



# Technology and AI: The Future of Business Brokering

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George Wellmer  
Founder of Tupelo

# Hello! I'm...

Agenda!

I will be talking about this.

Chapter 1 Market Research

Chapter 2 Changes to the Industry

Chapter 3 Technology and AI

George Wellmer  
Founder of Tupelo

Software, Valuations, Sun Glass Roll Up, SBA, M&A Banking, &  
Y Combinator Alumni



Carolinas-Virginia  
Business Brokers Association  
Serving North Carolina, South Carolina, and Virginia



tupelo

+ New Chat



Today

AI Impact on Brokerage

Barber Shop Sale: 8-Chair

Discount for Brokers

Yesterday

Send Contract for October PH

Tech Changing Business Bro

CRM Enhancements and SEC

New chat

Last Attempt for Insights

New chat

Customization Options for CP

Roofing Company: Nebrask

Previous 7 Days

PDF File Size Factors

Catchy Sales Partnership Titl

AI Enhancing Industry with Tl

Upgrade to Plus

G George Wellmer

GPT-3.5 GPT-4

# ChatGPT

**Make up a story**  
about Sharky, a tooth-brushing shark superhero

**Show me a code snippet**  
of a website's sticky header

**Plan a trip**  
to experience Seoul like a local

**Give me ideas**  
for what to do with my kids' art

Send a message



# Chapter 1 Market Research

Tupelo has interviewed roughly 800 business brokers and M&A advisors across the United States and Canada.

Chapter 1 Market Research

Chapter 2 Changes to the Industry

Chapter 3 Technology and AI

# Market Research

## What has the SMB M&A market historically looked like?

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1.

2.

3.

### Broker Profile

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1. Sold a business
2. Lifer
3. Adjacent Industry
  - A. Real Estate
  - B. Lawyer
  - C. CPA

### Seller Leads

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1. COIs
2. Mailers
3. Cold Calling
4. Drop Cards

### Firm Structure

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1. Independent
2. Inquiry Routing
  - a. Relationship
  - b. Listing

# Market Research

## Ambitions of your historic broker

1.

2.

3.

Growth

I want to sell as many businesses as I can



Stable

I want to sell ~3 listings a year.



## Ambitions

1. Specialize in specific verticals
2. Sell more listings
- 3. Sell bigger deals**

# Market Research

## Advisors have successfully deployed two strategies to find buyers

- 1.
- 2.
- 3.

### Fish



#### Profile

- Business Broker
- Main Street



#### BizBuySell

- Post on listings site(s)



#### Unknown

- Buyers are unknown individuals

### Hunt

#### Profile



- M&A Advisors
- "Middle Market"

