MAXIMIZE BUSINESS VALUE PODCAST - EPISODE 32 Transcript

Tom Bronson (0s):
<inaudible>

Announcer (5s):
The maximize the 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 feels our desire to share our experiences and wisdom. So you can succeed. Now, here's your host CEO of mastery partners.

Tom Bronson (33s):
<inaudible> welcome to maximize business value. A podcast for business owners who are passionate about building long-term sustainable value in their businesses. In this episode, episode 32, by the way, I'd like to welcome our guests, Oliver Cone, he's senior vice president at bulkley capital an M&A advisory firm based here in Dallas. I've known Oliver for a few years. And although investment banking is a crowded field, Oliver and bulkley have really separated from the pack in terms of bringing great value to their clients.

Tom Bronson (1m 14s):
We've also both become members of provisors, which is a professional networking group here in Dallas with groups throughout the country. So if you're interested in that, let me know and, and I'll be happy to connect you there today. We're going to talk about things. A business owner should be thinking about long before they put their business on the market. So welcome to maximize business value. Oliver, tell us a little bit about yourself and about bulkley capital.

Oliver Cone (1m 41s):

Thank you, Tom. And I'm excited to be here. I've been an avid kind of watch you and listen to of your podcasts and all your materials. So I'm a huge fan. So it's exciting to be on your podcast. Yes, yes. Again, I'm all over a cone and with bulkley capital. So we are M and a advisor. We work with owners and founders and family owners who have inherited privately held businesses. So we work in the middle market. We work with clients side, say anyone who has 3 million of EBITDA and up with, I don't think you'll ever hear an investment banker saying something's too big for them, but something, it becomes too small first underneath that level typically. And really we just had worked to help them execute and plan for successful M and a transactions.

Tom Bronson (2m 26s):
Awesome. It's a, it's a great firm of grown, a lot of great respect for, for bulkley and their success there. So what is your background and why did you become an M and a advisor?

Oliver Cone (2m 38s):
Well, you might be able to tell, I don't have an accent from Texas. So I grew up in England. I went to undergrad over there at Oxford. And after that, I moved over to Dallas, which was the mid nineties and worked for a few years at a venture capital group. And that was where I kind of cut my chops on the financial side. I really have any finance background until then. And so I learned in what is a very kind of analytical industry, the venture capital side, but that I liked quantitative modeling financial analysis, and most importantly, working with entrepreneurs. So we were working with people, obviously we're trying to get businesses started, had been very successful before and now had a new idea that business wound down.

Oliver Cone (3m 22s):
And I found myself introduced to the founder of bulkley capital back in 2001. So I've been here for almost 20 years and found that this was a great opportunity to keep those same skill sets, also work of entrepreneurs, but actually work with entrepreneurs who owned businesses that actually did something versus being just an idea on the back of a cocktail napkin. So I liked the idea of working as a partner for these business owners. You know, it gives you a chance to be part of something that's very exciting, big deal. And the thing we're working on is typically maybe the most major transaction that's happened in these business owners lives. So that's great to be part of that, to see the value adding.

Oliver Cone (4m 4s):

We like to say, you know, we really partner up our skill sets, our financial skillset and capital markets knowledge with their knowledge of how to run a business, we can do what they can do. They can maybe do what we do, but we just have done it many more times than they have. So I bringing us in, you know, where I was talking to someone the other day, if you are selling your business person on the other side of the tables could be a professional deal-maker, they've probably done hundreds of these and you've never done it before. So using us, you level the playing field, we get to marry our skill sets with our experience. And I think it's a lot of fun and very rewarding to see them really finally take chips off the table or build the liquidity that they'd been looking for.

Tom Bronson (4m 46s):
You know, my, my dad had an old saying that, that he used to tell us all the time. And that was, if you really want to learn a skill, you got to hang around with people that do it. Cause you can't beat a man in his own trade. Right? And, and that really plays out to be true in, in, in selling a business many, many times, particularly sizable businesses, the ones that the types of businesses that you represent are, you know, $3 million and above and even BA and, and you're probably sitting across the table from a professional. Somebody who's done this many, many times really important to have somebody on your side of the table who also has done this because you can't beat a person at their own game.

