



CERTIFIED BUSINESS BROKER (CBB)
STUDY GUIDE

Sponsored by:



Accredited Certification Institute (ACI)

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This study guide has been created for individuals who are studying for the Certified Business Broker (CBB) Certification Program. Please use this guide to assist in preparation for your examination.

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I. Accredited CERTIFICATION INSTITUTE:

Accredited Certification Institute is the leading online program for specialized niche business certification programs. The team behind Accredited Certification Institute is comprised of industry experts in niches including online marketing, project management, public relations, consulting, and many more.

This experience, combined with our advisory board's expertise in online education and training, is what makes it possible to provide the training and certification programs found on our website.

Investment Certification Institute is a global training and certification organization that has provided practical industry-specific certification to over 20,000 clients from the United States, Europe, and more than 75 other countries around the world.

We provide high value training programs that provide function knowledge on very specific business topics such as public relations, online marketing, project management, international business, and consulting.

Accredited Certification Institute's Mission: To provide professionals with high impact finance training and certifications in niche subject areas that are functional and immediately beneficial.

Accredited Certification Institute helps you to:

- Quickly gain specialized knowledge in highly valuable business niches.
- Enhance your credibility, resume, and overall value in the market place.
- Complete our training programs in 5 months from anywhere in the world.

Our programs accept participants year-round and are flexible to work with your current work schedule and academic constraints. You can complete one of our programs in 2 months or 2 years; the choice is yours.

MASTER'S CERTIFICATE PROGRAMS: Accredited Certification Institute is proud to offer several advanced Master's Certificates that require the completion of five programs from Accredited Certification Institute platform.

To learn more about these Master's Certificates and how to earn one, please see our website: <https://Certification.com/Masters>

II. CBB DETAILS AND TIMELINE:

PROGRAM DETAILS:

The **Certified Business Brokerage (CBB)** certification program is unique in that it is modeled after many online courses offered at Ivy League institutions today, offering more value for a more cost-effective program. The CBB Program is a self-study program that includes educational multimedia resources in video form, a study guide, required readings, and a flexible online examination process, accessible around the world.

The Certified Business Broker (CBB) designation program is a 100% online training and certification program that provides training and testing in the areas of business valuation, listing agreements,

understanding buyers, handling objections, and creating an authority position for yourself.

The online exam is structured so that in order to complete the exam within the 2-hour time frame one must read through all of the assigned materials and conceptually understand the majority of the material to score well enough to pass the exam.

Our goal is to offer the most challenging program in the industry while also providing all of the learning tools possible to ensure participants get the most out of the experience. By testing the knowledge depth and comprehension from the materials digested, the CBB certification prepares individuals for successful, real-world application.

The Certified Business Brokerage (CBB) program is sponsored and offered by the Investment Certification Institute. This certification program is designed to show and certify that you have gained an in-depth understanding and high-level, specialized knowledge.

In addition to the benefits of gained knowledge, growing industry recognition, more knowledgeable career choices, and networking, our organization is also developing additional resources for CBB Participants. This includes video and MP3 recordings on Q&A or strategies and tactics, webinars, access to interviews with internet marketing professionals who have more than 10 years of experience in the industry, among many more benefits.

III. The experts interviewed for this business broker certification include:

Greg Kells: Greg is a business brokerage and President of Sunbelt Business Brokerage in Canada. Greg started the Canadian operations of the globally respected Sunbelt Business Brokerage firm. Greg is very successful, experienced, and respected around the world for his career in achievements in the business brokerage space.

Ladd C. McGowan: Ladd is a veteran business broker who runs his own business brokerage business. Ladd had experience selling his own business and after that was offered to join an existing business brokerage firm. Ladd started in the industry back in 1984 and he has sold many small and medium size businesses, in this interview he shares some of the best practices and lessons he learned along the way.

Mike Lenz: Mike is a business broker and business analysis expert. He has in-depth experience in working with business buyers and sellers and in valuating business operations with advanced models and business analysis best practices. This interview is interesting because Mike is so well trained in an industry where many people often get into the area almost by mistake.

Stephen Wray: Stephen is a specialist business broker and valuation expert at Cornerstone Business Brokerage. He has always worked in small businesses and he has experience in selling his own businesses. His firm is based out of Australia and he shares many of his business brokerage best practices with us during this phone interview.

Ray Hansen: Ray is the founder of Pragma Ventures, he has been in the business brokerage industry for more than 25 years and he started Pragma 18 years ago. He helps business owners plan their exit strategies, set value for their businesses, and they provide business appraisals as well.

