



MAXIMIZE BUSINESS VALUE PODCAST - EPISODE 67 Transcript

Announcer (5s):

Welcome to the maximize business value podcast. This podcast is brought to you by mastery partners, where our mission is to equip business owners, to maximize business value so they can transition their business on their terms. Our mission was born from the lessons we've learned from over 100 business transactions, which fuels our desire to share our experiences and wisdom. So you can succeed. Now, here's your host CEO mastery partners.

Tom Bronson (36s):

This is Tom Bronson and welcome to maximize business value podcast for business owners who are passionate about building long-term sustainable value in their businesses. In this episode, I am so excited to welcome our guests. Denise Logan, Denise knows that two business owners selling a business is more than a transaction to them. It's an emotionally fraught period of transition build with unexpected highs and lows with no clear vision of what waits at the end for them and their family. Her passion for this work is colored by her own experience of being an unprepared business owner who made an abrupt and choppy exit from our company after ignoring the signs that it was time for several years.

Tom Bronson (1m 25s):

I bet we'll hear more about that in a moment. She's the author of the seller's journey of business fable about navigating the emotional obstacles to selling your business and as address more than 500 audiences on three continents about the psychology of business owners and how to make it easier when the time comes to let go and

successfully transitioned their business to new owners without regret. So welcome to maximize business value.

Denise Logan (1m 58s):

Oh, I'm so delighted that you invited me, Tom.

Tom Bronson (2m 1s):

I am excited to have you here for lots of reasons, lots of great content today. So how did you find yourself working in the industry of business buying and selling

Denise Logan (2m 12s):

In so many ways I'm doing for others? What I needed someone to do for me? So in my early life, I was a mental health professional, and then I was a lawyer and I always say, oh, for heaven sake, why didn't I use that good work as a mental health professional to keep myself from becoming a lawyer? Well, you know, I built a firm in Washington, DC, and we reached a point from was quite large, serving a very specialty niche. And I realized, I hate my life. I would rather have put a stick in my eye, then gone to work one more day.

Denise Logan (2m 53s):

And I did a super ugly chubby exit. I merged my firm with another firm, got rid of my house and bought a motor home. And I ran away. That is a whole other conversation that we will enjoy. I'm sure. And if some of that comes in, your listeners will like it too. You know, so I thought it would be six months to clear my head. And it turned into several years where I traveled all over north and central America in my RV with my two little dogs on a car I towed behind. And I came off the road and reconnected with a longtime friend of mine. We had a business, he was preparing for sale and he said, why don't you help us? And if you don't like it, getting your house on wheels and drive away.

Denise Logan (3m 37s):

And for 10 years, I was there. We took that business to the market three times over 10 years and he could not let go. And I thought, you know, you could be what's happening here for owners. You could be me and wait too long and be ready to just give it away. Or

you could be him and go too early and not be able to let go. So I left and did a research study to try to figure out what happens for business owners that has them stuck. And then I worked one-on-one with owners and their advisors to help them start navigating that emotional obstacle that has them stuck.

Denise Logan (4m 16s):

And I wrote a book and the last several years I've been out on the speaker circuit talking about the psychology of business owners and how to make it easier for them to let go. So I wish there had been a me when I was at that point in my life.

Tom Bronson (4m 32s):

That that is an amazing story from mental health professional to attorney. Can you get any to, can You get any further away on the spectrum? Right. Although some attorneys that I know are almost mental health

Denise Logan (4m 48s):

As well, so we're on the spectrum. That is an interesting

Tom Bronson (4m 53s):

Turn of events that got you there. So you said that you had a choppy exit. What was, can you tell us about the exact moment that you realized that you needed out of the business? So I knew I needed out for

Denise Logan (5m 7s):

A while and it was hard for me to give myself permission to exit, you know, I was burned out and what I found. So I was in my middle thirties at the time. We often think that owners only exit at a particular time, right? You turn to that, whatever that time is, and now you're ready to exit, but I was in my middle thirties and realized I'm done. I'm ready to go. As I talk with people about it, most people were like, ah, you're just burned out, go on vacation, like get a boat, do something. And so all of the commercially acceptable answers, but no one was actually dealing with what was going on underneath and as a result.

