



Should You Specialize?

A five-minute self-assessment for business brokers: specialist, generalist or hybrid?

FREE SELF-ASSESSMENT

Score yourself for one industry you're considering

Industry: _____ Circle one number for each statement: 1 = strongly disagree, 5 = strongly agree.

Statement	1	2	3	4	5
1. I have worked in, owned or managed a business in this industry.	1	2	3	4	5
2. I have already closed at least one deal in this industry.	1	2	3	4	5
3. There are enough businesses in this industry in the area I can cover.	1	2	3	4	5
4. Businesses in this industry change hands regularly.	1	2	3	4	5
5. The industry held up reasonably well in the last downturn.	1	2	3	4	5
6. I know the key numbers owners and buyers use to value these businesses.	1	2	3	4	5
7. I already know buyers who want businesses in this industry.	1	2	3	4	5
8. I know lenders, landlords, suppliers or advisors who serve this industry.	1	2	3	4	5
9. I can reach owners efficiently through associations, trade shows or online groups.	1	2	3	4	5
10. I enjoy this industry and would happily talk about it for years.	1	2	3	4	5
11. I could cover a wider territory to find enough listings in it.	1	2	3	4	5
12. I have enough other income or deal flow to ride out a slow year in it.	1	2	3	4	5

Total score (12 to 60): _____

Your result

Generalist

12 to 28

- Take a broad range of listings
- Build a large, varied buyer database
- Co-broker deals in unfamiliar industries
- Track which industries you close most

Hybrid (most brokers)

29 to 44

- Stay broad, and build depth in 1 or 2 industries
- Learn their numbers and valuations
- Build relationships with their lenders and suppliers
- Publish articles aimed at their owners

Specialist

45 to 60

- Become the go-to broker for the industry
- Market across a wider region
- Join its associations and trade shows
- Keep a plan for the next downturn

"Restaurant broker, NOT a business broker. He wanted us to know the difference." Aaron Drucker, on a legendary specialist

"I think you need to be well-rounded and open to anything." Josh Factor, founder of Vertica CRM

Before you commit to a niche

- ☐ Count the businesses in it within your territory
- ☐ Check how it held up in the last downturn
- ☐ Talk to three owners about what they'd want in a broker
- ☐ Meet two lenders who finance deals in it
- ☐ Decide what you'll do with listings outside it

Specialties brokers often build

- ☐ Restaurants and food service
- ☐ Laundromats and car washes
- ☐ Medical, dental and pharmacy practices
- ☐ Route businesses
- ☐ Insurance agencies
- ☐ Manufacturing and distribution

Scores are a starting point, not a verdict. Low scores on statements 1, 2 and 6 usually mean it's too early to specialize in that industry. Full article: "Specialization in Business Brokerage: The Pros and Cons of Choosing a Niche" at businessbrokerscrm.com.