#### Bidding



- A bidding process is ran and various offers are presented to the seller

#### Known



- Good idea who the potential buyers are



# Market Research

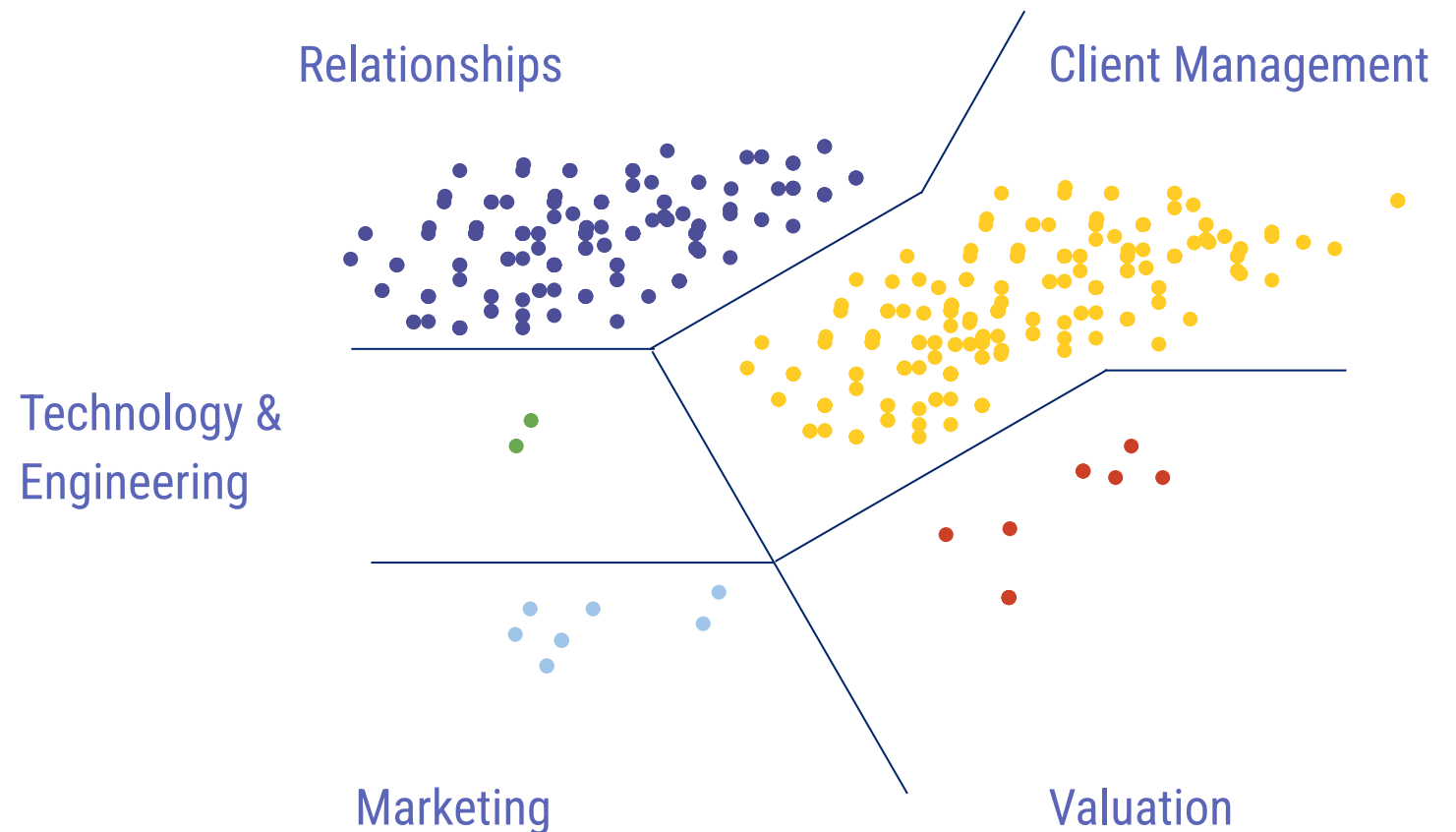
1.  
2.  
3.

## Brokers skills are concentrated

**Identical:** In the business broker industry, a clustering of similar skills can blur the lines between practitioners. It's often challenging for customers to distinguish one broker from another.

**Unknown:** The business broker sector remains a relatively undiscovered realm, mainly due to its homogeneous composition. Even potential customers may not be familiar with the field.

**Moat:** There is a moat to become a business broker, sufficient cash reserves as pay cycles are bumpy, particularly when starting off.