Denise Logan (5m 55s):

And I often say, you know, owners will tell what they're struggling with. And if we don't have ears to hear, they feel ashamed and it goes underground. And instead we act it out. So that's what was happening for me. And there was a moment in, you know, I'd been part of a board of directors for a trade organization for several years. And they brought in a facilitator one night, you know, to help us team build. I'm going to put that in air quotes because anyone who's been invited to a team building exercises like, oh, be Tuesday night in a holiday in ballroom who, who, so the facilitator had a stand in a circle and each of us needed.

Denise Logan (6m 39s):

So she said, I want you to introduce yourself to each other, not using any traditional moniker. So I couldn't say I'm Denise, I'm a wife, I'm a mother, I'm a lawyer. I had to say something that was other than those traditional roles. What was I doing with my life? And I thought, well, nothing, all I'm doing is running my business. What are you talking about? So as you know, the, the conversation is moving around the circle. And I hear someone say, I play harp at the bedside of hospice patients. I was like, well, that's something. And then I hear another guy say I'm restoring an antique car in a storage facility as a surprise 60th birthday gift for my son.

Denise Logan (7m 28s):

I'm like, well, that's something. And as he was moving around the circle, I started to get more panicky. I was like, oh my gosh, I have nothing. I'm about to get outed in front of my peers for having no life other than my business. So it was creeping around the circle, close to me and I realized I need to use the ladies room. And so I took my purse and I went out of the ballroom and to the right was the ladies room. And to the left was the door to the parking lot. And I bailed bail and got in my car and drove home in the rain crying, realizing I had given away all of the other parts of my life in the service of my business.

Denise Logan (8m 17s):

And that was a very important point. It took me several years from that to decide to leave first, I took figure skating lessons. Then I bought a floral dress. There's a whole bunch of other steps along the way that I don't necessarily recommend

Tom Bronson (8m 34s):

That is what a great story. So I'm sitting there. Actually, I was starting to get a bit of a panic attack thinking, gosh, I hope you don't turn the tables and ask me that question. Cause, cause I'm guessing that go into craft breweries and drinking beer was not among the answers,

Denise Logan (8m 51s):

But isn't that what we face as owners. We're so dialed in, focused on our business. And all of a sudden we look up and retirement is on the horizon and we will do anything to avoid facing it.

Tom Bronson (9m 8s):

We, we let our businesses become who we are. And it's, it's tough to remember and recognize that you were, who you were before this business, this business is just a piece of what you are, right. But, but you know, business owners, I was absolutely no different, you know, working 70, 80 hours a week and, and, and not doing the things that were important. And of course I have the benefit of hindsight. Now I'm thinking back 25 years and thinking, man, that was just a giant waste of time. Cause I'd have been at the same place. My wife said to me the other day, she said, you know, I just don't have any regrets about our life, our life.

Tom Bronson (9m 52s):

It's just, it's been a good life. And I said, well, I do. And she said, what do you mean? And I said,

Denise Logan (9m 59s):

Be careful with that answer.

Tom Bronson (10m 6s):

And I said, you know, we've made, I made, I made so many mistakes when I was so dedicated to my business, that that to the neglect of our children, I don't even know who our children were until they were, you know, in elementary school when I left a business. And, and so it's tough sometimes though, for business owners, who've been doing this for 40 years, separate their life from their business. I always tell, you know, a very common thing. And I, even if I think I recall reading it in your book is business owners think of their business as their baby. And I always say, no, it's not. Your businesses is an asset. It's like a house. It's not a baby.

Tom Bronson (10m 46s):

It's not, it's not, it doesn't live and breathe them working on its own. It it's, it's an essence that we should think about, you know, how do we, how do we maximize the value of this asset, right? As we think about it, but I totally understand how you can get immersed in that. And it become that way. And there's a story. Even in my book about my father, who his business was. So inseparably intertwined with his life, that when he sold the business at a younger than I am now 55 in reasonably good health, he died three years later because he had no purpose in life.