Tom Bronson (5m 30s):
And I assure you when you're sitting across from a buyer like that, that is their game and they know it. So it's important to have somebody on your side of the table. So tell me what are, what are some of the reasons that a business owner might decide that it's time to sell?

Oliver Cone (5m 46s):
Yeah, well, as you and I both know a lot of people don't really plan it carefully enough and I'm doing it deliberately. There's a lot of times some external forces. So maybe, you know, they've, they hear that someone that they know is exited and that sparks an interest in their mind. Hopefully it's not, you know, sometimes it's, you know, health concerns or something like that. Oftentimes what we see in a lot is, you know, a lot of business owners build their business. They all thinking that eventually they're going to sell and maybe there's that one strategic player out there that they think that is the ultimate buyer. And one day in among all the other emails, phone calls and letters they get from generic buyers, they receive an inquiry from someone like that and think, Oh, well, maybe this is real.

Oliver Cone (6m 28s):
I don't want to miss that opportunity. The other side of things is more internal and more intentional, which I think, you know, for the more Stute business owners is often the case. We see a lot of times our clients have reached a point where yes, they still love the business. Yes, they're still excited. And maybe they're not ready to sit on a beach, but they have suddenly realized whether it's sudden or over time, the amount of risk that they're bearing on their shoulders that is now much larger than they ever thought it was going to be when they started the business. So whether that's no financial risk that most of their net worth is tied up in this one, illiquid asset, this stock that they've gone to con sell, or just the personal risks around guaranteeing bank dads or insurance concerns, or employee concerns about a business that now has 200 employees versus just three family members when they started it.

Oliver Cone (7m 23s):
And I think that weighs on people and they realize, look, I ought to do something about that for me, for my family, it's smart to actually diversify my net worth, reduce my personal risk. And maybe there's a way to do that and actually help the business because you know what we like to say to a lot of business owners may or may not realize it, but perhaps your stage of life, you're holding this company back at this point, you're not aggressive. Like it used to be. You're more interested in taking money out of the business and putting it back in. You want to preserve your wealth, not laid down again for the next bet and the next hand. And you know, maybe that's, there's more that could be done with this business. If you, you know, to the extent of the ownership side of things and the risk concentration would get out the way, not that you need to leave running the business, but bringing in more capital, make sure that you know, your safe and personal balance sheet and then you can stop be aggressive again.

Tom Bronson (8m 18s):
Yeah, that's it. You brought up a couple of great points here that I wanted to be sure that I, that I highlighted, you know, I hear frequently from sellers that, Oh man, it'll be easy to sell my business because I get calls. You know, people call me all the time wanting to sell my business. And, and my stock answer to that is if you're in business, buyers are calling. That doesn't mean that they're all real buyers. Right. And so what, what do you say to that?

Oliver Cone (8m 45s):
Yeah. Oh, we, we face that all the time and I think every business owner we talk to says, you know, I get calls all the time and there's plenty of buyers out there. I think the is, is exactly what you said is for any given business, you might have the best previous

business world. I don't believe there are hundreds of potential buyers, at least that are not good for you. And I'm going to give you the best value and the top dollar that requires really passing through that, that noise and finding the real ones. You know, we do a lot. We work with a lot of business owners who are looking to make acquisitions. So we work on the buy side a lot of times of corporate buyers. And, you know, that's one of the things we always talk about is that when we're going to start calling companies potential targets, we need to be able to be noticed and be taken seriously.