Chapter 1 Market Research

Chapter 2 Changes to the Industry

Chapter 3 Technology and AI

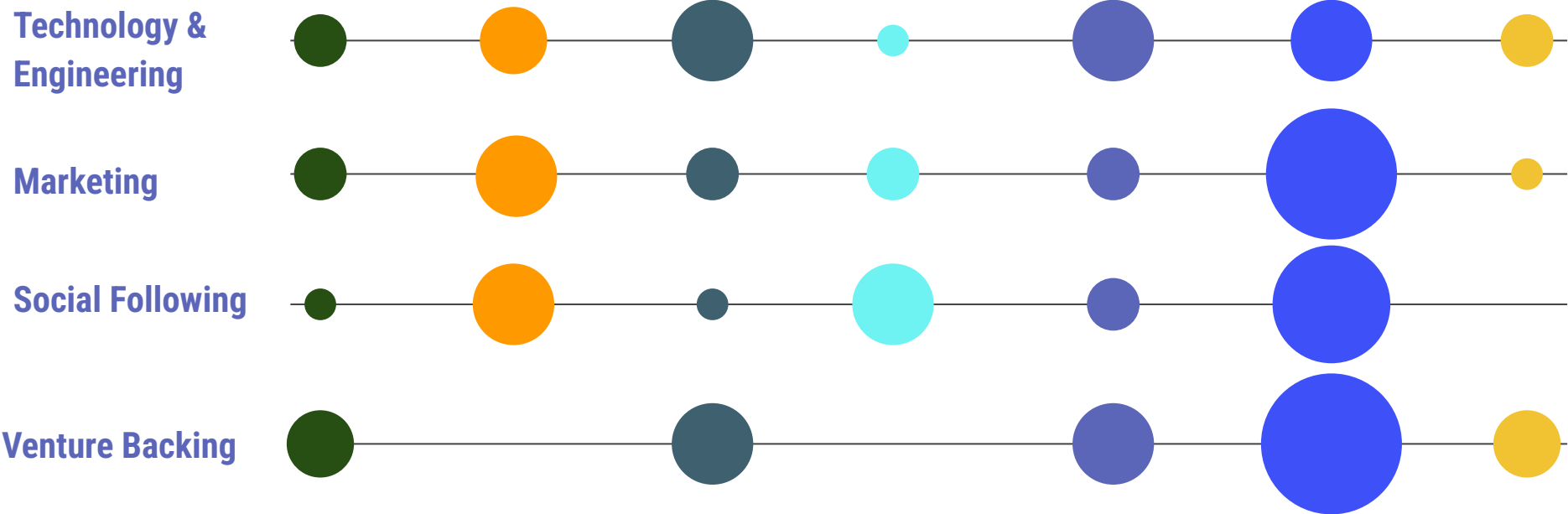
# The Future of Business Brokering

Our industry is undergoing a transformation, and the traditional methods of selling businesses, which were effective in the past, may not always align with the evolving landscape.

# Changes to the Industry

- 1.
- 2.
- 3.

## New brokerage firms are emerging with a different set of skills



# Changes to the Industry

## Clint Fiore Bison Business Brokers - "New Aged Business Broker" Presentation TABB

1.

2.

3.

**Hire 1** CRM

**Hire 2** Executive Assistant

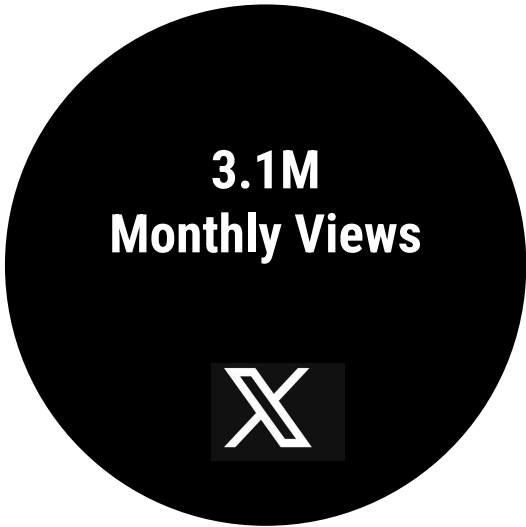
- Review and Flag Emails
- Schedule Meetings

**Hire 3** Administrative Assistant

- Create Deal Teasers
- Screen Buyers

**Hire 4+** Analysts

- Valuations
- Screen Sellers
- Broker Smaller Deals
- Find New Leads



# Changes to the Industry

## Brokerage firms are drawing inspiration from investment banking models

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1.

2.