Tom Bronson (11m 27s):

And so the things that you talk about in your book are what I lived through vicariously through my father. And that's why I'm so passionate about this. In fact, that's a great segue into talk about your book to be perfectly honest. I'm not a huge fan of books written as fables. I can make maybe two or three that I've liked through the years. And when I first started reading this book, I'm thinking, oh my gosh, I don't know how I'm going to through this. But by the end, you know, I was telling my wife at the beginning, I'm like, ah, you know, it's a fable. I'm not a big fan. By the end of it, she saw me put it down and said, what did you think? And I said, it's one of the best books I've read in a long time.

Tom Bronson (12m 8s):

And I said, so, so Denise has actually potentially changed my thinking a bit when it comes to business fables, the seller's journey is a page Turner. And I found myself just

lost in the story. I'll bet we'll get a little bit of remnant of what you've already said, but why did you write this book?

Denise Logan (12m 28s):

Hmm. You know, one of the things I see is that owners and their peers and their advisors are often only talking about the economics related to the transaction. And so we find owners get lost, focusing on the money and money matters. Don't get me wrong. It matters, but it is not the only thing that matters. And so the way I wrote the seller's journey, it's the story of an owner. One year after he sells his business. And he goes on a trip across glacier national park with his banker, his lawyer, his wealth manager and the buyer of his firm.

Denise Logan (13m 11s):

And some of you might be thinking, well, which one gets killed? Because I can't imagine going on a trip with my banker and my lawyer, my wealth manager. So don't worry. Everyone comes back alive. Don't want you to be scared and think that we've really written a horror. You spoiled it. But as they crossed the glacier, they're relating the physical obstacles. They face to the emotional obstacles that he faced in letting go of his business. You know, I wrote the book that way because I wanted it to be an easy way for an owner to step into the story and spot themselves and spot the issues that they face and don't even have language for, or lots of owners think I'm the only one who feels like this because no one else is talking to them.

Denise Logan (14m 4s):

It's also written as a really great tool for an owner to realize that the advisors who you choose make a difference in how your transaction plays out the way the characters show up in the book. If you read that book, you should be thinking is the advisor you are interviewing. Is that my guy in the story? Oftentimes I would hear owners say, I can't trust the banker. He's only in this for the money or the lawyer just wants to spin up the fees. You know, those tales have come because of, I call them the ne'er do Wells in the industry who forget that our clients are struggling through the biggest personal transition of their adult life.

Tom Bronson (14m 55s):

Okay. And for the, and for many of them, it's a once in a lifetime transition. Right?

Denise Logan (15m 2s):

Absolutely. And if we, when we understand and really are able to normalize the things that an owner experiences, for example, the very first time we poke at financials and owner will feel shame. And I often say that to owners, when the first time you poke at financial still feel shame and they got all big and bristly and they're like, I have nothing to be ashamed of. I'm like, I know that's not the same thing, but you are, you as an owner are used to knowing everything about your business. You're the person people come to with questions and you have the answers. The thought of being the person who doesn't have an answer can be terrifying.

Denise Logan (15m 46s):

And depending on how we're wired to deal with that, uncertainty, there are lots of things that happen, right? We might pull away, we might get big and gruff and push back. We might over promise. There are all kinds of normal, emotional experiences that are going on. So now the advisors who we choose and their ability to understand what an owner is experiencing makes all the difference in whether or not the deal will close.

Tom Bronson (16m 16s):

Right. I completely agree. A a, a advisors need to really think about the emotional components of a transition. And, and that's great advice for business owners who are interviewing folks to be their advisors. And by the way, you need a, you need a, a village, right? To help you with the transition. You, you might need an investment banker or a business broker, depending on the size of your business. You'll definitely need an attorney and it's not going to be the litigator who helped you to solve a claim. It's going to be somebody who understands transitions in transactions and potentially an estate planning attorney. If they're not one in the same, you know, you're going to need a good CPA.

Tom Bronson (16m 59s):

In fact, that's disappointed me because I was such a great CPA and the CPA couldn't go on the trip. You know, don't worry. We're going

4 (17m 9s):

To be like, give it all away.