CERTIFIED BUSINESS BROKER VIDEO MODULES:

1. Getting Listings as a Professional Business Broker
2. Business Valuation Strategies & Techniques
3. Business Brokerage: Working with Business Buyers
4. Risk Management for Business Brokers
5. Business Brokerage: How to Work with Business Sellers
6. Business Valuation
7. Getting Listings
8. How to Get a Business Brokerage Internship
9. Persuasive Writing (Copywriting) for Business Growth
10. Work More Efficiently: Time Saving Business Tools
11. How to Double Your Chances of Business Success
12. How to Become a Doctor Within Your Business Field
13. Knowledge Asset Management: A Competitive Advantage for Your Business
14. Single Focus: The Key to Maximum Productivity
15. Fertilize Your Brain
16. Learning Before Outsourcing
17. 5 Techniques to Efficiently Capture Your Business Idea
18. Paying the Price for Success
19. The Power of Positive Business Habits
20. The Importance of Business Ethics to Your Success
21. The Power of Inevitability Thinking in Business

IV. TIMELINE & EXAMINATION DATES:

Programs are offered through open enrollment, making our programs 100% flexible to accommodate your current work or academic schedule.

V. LEARNING OBJECTIVES OF THE CBB:

- How to quickly estimate the value of a business
- How to apply more extensive analysis to reach a valuation range that will stand up to scrutiny from sellers, buyers, bankers and CPA's
- How to handle common objections from sellers and buyers?
- How to prepare a listing agreement for selling a business?
- How to prepare a confidential profile of a business for sale?
- How to differentiate yourself from real estate agents
- How to explain the true, quantifiable differences between big and small business?
- How to understand how buyers and sellers think. What their motivations and fears are, and how to help them as a professional intermediary
- How to communicate with others using industry specific terminology, not just jargon but with knowledge
- How to position yourself as a knowledgeable and capable business broker with employers, and clients.
- How to respond to common questions and objections of buyers and sellers
- How to create an authority position for your firm in the industry which will bring continuous new clients and co-brokering opportunities.

BENEFITS OF THE CBB:

- Gain valuable insight into business broker business models, best practices, and processes that you can implement now without the need of a costly seminar or conference
- Add the Certified Business Broker (CBB) Designation to your resume, business cards, website, marketing materials and overall credentials assuring business owners and customers that you have invested in obtaining industry best practices to deliver the smoothest transaction possible for them. The business brokerage industry is highly fragmented, and if all else is equal sellers and buyers prefer to do business with someone who is certified as having mastered a certain level of business brokerage knowledge.
- You will learn how to quickly estimate the value of a business, and how to apply more extensive analysis to reach a valuation range that will stand up to scrutiny from sellers, buyers, bankers and CPA's. This alone will set you apart as more knowledgeable than most of the business brokers out there.
- You will learn how to prepare a confidential profile of business for sale that lists key information that buyers look for.
- The key factors to differentiate you from real estate agents that try to sell businesses. There are many real estate agents out there, but few are qualified to successfully sell a business.
- Learn how to understand how buyers and sellers think. What their motivations and fears are, and how to help them as a professional intermediary.
- Learn how to respond to common questions and objections of buyers and sellers. How to create an authority position for your firm in the industry which will bring continuous new clients and co-brokering opportunities.
- Speak the business brokerage language - Earning the Certified Business Broker (CBB) Designation assures that you can attend conferences, interviews and other networking events while being able to contribute to conversations and understand discussions about current events or trends within the industry. How to communicate with others using industry specific terminology, not just jargon but with knowledge.
- Exclusive Access to tools and multimedia training resources found online within the Certified Business Broker (CBB) Program.

VI. CBB EXAMPREPARATION

EXAM COMPOSITION:

There are a total of 100 points available to earn for the exam, 80 of which can be earned from the multiple choice or true/ false questions that are worth 1 point each. Please see below for the composition and distribution of the points in-depth.

<u>Topics and Weights</u>	
Business Valuation	30 Multiple Choice Questions
Communication & Marketing	27 Multiple Choice Questions
Working with Buyers	23 Multiple Choice Questions

You will have 2 hours to complete the exam. Those who have not made the effort to read the materials will have a hard time completing the exam within the allotted time, but for participants who have read the required readings 2 hours will be sufficient. Your test results will be sent to you 2 weeks after your examination date.