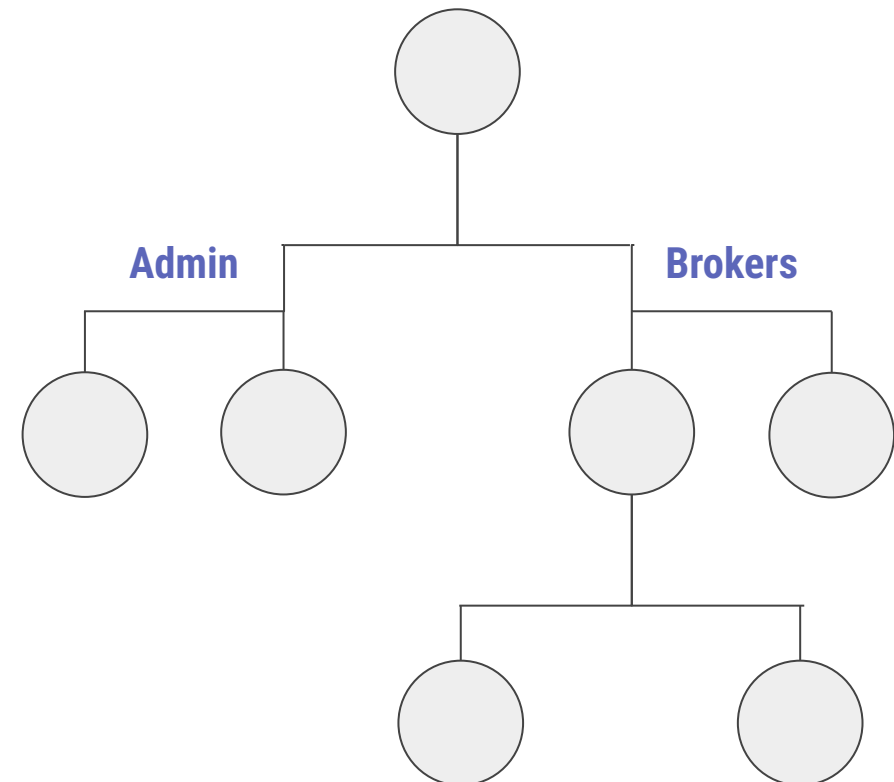
3.

**Team:** The world of brokering is shifting towards a more collaborative approach.

**Admin:** Administrative support staff plays a crucial role in allowing brokers to dedicate their efforts to identifying new sellers and engaging with genuinely interested buyers.

**Organization Visibility:** Every broker has access to all contacts, and leads are collaboratively managed by multiple brokers, fostering a shared perspective across the organization.

**Shift from 1099 to W2**



# Changes to the Industry

## Marketing BizNexus & OutFlow - CVBBA & TABB

1.

2.

3.

### Specialization

1. Target prospective sellers
2. Creating messaging that is cohesive
3. Knowledge of the industry

### Multi Channel Marketing

1. Lead Scoring
  - a. Automations
2. Email, Mail, LinkedIn, Call, etc.
3. Creating a digital profile

**Their services function just as much  
for brokers as buyers**

# Changes to the Industry

## Buyers are paying for and deploying the same systems as brokers

1.

2.

3.

Company	Price	Description
 Kumo	\$30 per month	Scrapes numerous listing sites to make it easier for buyers to monitor opportunities.
 D&H	Free	Newsletter with 10,000+ buyers and sellers that solely talks about active opportunities
 X5deals	\$299 per month	Outsource deal sourcing agent that aggregates high-quality deals.
 PRIVSOURCE	\$200 per month	Private, deal-sourcing network for experienced lower and middle-market M&A professionals.
 BIZNEXUS	Scales with reach	Outsources M&A deal origination.
 Deal Flow Scout	Free	Facilitates the free, open, transparent sharing of quality deal flow.
 OUTFLOW	\$1,000s per month	Deal origination platform that generates leads via email marketing and LinkedIn messaging.

# Changes to the Industry

## Buy Side Representation

1.

2.

3.

A growing number of brokers are offering buy-side representation services on a monthly recurring revenue model.