Denise Logan (17m 15s):

We're not going to edit it out. You know, the reason that I wrote the book that way was to see the cast of characters who do need to show up for you to have the kind of exit that makes sense. I know you had Chris Snyder on recently from exit planning Institute. And one of the things that epi or one of their statistics is that only a third of business owners who go to the market with their business successfully conclude that sale. That is a tragedy, every single owner who listening to this today, you will leave your business voluntarily or involuntarily.

Denise Logan (17m 58s):

And when we do not transition our businesses to someone else, it doesn't matter if your wealth advisor did excellent Monte Carlo simulations for you. If you do not harvest the wealth from your business, there is nothing to pour into that, to fund the retirement and wealth managers who are listening to this, you can run all those great simulations. If the money doesn't come in, you have no assets under management assets to manage either. There is a lot of reason why all of the advisors working well together make a difference.

Tom Bronson (18m 38s):

I couldn't agree with you more completely on that. The, the, the stat that Chris quotes. And actually I wrote about in my book as well, we did a little bit deeper dive because frankly, you know, if for businesses over a hundred million in revenue, kind of that middle market business, a a hundred million to a billion, those guys have a much higher success rate in and transitioning their business because they're going to find a buyer for a business that big, not always, but most of the time, but the smaller, the business, the worst, this statistic. In fact, the research that we've done shows that for businesses

under a hundred million in revenue, which by the way, is 97% of businesses that employ people for businesses under a hundred million in revenue.

Tom Bronson (19m 28s):

It's only a 17% success rate. So 83% failure rate out of the gate to go out and sell the business. You know, you talked about working with a, a business that went to market three times. Well, they would have been part of that stat of the failures in the first two times. And the third time that would have been a success rate. So just because it fails, it doesn't mean it's over. It just means that it's going to take a lot longer than you thought. And so, but the smaller you are, the worst, the statistics go for businesses under 10 million in revenue. There's only a 5% success rate.

Denise Logan (20m 10s):

No, this is so outrageous. And one of the things that I look at Tom, that I just think it's so important is whether we're talking about a \$500 million business or a \$50,000 hair salon, the emotional arc that an owner goes through is the same. And so can I tell a story? Well, we met how to put it in context. So this particular fellow had an eight, and I'll just say, don't get hung up about the dollar amounts or people's ages. If you listening, pay attention to how this relate to you and your story.

Denise Logan (20m 50s):

So this was an \$85 million company, eight weeks from close. The seller suddenly announced that he would not take a penny less than nine times EBITDA, nevermind that he had already signed a letter of intent at 6.2. So the investment banker called me and said, I think my seller went crazy unlike. Yeah. Sounds like it. Let's see if we can figure out what scared him and what Heidi wholly went into and how to help coax and backup. So the seller's original plan was to sell the business, buy a sailboat and sail around the globe. You know, you can get a pretty good boat for \$85 million.

Denise Logan (21m 33s):

So I knew that this was not about the money. Money is the easiest thing for an owner to throw up as the reason, oh, I need more money. It's not about the money. So what I've learned when I got further into this was that his plan did not jive with his wife's plan. So

two weeks before he asked for this unicorn, his wife said, I'm not doing that. I do not want to be stuck on a boat with you far away from my grandkids. Hell no, that's not happening, Tom. We know he is not coming back to tell the deal team. The deal is off because my wife won't let me do what I want to do because there would be a huge shame for him.

Denise Logan (22m 22s):

Instead, he asked for more money, which was something that they couldn't produce so that the deal would fall apart and he could save face. Instead, what we did was create a solution where he would buy the sailboat and sail and every six weeks his wife would take one grandchild, fly to where he was. They would do two weeks on land building memories with the child. She would fly home. He would say alone, boom. The deal was back on track, closed on time at its original asking price because it was not about what it looks like. It's about.

Tom Bronson (22m 59s):

Wow. And you don't, and you'll never find that out unless you ask the right questions.

Denise Logan (23m 4s):

And unless we build the right kind of relationship and trust between the client and the advisor. So, you know, just to circle this back to the conversation that we were having a few minutes ago, what this couple was struggling with is we call it relational grief. So there is the fantasy of what our life will be like when we sell our business and get our big sack of cash. And off we go and they have different dreams. People often say to me, when I tell that story, they're like, well, why didn't she speak up earlier? I'm like, oh Lord, are you not married to someone? Do you speak up every time your spouse comes up with kind a jacked up idea.

