main Street Exit Partners starts with preparation. When the documents are gathered, the numbers are recast and the hard questions have answers before the business goes to market, the owner spends the sale answering follow-up questions instead of building the file from scratch while a buyer waits.

After closing

Main Street Exit Partners' active role ends at closing. After that, the money belongs to the owner's own advisors. Collecting on a seller note, watching an earnout and investing the proceeds are for the owner, the owner's attorney, CPA and wealth advisor, under the terms the purchase agreement set. The day after the wire covers what the first weeks look like for the owner.

A broker who did the job well still checks in with both sides during the transition, to see whether anything is stuck that a phone call could fix. And the relationships don't end at the closing table. Buyers who build a business often sell it again someday, and owners who sell one company often go on to buy another or start something new.

How to tell whether your broker is doing the work

Most of a broker's work happens out of the owner's sight, so ask for it to be visible.

- Regular updates with specifics, such as how many buyers were contacted, how many signed a nondisclosure agreement, and who is still in active conversation. "There's good interest" isn't an update.
- A written record of every buyer contact.
- Any change to the asking price or terms made in writing and signed.
- Calls and emails returned promptly. A broker who is slow before you sign will not get faster after.

How to choose a business broker in Cincinnati covers the questions to ask before you hire one, and the page for owners looking for a business broker in Cincinnati explains how Main Street Exit Partners works with owners in Southwest Ohio, Northern Kentucky and Southeast Indiana.

Questions owners ask about business brokers

Does a business broker work for the buyer or the seller?

Usually the seller. A seller's broker works for the seller and has to put the seller's interests first. A broker can represent a buyer under a separate written agreement, and some states allow one broker to represent both sides under a dual agency agreement both parties sign. Main Street Exit Partners primarily represents sellers, represents a buyer only under a separate written agreement, and never represents both sides in the same sale.

How much of an owner′s time does selling a business take?

More than most owners expect, and the load is uneven. The early months are about gathering documents and answering the broker's questions about the business. The heaviest stretch is due diligence, when the buyer's advisors and lender can all send requests in the same week. Owners who prepare before going to market spend that stretch answering follow-up questions instead of building the file while a buyer waits.

What doesn′t a business broker do?

A business broker doesn't give legal or tax advice, perform certified appraisals, make lending decisions or guarantee a price, buyer or closing date. Drafting contracts for a client is the attorney's job, and a broker who does it risks the unauthorized practice of law. The owner's attorney leads legal review, the owner's tax advisor and attorney lead tax structuring, and the buyer's lender decides on financing. The owner keeps running the business through closing.

Sources

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