Carolinas-Virginia  
Business Brokers Association  
Serving North Carolina, South Carolina, and Virginia



**TABB, INC.**  
TEXAS ASSOCIATION  
OF BUSINESS BROKERS



# Changes to the Industry

## Thought leaders in the SMB acquisition space are not brokers



**Jon Matzner** ✓  
@MatznerJon

Every time you see a biz on bizbuysell, remember who already decided not to buy it:

1. The broker
2. The professional service providers
3. The employees
4. Competitors already in the sector, with access to financing

If you can't figure out why those people said no, you're the sucker.



**Matthias Smith, CEO - Pioneer Capital A...** ✓ @SBA\_Ma... · Feb 4 ...

Your seller's business broker pitching you on a 5x deal with ridiculous add backs 🙄

🚫 Do not pass go 🙄 🚫

🚫 Do not collect \$200 💰 🙄

🚫 Onto the next CIM 🙄 🙄



**Clint Fiore** 🚫 🙄 **DM for Biz Deals** ✓ @ClintFiore · Jan 11, 2022 ...

Most business brokers suck.

But the good ones are worth their weight in gold and have more work than they can keep up with. That's why I got into this gig... Not much competition. Hard to break into (so good moat). Easy to shine.

SEARCHFUNDER.com

**Sorry, but you are a  
broker's worst nightmare  
... and how to fix it**



**Andrew Pierno** ✓ @AndrewPierno · Feb 13 ...

small businesses and brick & mortars are not on LinkedIn or Twitter, they're on Google maps 🤖

i wrote a script to scrape listings from google maps and download them as csv  
- Phone number  
- Website URL  
- Address  
- Rating


## Popular Blogs

1. [Owned and Operated](#)
2. [SMBAcquisitionAttorney's Substack](#)
3. [BuySellSMB](#)
4. [Contrarian Thinking](#)
5. [Chrisxmun](#)
6. [DueDilio](#)
7. [Anon Investor](#)
8. [The Business Academy](#)
9. [BigDeal Small Business](#)
10. [XO Capital](#)

# Changes to the Industry

- 1.
- 2.
- 3.