Denise Logan (23m 46s):

You're like, I'm going to wait and see if that actually comes to pass. That's how you get divorced early by, by resisting everything. But this couple was experiencing what we know of as emptiness syndrome, right? We see it happen. We don't wait until our children turn 18 to ask them what they're going to do with their life. We are preparing

them along the way to launch. But as business owners, somehow there's myth has come to pass as if we will know the very right time. And when it comes, we will be perfectly prepared and we will know what to do with ourselves afterwards.

Denise Logan (24m 29s):

And that's a lie. And so when it comes toward us, if we haven't had anyone else helping to guide us through this, we think we're alone. We think we're a dope. Why don't I know what I'm going to do with myself. Why am I so scared? Why is my spouse so resistant? Oh no.

Tom Bronson (24m 50s):

So it's normal. Yeah, it really is. And, and you know, I, when we, when we talk with our clients early on in the process, we ask them what, what comes next? We call it the third act. What comes next? And act three for you. And, and, and I always throw this in before they do. And don't say golf and travel because what's going to bring meaning to your life. If, if it is no, it really is travel. Okay, great. Where are you going? What are you going to do? Right. And, and it starts to them, the dialogue of thinking about, gosh, what is this going to be like when I don't have to get out of bed at six o'clock every morning and rush into the office and put out fires, what is life going to be like?

Tom Bronson (25m 38s):

We,

Denise Logan (25m 39s):

And I'll tell you the question that I ask owners around that, and please take

4 (25m 44s):

It. So

Tom Bronson (25m 46s):

You'll know that this came from Denise.

Denise Logan (25m 49s):

So the question is, what does work provide you other than money and financial security? And you should be able to get 10 to 12 distinct answers to that question. Not just one, but the answers that come later are the ones that are more likely to hang you up. So let's, you know, I mean, we can just brainstorm a little bit to give listeners an idea, right? What does work provide for you, Tom, other than money?

Tom Bronson (26m 23s):

Well, other than money in my case, because I, I own the business. It provides me with freedom to go do the things I want to do. It provides me with opportunity to, to go out and serve others. I'm passionate about doing that. It provides me with the opportunity to play golf with my wife once or twice week, because we like to do that together. Let's see.

Denise Logan (26m 51s):

Can I offer some suggestions? It's structure. There is structure to our day. When we work, it's a place to go to get away from our spouse and children. It is for many of our business owners work is where their friends are. Their employees or customers or vendors are their friends. It's power, right? At work. You say, you want something done. It generally gets done at home. Well, maybe not so much. It is our standing in the community.

Denise Logan (27m 32s):

It is all of these things. And we could go on and on and list all of the many things. I did this with someone recently and they said, it's the thrill of the hunt, right? It is hunting. So my question is right. You've let you make your list. 10, 12. If you're really superstar, go to 15. Now, where will you get those needs met outside of work, because getting a big old sack of cash does not make these needs go away. And so that's the deeper work to be done. Yes.

Denise Logan (28m 12s):

It's important to know oil travel. Okay. What does travel serve for you? And there will be many things that overlap because especially in this time that we've been through with COVID and being stuck at home, lots of owners think is this, it is this what it's going to

be like when I leave my business, we're just stuck at home and can't go anywhere. Notice what comes up. That's not what it needs to be like.

Tom Bronson (28m 42s):

You are so right. We got a dose, we got a heavy dose of that. And we hope that that's what it's not going to be like. And, and act three, we're coming up against a break here. But question before we go, you're known as the seller whisper. I love that, right? Yeah. So what is a seller whisper?

Denise Logan (29m 4s):

Oh, it's so funny. You know, I coined that phrase because it's so easy for people to think the seller is the person who is the problem in the transaction. The truth is that it takes whispering to all of the people in the transaction because when the seller gets scared. So does the banker, when the lawyer starts shoving someone, else's emotion gets caught up. And so, but whispering is simply about listening deeper inside to what's really going on. I think. And maybe when we come back from the break, I might talk about the difference between content and context and how to keep moving. When all of a sudden you feel stuck.

