

By Lou Sorendo

# The Business of Matchmaking

*Got a business to sell? Want to buy a business? Mexico business broker matches buyers, sellers in small business arena*

**S**imply amazing. That's what Barbara Molvar attempts to be as the owner of Amazing Business Broker on county Route 44 in Mexico.

Molvar focuses on matching sellers and buyers of businesses with revenues under \$1 million annually.

However, being amazing in the business brokerage business is not an easy task.

Molvar said when she first started in the business in 2006, there were 3,600 business brokers in the country. Today, that figure stands at about 1,400.

The down economy certainly has had an impact on that number.

"Anybody who can choose is not choosing, mainly because of pure terror of the unknown and what is going to happen," she said.

Prior to becoming a business broker, Molvar spent 13 years as a financial planner for Prudential, and then delved into the tombstone business in Syracuse.

She sold her business in 2005, and through networking as a member of the Syracuse Executives Association of Central New York, was introduced to the world of business brokering.

Molvar decided to tap into the "mom and pop" market, or businesses worth less than \$1 million. "There are 78 million Baby Boomers, and many really need a way to retire and cash out," she said.

The market appears to have ample supply: There is one Baby Boomer turning 60 every seven seconds.

**Distinctive role**—Molvar is hired and gets paid by the seller in a given transaction.

"I operate differently from a commercial real estate person," she said.

"The first thing they do is put a huge yellow sign up. That scares customers and employees, so they end up creating a vacant building and killing the business."

Molvar said she is more interested in the "business end of things," but she does carry a real estate license in order to abide by necessary legal guidelines.

Molvar said sellers hire her because they want to keep the business thriving. "Otherwise, they would liquidate and talk to an auctioneer," she said.

Molvar competes against the seller who is liquidating, or the buyer who is looking at franchises. While she can broker deals involving franchises, her heart is in existing businesses that are profitable.

When a person comes to Molvar to sell, it's usually because the business is no longer fun and interesting to them anymore.

That's when Molvar talks to them about ways to sustain the business.

**Maneuvering through recession**—During these recessionary times, Molvar concentrates on the consulting end of her business instead of gearing up for a closing.

"I do a lot of coaching for both buyers and sellers to get them ready," she said. "I concentrate on getting everyone up to snuff," she

said.

Instead of rushing to show prospective buyers what is available, Molvar is careful to determine whether they have the resources and ability to run a business.

"It's different from corporate America, different from being an employee, and certainly different from most people's experience," she said.



*Barbara Molvar owns and operates Amazing Business Broker, based in Mexico.*



In terms of the recession's impact, Molvar said "buyers have about 60 percent of the money they had. That is a shock and has created a substantial amount of inactivity."

"A lot of people are saying, 'I decided to wait a little and see what happens this year,'" she noted.

Molvar said the supply of buyers has increased over the past several months, primarily because of challenges the economy presents.

"There's been more layoffs, and more people in transition," noted Molvar, adding that Syracuse Mayor Stephanie Miner recently eliminated about 20 high-paying jobs in efforts to streamline city government.

For those people, retirement options may be limited.

Molvar characterized the current market as a "buyer's market," although sellers seem unwilling to accept the impact of a down economy.

"Everyone is in a state of paralysis, and it has caused people to second guess themselves," Molvar said. "Everyone is waiting and watching to see what is going to happen, including me."

Due to confidentiality reasons, Molvar declined to disclose the average number of transactions she completes in a year.

"It takes a while to sell a business, possibly a year," she said.

She said confidentiality is key, mainly because publicizing the event results in a deluge of procrastinating potential buyers. "That's enormously frustrating to sellers and to me," she said.

"I know how to weed them out now," she said. "They will say things like, 'my great uncle will lend me money when I find a business.'"

In the world of business brokering, liquidity is the key.

"Without cash, there's no way to buy a business. No seller will sell without a substantial down payment," she said.

**Voyeuristic journey**—Molvar said she enjoys the "voyeurism" associated with her profession.

"What I love about entrepreneurs and business owners is that they don't operate like anyone else," she said. "They are attracted to risk." "They are interested in the power associated in doing something about what domain they decided to choose. That really is fascinating to me."

"About 90 percent of [prospective] buyers never buy. The reason is as they get closer to the time to close, they become more scared of risk," she said.

Molvar characterized entrepreneurs as being of a different ilk. She uses words like "outrageous, creative, energetic, and persuasive" to characterize those willing to meet the emotional and financial demands of owning a business.

"They are fascinating. If there is a popular way, they are not doing it," she said.

Molvar noted the "guy in the diner advice" says to refrain from doing business in New York due to constraints created by government and the economy, and variables outside one's control.

"Owners still say, 'we'll find people anyway to buy our product or service,'" she said.

"Most risk is associated with things you can't control. Winners understand that, and concentrate on things that they can control," she said.

Nonetheless, Molvar said "winning business people" are also able to plan for and react to things that are outside of their control.

Molvar said the keys to being a successful business broker include persistence; in other words, "absolute skill at carrying on anyway," Molvar said.

Molvar has to work through various barriers, such as lack of public knowledge concerning what a business broker is; the fact that "numbers are going in the wrong direction for business brokers"; and a marketplace which features business owners unwilling to create the processes to determine what their business is worth.

She said it's also helpful to be persuasive, and have the ability to convince people that they made a good choice.

Molvar said her background in social work, insurance and as a business owner has fortified her skills as a business broker.

"I'm also willing to work in snow country," she said with a smile.

**The process**—Molvar said she first concentrates on pre-qualifying criteria when dealing with a proposed transaction.

She creates an evaluation piece that premieres details of the business. It features ownership structure, as well as the business' customers, employees, facilities and challenges it faces.

"I determine whether the business can go forward," she said. Molvar analyzes the business from several different perspectives and prepares documents that give prospective buyers a glimpse at possible pitfalls, such as proximity to environmental hazards.

"Sometimes I recommend not to buy a building," she said.

Molvar describes buying a business as a complicated process. "I also counsel buyers on how to act and behave," she said. Once a decision is made to purchase a business, potential buyers must educate themselves about the details.

Molvar said many deals "blow up" at the final phases of a transaction because "someone missed something."

"Sometimes it is deliberate withholding [of information], and sometimes a relative of the prospective buyer will say, 'Geez, I thought you were going to buy a white collar business. This looks like a blue collar business,'" she said.

She added that often, accountants and lawyers will flag the deal at the end stage because they believe it may be too risky.

Some of the challenges inherent in Molvar's job include dealing with people who express urgency at the outset, only to find that the process slows as time marches on.

"People go from saying, 'Show me what you got and I really want to do this' to 'we'll do this in good time,'" she said.

Often, Molvar will line up a deal only to see the process slow to a crawl.

"They ask, 'Why are you calling me so often?' when before they said, 'I never hear from you,'" she said.

Born on Jan. 9, 1949 in Melrose, Mass., Molvar was one of eight children. "I know how to manage a crowd," she said.

She earned a degree in guidance counseling at the University of Guam and all of the coursework for a Master of Business Administration from Chapman University in California.

She has two sons, neither of whom wanted to be her successor.

She is a member of the New York State Association of Business Brokers and five chambers of commerce.

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