## Will BizBuySell remain the best listing site?



**Brokers**  
90% of brokers will post all of their businesses to BizBuySell



**Updates**  
2+ updates are made on an avg. listing

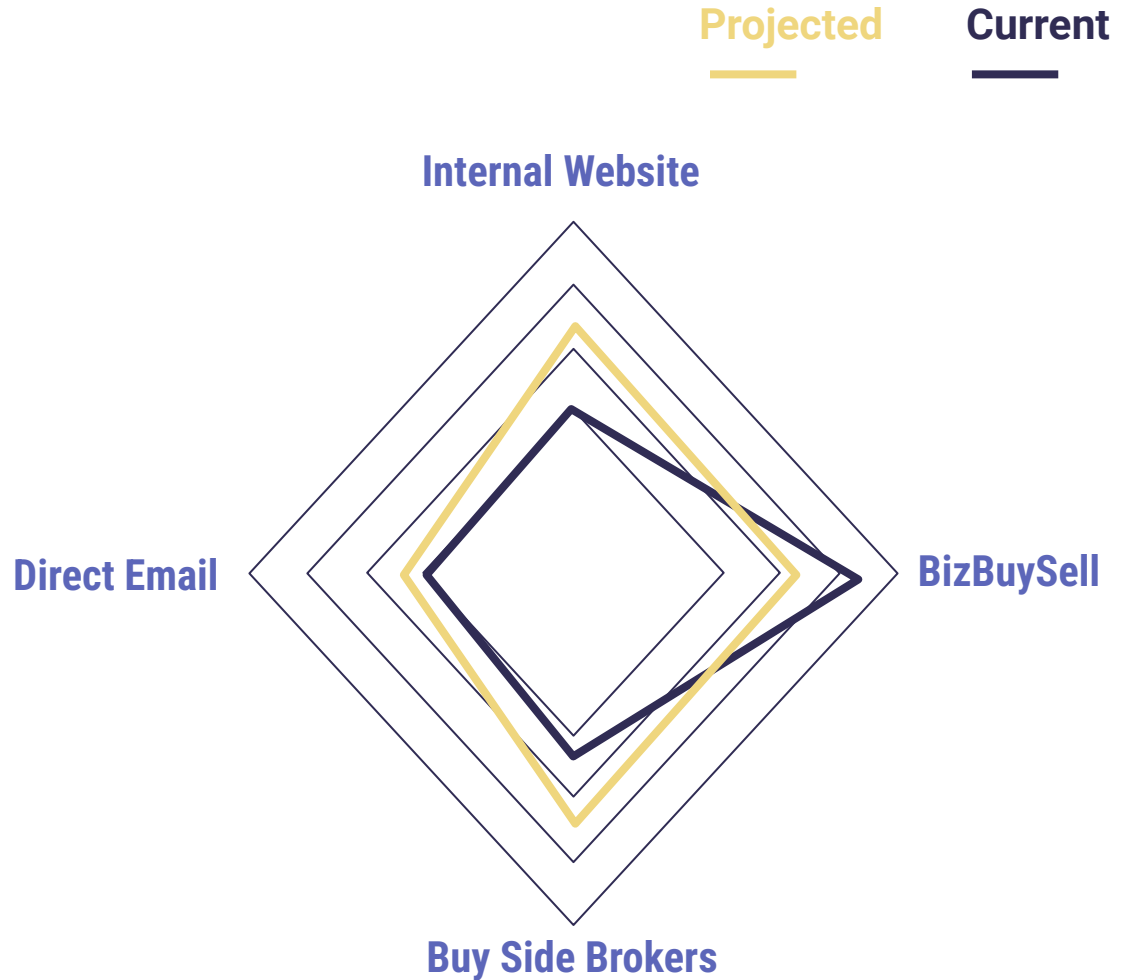


**# of Listing Sites**  
Broker post listings to 1-4 sites



**Secondary + Listings**  
Cross selling listings is very common

List of 500+ websites for buying and selling businesses



# Chapter 3 Technology and AI

Chapter 1 Market Research.