Tom Bronson (29m 46s):

Awesome. I will, we will get right on that right after the break. We're talking With Denise Logan, let's take a quick break. We'll be back in 30 seconds.

Announcer (29m 56s):

Every business will eventually transition some internally to employees and managers and some externally to third party bytes, mastery partners, equips business owners to maximize business value so they can transition their businesses on their terms. Using our four step process. We start with a snapshot of where your business is today. Then we help you understand why you want to be and design a custom strategy to get you there. Next, we help you execute that strategy with the assistance of our amazing resource network. And ultimately you'll be able to transition your business on your terms. What are you waiting for more time, more revenue. If you want to maximize your business value, it takes time.

Announcer (30m 37s):

Now is that time get started today by checking us out at www.masterypartners.com or email us at info@masterypartners.com.

Tom Bronson (30m 49s):

We're back with Denise Logan, the seller whisper. You just learned what that's all about. And we're talking about business Transitions. So before the break, Denise, you promise to talk about content versus context. I think that was how you put it. Tell us more about that.

Denise Logan (31m 8s):

So, so I'm going to give a little, kind of give a little brain science to go with this. So when we're selling a business, we're really going through any kind of transition. There's a huge amount of uncertainty that goes on for us. And uncertainty creates fear and fear shows up across a couple of different ways in our bodies and in our behavior. So Tom, we've done this before, but it's useful to remember. So I'm going to use my hand as a visual representation of your brain. So the thumb is like the amygdala and the amygdala is a super helpful part of our brain.

Denise Logan (31m 54s):

It's designed to keep us safe. It's always looking for danger, scanning the environment. They call it the lizard brain because it's the oldest part of our brain. So imagine that like the lizard is always watching. What is that? What is that? So when we're in a time of high uncertainty, the amygdala is activated. So do this with me, take your thumb and wrap it across your Palm and bring your fingers over the front. You're making like a little fist with your thumb inside. One of my clients has that the girly fist, because men do not ever put their thumb inside their fist, but I didn't know that. Okay, but what it inside for

Tom Bronson (32m 35s):

This as if you slug somebody you'll break your thumb, this

Denise Logan (32m 40s):

We're creating our brain. So Nick Dilla, the thumb is tucked safely in the fingers. The part that's over the front is the prefrontal cortex. It's the thinking part of our brain. So do this. Move your thumb around inside this little fist. What do you notice, Tom? Doesn't go very far. If your fingers are on tight. So your thinking brain is on tight. It can help keep the lizard in. Check. Now, move that thumb around a little more aggressively fingers, not so tight. If you're a MIG Dulla, senses enough fear, you will flip your lid.

Denise Logan (33m 20s):

You will literally your thinking brain goes offline. Yes. All seen this because you're having a conversation with someone. It turns into a little bit of an argument and you're like, what just happened? Why are we shouting? Because I put the mustard back on the wrong shelf in the refrigerator. It is not about the mustard, but the same thing goes on in our deals. So something happens, our friend, who you make Della, remember, it's helpful. It just can't tell the difference between what it's spotting and actual danger.

Denise Logan (34m 3s):

So you're in a deal and someone in the room makes a face. It is like the face your dad made before all hell broke loose. When you were a kid, the amygdala, Spocks it. And you have flipped your lid and you don't even know what has happened. So I'm going to give you one more piece while we've got our hand available. So fear shows up one of five ways, fight flight, freeze, Fon, F AWN, and submit. So fight flight, freeze, spawn, and submit.

Denise Logan (34m 44s):

You probably know some of these fight. We know flight. That's like you're out of there. And that can also mean someone just shuts down and stops. Communicating freeze is that little deer in the headlights look right? But it can also be overthinking, overthinking thinking, slowing things down fun in a professional setting. Fond is like people pleasing. Yeah. I totally get you those documents. Yep. I will ha our brain is basically saying I'm scared. I'll say whatever I have to say to get out of here and submit. If you have a teenager in your house, you know, submit whatever, right?

