Business Broker interview questions

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What to expect

Business broking interviews test whether you can value a business defensibly, hold a vendor relationship together and keep a transaction moving when something goes wrong. Expect the conversation to move between numbers, people and process in the same hour.

- **Technical and valuation:** How you build a valuation from messy small business financials, which multiples you use and why, and how you handle add-backs and comparable sales.
- **Behavioural and negotiation:** Times you have managed unrealistic vendor expectations, held a deal together, or walked away from a listing that would not sell.
- **Scenario and judgement under pressure:** Finance falls over, a key customer leaves mid due diligence, or a buyer tries to renegotiate after the offer is signed.
- **Client-facing and confidentiality:** How you market a business without alerting staff, suppliers or competitors, and how you handle sensitive vendor conversations.
- **Compliance and licensing:** Your licence status, agency agreements, disclosure obligations and where broking sits against the accountant and the solicitor.
- **Commercial and market judgement:** Whether a business is genuinely saleable before you take the listing, and what you would do with one that is not.

Most firms start with a conversation with the principal or hiring manager, covering your licence, your listing history and how you are paid. That is usually followed by a case stage, where you value a real or fictional business and explain your reasoning to one or two directors, sometimes on the spot. A panel or second interview with a partner or compliance manager tends to focus on client management and how you would represent the firm. Licence verification and reference checks generally come before an offer.

1. Walk me through how you value a small business where the financials are messy and the owner's numbers do not match the tax return.

Why they ask

Valuation is the core technical skill of the role, and messy books are the normal case rather than the exception. The interviewer wants to hear a repeatable process, not a formula.

How to structure your answer

Explain your process in the order you actually work: source documents first, then reconciliation, then add-backs, then comparables and multiple range, then a stress test. Finish with one judgement call you would take back to the vendor or accountant rather than decide alone.

> **Example answer**
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> *“I start by asking for three years of financials plus the last twelve months of BAS and bank statements, because small business accounts are shaped by tax decisions. I reconcile the profit and loss to the bank statements line by line, then build an add-back schedule for owner wages, personal vehicles, one-off legal costs and any related-party rent. Once I have an adjusted net profit I am confident in, I look at comparable sales in the same industry and size band, check whether the business is asset-heavy or goodwill-heavy, and set a multiple range. Then I stress-test it: what happens if the largest customer leaves, or if replacing the owner costs more than we assumed. I write it up as a short memo for the vendor before we discuss price, so the number is evidence rather than a wish.”*

2. Tell me about a time you had to manage a seller whose price expectations were well above what the market would pay.

Why they ask
Vendor expectation management is the most common source of stalled listings. The interviewer is listening for how you handle conflict without losing the client.

How to structure your answer
Use STAR. Set out the business and the gap between the owner's number and the market evidence, describe what you actually did and said, then give the outcome and what it taught you about structuring deals.

Example answer

“An owner of a commercial cleaning business came to me after another agency had listed him at three times adjusted earnings, and he wanted the same number. The comparable sales I could find in his region sat closer to one and a half to two times, and his contracts were month to month. I sat down with him and his accountant, showed him the comparables, and instead of arguing about the headline price I asked what he needed out of the sale to retire comfortably. We kept the asking price where he wanted it but structured the deal with a longer handover, an earn-out tied to retained contracts, and stock at settlement. The listing went to a competitor of his about four months later. He got close to his original number and the buyer felt protected on the contract risk, which is why it held together at due diligence.”

3. A buyer's finance falls over two weeks before settlement. What do you do?

Why they ask
This is the moment that separates brokers who close deals from brokers who list them. It tests sequencing, communication and calm.

How to structure your answer
Treat it as a sequence of decisions under time pressure: what you confirm first, who you call and in what order, what you offer each party, and what you protect. Name the trade-offs rather than pretending everything can be saved.

Example answer

“First I confirm exactly what has happened with the buyer's lender, because a decline and a delay need different responses. If it is a decline, I ask whether it is the lender, the valuation or the buyer's own position, and whether another lender is realistic within the timeframe. I call the vendor before the buyer hears anything unofficial, lay out the options plainly, and ask whether they will hold the contract for a set period while the buyer reapplies. In parallel I go back to the two strongest underbidders and quietly check whether their finance is still live, without breaching the buyer's confidentiality. If the vendor will not wait, I work with both solicitors on a clean exit and keep the relationship intact, because that vendor may list again and those underbidders will buy something else.”

4. How would you market a business for sale without alerting staff, suppliers or competitors?

Why they ask
Confidentiality is a condition of most small business listings, and a slip can damage the business before it sells. The interviewer wants practical tactics, not a promise to be careful.

How to structure your answer
Set out your principles first, confidentiality agreement, controlled information release and no identifying detail in public marketing, then give the specific tactics you use in sequence.

Example answer

“The principle is that nothing identifying goes out until a buyer has signed a non-disclosure agreement and I have checked they are not a competitor, a supplier or a staff member's relative. In practice that means the public listing describes the industry, region, revenue band and reason for sale in general terms, with no business name, no street address and no logo. Financial detail sits in the information

memorandum, which goes to a shortlist only, and I release it in stages so the buyer has to keep asking. Meetings happen off site or after hours, I use my own email and phone rather than the vendor's, and I brief the vendor's accountant before we start so the numbers are ready and nobody is ringing the office for documents. If a buyer cannot accept those conditions, they are not the right buyer."

5. What licensing and disclosure obligations apply when you act for a vendor in your state?

Why they ask

Broking is a licensed activity and a compliance failure costs the firm its ability to trade. The interviewer is checking you know the framework, not just that you hold a piece of paper.

How to structure your answer

Name the regulator and the framework first, then give two or three concrete obligations that shape how you run a listing. Finish by showing you know where your role ends and the accountant's or solicitor's begins.

Example answer

"Licensing sits with the state regulator, whether that is NSW Fair Trading, Consumer Affairs Victoria or the equivalent office elsewhere, and a business broking engagement generally requires a real estate or business agent licence under the relevant state property and stock agents legislation. In practice that means a written agency agreement before anything is marketed, the licence number on all marketing material, trust accounting rules if I hold any deposit in trust, and full disclosure of commission and any rebate. Beyond licensing, the vendor's accountant handles tax and structure and their solicitor handles the contract, so my job is to make sure the information I give buyers matches what the vendor gave me. If I hit a state-specific question I do not know, I check with the regulator or the firm's compliance manager before advising."

6. How do you decide whether a business is genuinely saleable before you take the listing?

Why they ask

Taking unsaleable listings ties up time and damages the firm's reputation. The question tests commercial judgement and honesty.

How to structure your answer

Answer as a set of criteria you test against, then describe what you do when a business fails them. Judgement, not wishful thinking, is the point.

Example answer

"I look at four things. Whether the profit is real once I have adjusted for the owner's wages and one-offs, because a business that only works with an unpaid owner is hard to sell. Whether the revenue is transferable, which means looking at contract terms, customer concentration and how much of the relationship sits with the owner personally. Whether the assets and leases are clean enough that a buyer's lender will accept them. And whether the owner's price expectation has any connection to the comparable evidence. If two or three of those fail, I tell the vendor plainly and suggest what to fix first, whether that is converting month to month customers onto contracts, documenting systems or cleaning up the accounts. Sometimes the honest answer is that they should wait a year, and I would rather say that than take a listing nobody will buy."