Chapter 2 Changes to the Industry

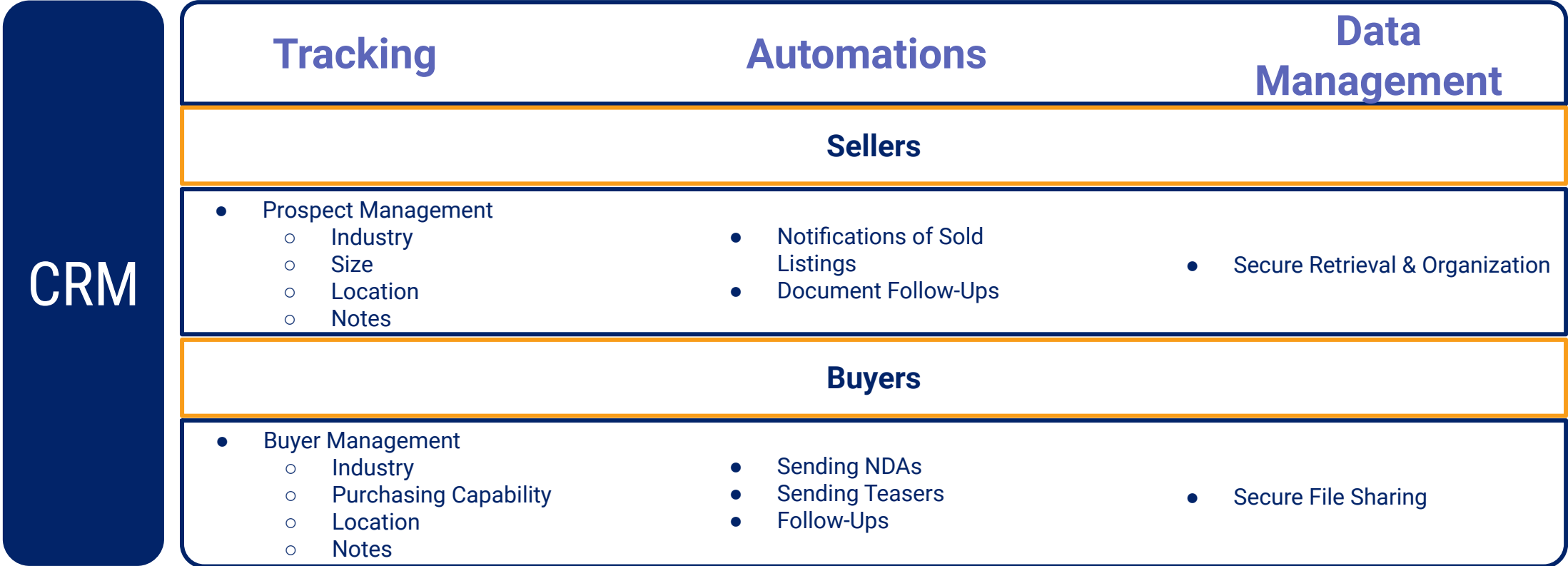
Chapter 3 Technology and AI

M&A intermediaries have never had access to more powerful technology than they do now, and this is just the beginning.

# Technology and AI

**“System oriented sales organizations win every time”**

- 1.
- 2.
- 3.



# Technology and AI

## Is AI doing anything?

1.

2.

3.



### Copy

The emergence of ChatGPT and Google Bard has empowered individuals to enhance their writing efficiency.



### Chatbot

Companies such as Booking.com, Tripadvisor, Salesforce, and others are leveraging AI chatbots for customer support, scheduling, and personalized recommendations.



### Images

Producing graphics and enhancing photos has never been easier.



### Financial

AI has the capability to spread financials and generate projections.



### Ideation

AI can enhance the process of tackling complex problems or overcoming writer's block.



### Dynamic

Whether it's generating pricing for fluctuating demand or forecasting inventory needs, AI is assisting operators.

# Technology and AI

## A simplified journey to a sold listing

- 1.
- 2.
- 3.

Prospecting	Qualification	Listing	Vetting	Sharing	Closing
Collecting sellers' contact information	Determine if this opportunity makes sense	Build marketing material and write the listing	Filter and qualify prospective buyers	Exchange of key data with prospect to enable their decision making	Send key data to respective parties to allow parties to obtain funds and close
On average 9 touches are made before a response	Complete preliminary valuation of the company & is that number agreeable	Contact and remind all relevant prospective buyers		Introduce respective parties	

Minimal technology has been developed for the industry to make brokers' responsibilities easier.

# Technology and AI

## Leveraging technology to craft the most efficient route to a sold listing

1.

2.

3.

### Prospecting

- Source and clean contacts
- Multi channel marketing
- AI driven bespoke email campaigns
- Note taking



### Qualification

- Chatbots to vet prospective buyers and sellers
- Quickbooks integrations to always have updated financials
- Financial forecasting for valuation & SBA prequalification





# Technology and AI

## Leveraging technology to craft the most efficient route to a sold listing

1.  
2.  
3.

### Listing

- CIM generation
- Listing headline and company description
- Review company's legal documents, e.g. lease agreements



ChatGPT

### Vetting

- Chatbots to respond to buyer inquiries
- Lead scoring to measure if a buyer is high intent or a "tire kicker."
- Collecting data from buyers, like personal financials, bank statements, diverse license, etc.