Denise Logan (35m 37s):

These are helpful ways. And we will use all five of these at different times, but we're typically wired to use two or three of these as our go-to approach. So for me, I will use freeze on flight. The reason that it's important to know in that order, and there is usually an order that we use them. So I will eventually get to submit or fight if I can't get away. But it takes a lot for me to get there. This is important to know about yourself. How am I wired?

Denise Logan (36m 18s):

What is my pattern? So that I can watch for it for myself, if I'm slowing down or freezing. And then I start over promising or people pleasing. I'm like, oh, I better slow this train down. Or I'm about to get out of here. Once you know this about me, you can actually see it happen. If you're my advisor and you know this about me, the great news is you can pause a little bit and be like, oh, what just happened? What scared Denise? So we can address that instead of just plowing on cause then I'm going to vote. So, Tom, what do you use? What's your pattern here?

Tom Bronson (36m 57s):

All right. So I'm going to guess that it's probably fight, fight, freeze than flight, bro. I'm going to guess that. I wonder that's what I was going to ask you. Is there a test that I can take online that tells me,

Denise Logan (37m 15s):

Ask your spouse, your spouse has seen this happen. She's going to say your order is fight, fight, and

4 (37m 24s):

Fights. I often

Denise Logan (37m 27s):

Ask people, what is your spouse use? And they're like, fight, fight harder, fight harder. But if we can remember that fight is actually a fear response. So when someone is fighting, instead of fighting back, can we be like, oh, what just happened? Tom's like all aggressive and pissed off. What just happened there? Can we come back? So this is

where we come back to the context instead of the content, the content is what we're talking about. The context is what's going on under the surface that we don't see. And what usually happens is someone gets scared, maybe starts to fight or pulls away you and I, our patterns are going to trip each other.

Denise Logan (38m 18s):

So if you start to fight, I'm definitely going to freeze. And if I start to over promise, and then I take it back later, because I realize I shouldn't have done that. You're going to get mad. So what we can do is if everyone, the transaction knows how they react and we're transparent with each other about how everyone in the transaction reacts, we can actually slow things down to be able to deal with the context, creates safety, and then come back to what we were actually talking about. If we ignore this important piece under there, then we make all kinds of trouble and crazy for ourselves.

Denise Logan (39m 7s):

It's why, when I hear advisors say time kills all deals. That's a flat out why time is not what kills deals. Unprocessed emotion is what kills deals. And usually the person who is saying time kills all deals is scared out of their mind when they're saying that, because they're afraid. Notice our language. They're afraid if I don't keep this moving forward, it might unravel shoving it through. Does not make it not unravel.

Tom Bronson (39m 43s):

That is, I mean, gosh, we could end right there, but we're not going enough. But I mean, that is such brilliance. And you go into that in the book. And so, so I'm really glad, like a couple other quick questions here. Number one, in my experience, you know, if you ask a hundred business owners, when they plan to transition their business, the answer is almost universally three to five years. But the problem is they say that for 12 or 14 or 17 years before they actually take action on it. So you have a name for this. It's the OMI syndrome or the one more year, can you spot it? And how can you solve for it?

Denise Logan (40m 20s):

There's some great psychology behind why three to five years is what we say, because it feels far enough away that I still have time to prepare, but close enough that I don't feel

trapped. And so three to five years is there's a reason why that's what we hear and why it keeps getting pushed out. What I, you know, my, my funny little OMI syndrome one more year is when an owner says, ah, you know, I'm just gonna pause and pick this up again. And one more year, what I automatically know is this is something emotional.

Denise Logan (41m 6s):

This is something they haven't yet been able to figure out and no one is talking to them about it. So can we make safety for them to talk about what's really going on? You know, I had a client who was very close to the end of the sale. He was in his middle thirties. So this happens for young owners, old owners it's the same. He was very close to the end. And one day he realized, who am I going to hang out with? All my buddies have jobs. And so he was out shooting pool with his best friend. And he said that too, which his best friends said, Boohoo, dude, I wish I had your sad little \$16 million problem.