VII. REQUIRED READING

1. Buying a Business to Secure Your Financial Freedom: Finding and Evaluating the Business That's Right for You by Ed Pendarvis ISBN#978-0071450867
2. Unlocking the Value of Your Business: How to Increase It, Measure It, and Negotiate an Actual Sale Price - Easy Step-by-Step Terms by Tom Horn ISBN#978-0875210162
3. Business Valuation Bluebook: How Successful Entrepreneurs Price, Buy, Sell and Trade Businesses 4th Edition by Chad Simmons ISBN-13: 978-1889150550

TERMS AND CONCEPTS TO KNOW:

Below, please find the terms and concepts that you should be able to define after having read the required readings.

Please define the terms from the required readings rather than a dictionary. You will be tested on the definitions that authors have provided.

- Business Valuation
- Capitalization Rate
- Adjusted Income Statement
- Adjusted Balance Sheet
- Economic Value of Assets
- Book Value
- Tangible vs. Intangible Assets
- Goodwill
- Small Business Method
- Multiplier
- Discounted Cash Flow
- Excess Earnings
- Depreciation
- Rule of Thumb Methods
- Range of Value
- Basics of Negotiation
- Understanding Sellers
- Understanding Buyers
- Letter of Intent
- Contract
- Form of Payment
- Earnouts
- Partial Interest
- Valuation vs. Appraisal
- Liquidation Value
- Comps don't Always Compare
- Due Diligence
- Non-Disclosure Agreement
- Contingency
- Profit & Loss Statement
- Revenue
- Cost of Goods
- Operating Expenses
- Net Profit vs. Cash Flow
- Amortization
- Perks
- Plows
- Risk/Price Multiple
- Free Cash Flow
- Leveraged Cash Flow
- Seller Financing
- Buyer Strategies
- Seller Strategies
- FSBO Strategies and Shortfalls
- Value of Small Business
- Big Business vs. Small Business
- Business vs. Job
- Finding the Right Business
- Real purpose of a Business
- Business Brokerage vs. RE Brokerage
- Rules of Agency
- True Owner Net
- Cash in Cash Flow
- Buyer Motivations
- 90 Percent Rules
- Business not Financials
- Seller Motivations
- M&A Deals
- Recasting the Financials
- Buyer Protection
- Financing a Business
- Offset

SAMPLE QUESTIONS:

Please choose the answer that best answers the question or completes the phrase. Try answering the questions before looking at the answers, which are on the last page.

1. What is the *primary* asset being transferred when a business is sold?

- A. Its large customer base
- B. Its inventory, equipment, and vehicles
- C. Its cash flow
- D. Its growth and growth potential

2. When valuing a business there is only one exact value that is correct.

- A. True
- B. False

3. Which type of business most often has two sets of books?

- A. Big Business
- B. Small Business
- C. Illegal Business
- D. Tax exempt Business

4. Although fairly expensive, Radio and Television advertising is vital to a successful Business Brokerage office.

- A. True
- B. False

5. Which of the following statements are true?

- A. Many good businesses are for sale that have a net loss on the tax returns.
- B. Most buyers don't know what business they want to buy.
- C. Most sellers think their business is worth more than it really is.
- D. A and C are true
- E. All of the above are true

6. Technology has largely eliminated cold calling as a good way to get listings.

- A. True
- B. False

7. How long does it typically take to sell a business?

- A. Less than 90 days
- B. Three to Six months
- C. Six to Twelve months
- D. Over a year.

8. When determining a pricing multiple what is the primary factor used?

- A. How many years the company has been in business.
- B. The net income of the company over several years.
- C. The P/E ratio of similar companies.
- D. Risk of allkinds.

9. Getting financing to buy a business is harder than getting most other types of loans.

- A. True
- B. False

VIII. FAQ (Frequently Asked Questions):

Have more questions or need more information? Please see our constantly updated FAQ (Frequently Asked Questions) section on Accredited Certification Institute website here at <https://Certification.com/FAQ>

You can also get in touch with Investment Certification Institute team over email at Team@Certification.com by phone and through our ClickAndChat tool, accessible from our homepage: <https://Certification.com>

Thanks for joining Accredited Certification Institute. Please let us know if you have any questions.



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IX. SAMPLE QUESTION ANSWERS:

- | | | |
|-------|------|------|
| 1. C. | 5. E | 9. A |
| 2. B. | 6. B | |
| 3. A | 7. D | |
| 4. B. | 8. D | |