Ultimate.



netomi



Writesonic



PLAID

# Technology and AI

## Leveraging technology to craft the most efficient route to a sold listing

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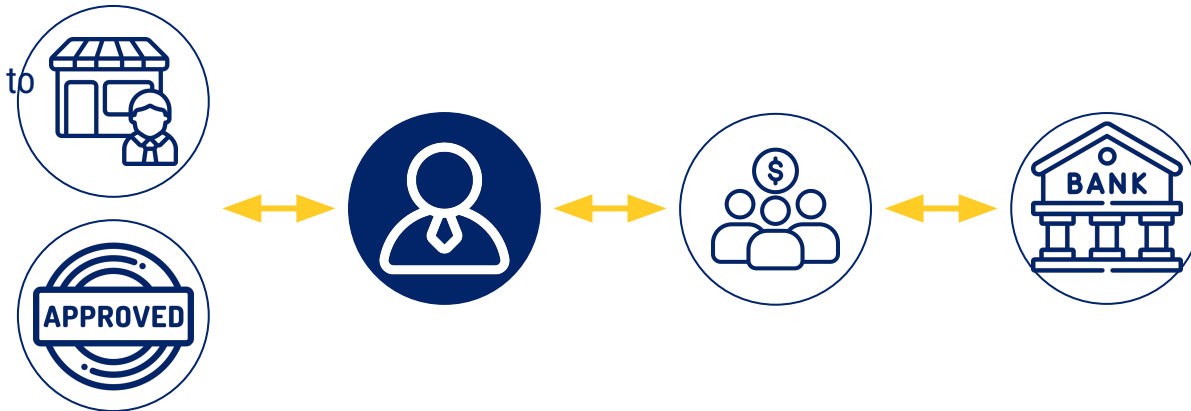
### Sharing

- Securely obtaining documents
- Securely sharing documents
- Automatically receiving documents
- Automated reminders



### Closing

- Pre-approve all deals for financing
- Send underwriting ready packages lenders
- Real time feedback to the brokers for deal information and timing



1.

2.

3.

Build a process that puts you in  
front of high intent sellers and  
buyers

# Connected System



## Sellers

- Source leads
- Connect with Quickbooks
- Pre-approved for SBA financing
- Valuation



## Listing

- Generate teasers
- Optimize description
- Contact high quality prospects
- Directly post listings



## Buyers

- Validate buyers
- Automate follow ups
- Filter prospects
- Store



## Banks

- Generate lending demand
- Route pre-approved transactions directly to lenders

Connected

# Chatbot

# Tupelo data project

## FOIA

Filed a FOIA and aggregated company data

1. Company
2. Owner
3. Contact
4. # of Employees
5. Location
6. NAICS

## Data

Consolidated NAICS, US Census Bureau

1. Median Income
2. Population
3. Population Growth
4. Financial Margins
5. Industry Multiples

## Machine Learning

Trained our data set to predict a company's valuation based the aforementioned inputs.

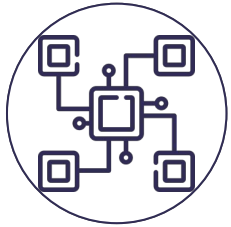
## Value

We want to value every business in the United States and enable that data to our users



# Tupelo CRM

Tupelo makes powerfully simple software to power the future of business brokering



Integrations



Storage



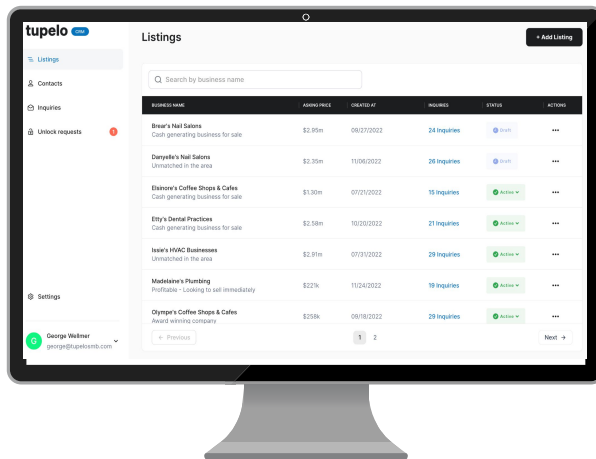
Tracking



Valuation



Sourcing



Find out why brokers love  
Tupelo

Tupelosmb.com  
[george@tupelosmb.com](mailto:george@tupelosmb.com)



# Thank you!

Do you have any questions?

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