Denise Logan (41m 49s):

You know, it just went underground. He became ashamed and he realized, oh, I shouldn't tell anyone that it didn't go away. So when I hear an owner say one more year, or they're pushing their three to five years, three to five years. And he keeps moving. When I know is that there's something else under there to be addressed. It isn't about the deal. It isn't about what they're talking about.

Tom Bronson (42m 15s):

Well, it's being, being able to pick up on those cues and listening for that. It's really all about listening, right? It's hearing, hearing what they're saying, but listening to what they're talking about, boy, we could go on and on and on. Let me, let me wrap up with a couple of questions here. With the same question we ask. Every guest, this podcast is all about maximizing business value. What's the one most important thing that you recommend business owners do to build long-term value in their business.

Denise Logan (42m 45s):

Again, building relationships with your trusted advisors early, and I call them trusted advisors because they should be the ones who are asking you these kinds of difficult questions. And they're the ones who are courageous enough to step in and talk to you

about the things that no one else. If I were evaluating an advisor, the question I would ask the advisor is what is your exit plan? How are you preparing to let go? Because an advisor who has done that work for themselves and is clear, not just about the money they'll get or that I'm going to work 10 more years, but an advisor who has done this deeper work to really get clear about what could hang up their own exit is going to be a super skillful guide for you.

Denise Logan (43m 35s):

And that in many ways, it's the most important piece about whether or not you will successfully exit because you will exit, but you want to exit in way that doesn't cause regrets.

Tom Bronson (43m 50s):

Well, that's it, a hundred percent of every business on the planet will eventually transition. And isn't it better to have a plan for that as opposed to it being thrust upon you. Right?

Denise Logan (43m 59s):

And we don't always get to choose, you know, I'll hear an owner sometimes say, if I sell my business or if I leave my business, I'm like, oh, you know, that word is when not, if when

Tom Bronson (44m 13s):

Yeah. So I always ask our bonus question too. That's great advice. But I ask our bonus question. There are people who listen to this podcast who are waiting just for the answer to this question. So here it is, Denise, what personality trait has gotten you into the most trouble through the years?

Denise Logan (44m 31s):

It is it's about being courageous. So sometimes being courageous means that I want to dive into the depths of these kinds of things. I want to understand what's going on under the surface for many people that can feel really too deep. And so sometimes being courageous to ask those questions can sometimes be disruptive in relationships.

Tom Bronson (45m 3s):

It makes them a little uncomfortable. I bet on a case. But again, if I

Denise Logan (45m 7s):

Come back to it, I think that is what makes a truly trusted advisor is someone who is willing to go to the places with you that others are not, and they don't shy away. So it does get me into trouble. And I kinda like it.

Tom Bronson (45m 20s):

I love that. I hear frequently from clients, but you ask a lot of questions. Yes I do. Because, cause I, cause these are questions that you probably haven't thought about. And so let's talk about these things. So how can our viewers and listeners get in touch with you?

Denise Logan (45m 34s):

Oh, I would love that so much. So my website is Deniselogan.com. You can reach out to me by email at Denise@Deniselogan.com, super easy. I'm on LinkedIn. And if you're interested in the book, you can either purchase it at my website or you can get it on Amazon there, it's on both Kindle and audio

Tom Bronson (45m 59s):

And you need to get the copy of the book. It is a brilliantly done book and it's easy to read. It's a page Turner. It's not dry and boring. Like my book. It's a thank you, Denise. You've been wonderful. And we're going to have you back again because I have so many more things that I want to talk about, but I know we're out of time, but thank you for being our guest today.

Denise Logan (46m 21s):

It was so my pleasure. Thank you for having me, Tom,

Tom Bronson (46m 24s):

You can find Denise Logan at deniselogan.com of course, or on LinkedIn. And as always, you can reach out to me and I will be happy to make a Warm introduction. This is the maximize business value podcast, where we give practical advice to business owners on how to build long-term sustainable value in your business. Be sure to tune in each week and follow us wherever you found this podcast. Be sure to comment because we love comments and respond to all until next time. I'm Tom Bronson, reminding you to prepare for the journey ahead of time, while you maximize business value.

Announcer (47m 6s):

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Announcer (47m 35s):

<inaudible> that was perfect. I wouldn't make any changes.