Oliver Cone (9m 34s):
And for us, when we call a business owner on behalf of a client, as a buyer, we always say who we represent, we always explain the work that's been done to think about acquisitions and why we're looking to expand into a particular area. And we are not necessarily saying that we're only interested in buying this company. There may be opportunities to do strategic relationships and partnerships, whatever it might be. But I think to get credibility with that business owner and I, this is what we tell business owners, you know, you shouldn't take a call. You shouldn't take move on in discussions if they won't tell you who their client is. Because oftentimes it's people in my industry who are really looking for a sell side client saying, you know, there's interest in your business when yeah.

Oliver Cone (10m 18s):
There's no specific interest in this specific interest in that industry, but not in that company.

Tom Bronson (10m 23s):
That's brilliant. I didn't realize that that, that is y'all's process because, you know, as a, as a former business owner, you know, people that listen to this podcast know that I, that I have bought or sold a hundred businesses in my career. I got calls all the time. My phone was ringing off the hook, you know, and, and I never really thought to ask that question, okay, you're an investment banker. Who do you represent? Well, we want to get under NDA. And then now I want to know who you represent that as a great piece of advice for folks out there, because it could be genuinely just a fishing expedition to find out if you're willing to sell, and then we'll go find your buyer right now,

Oliver Cone (11m 3s):
Way before they even know how big you are, how profitable you are. So they can't tell you for sure that they're interested in the second year.

Tom Bronson (11m 10s):

Exactly. You know, the other point that you made was sometimes the business owner is holding the business back and it may be because they're, they're a little risk averse now because they don't want to put everything at risk, but it also could be. I kinda think of business owners, they have a sweet spot, right? I mean, some business owners are just relentless and startups. They're really, really good at startups, but once it grows to a certain level, they need to have somebody else to, in order to take it on to the next level. Then you've got people who are really good at running kind of lower middle market businesses. They can run a $50 million business, but once it, once it gets to a certain size, then it gets out of control for them.

Tom Bronson (11m 55s):
It is a very, very rare commodity to find somebody that can take a business from a startup to a billion dollar business, because there are different skill sets that are kind of needed all along the way. And it's rare to find all of those different skillsets in one person

Oliver Cone (12m 13s):
And you know, where it manifests itself. It manifests itself. Oftentimes for us, at least in business owners who are no longer energized by the company anymore, because they feel like, Hey, I mean, I can, I can name several clients over the years whose, who came to us and said, when we had five employees and I was rushing around, I was doing a bit of everything. It was exciting. It was energizing. I really enjoyed building a business. Now I'm maintaining a business and I'm worrying about HR and I'm worrying about insurance contracts. And you know, it's now it's just a drag and I'm ready for the next thing. So we've had clients that, you know, the one category we didn't mention before is just people who feel like dumb, what I needed to do.

Oliver Cone (12m 56s):
And to your point, I don't think I'm going, I have a great idea for the next phase of growth. And that's not my thing managing from 50 million to a hundred. And putting in processes and HR systems and adding to admin is not what I'm really about. I want to go and do the next thing. And so this business sale is my opportunity to have some capital to invest in the next thing. And most of them, you know, you know, the type of person, I mean, they got a bunch of ideas going through their head that they'd been thinking of the last 20 years, what they're going to do next. So there's a chance to do that.

Tom Bronson (13m 32s):

Right. Well, and sometimes though it's just that, that perhaps they just need the capital to go out. They've got a great idea, but they don't have the infrastructure. They don't have the capital. So, so, but they realize in order to take the company to the next level, they can't do it on their own. Are there other options for kind of raising capital other than just an outright sale?

Oliver Cone (13m 54s):
Yeah. I'd say the answer is absolutely. Yes. And I think, you know, maybe hidden by in your question is this assumption that I think a lot of business owners have that they have two choices in life as a business owner, all in, all out. And for us, we talk about a kind of continuum of ownership and capital structures and liquidity options all the way from do nothing to an allied sale. And we often, that's usually the first conversation with clients is what are your options? You can't make a good decision about what you want to do until you know, all your options. And if the real goal to your point is I need capital to grow.

Oliver Cone (14m 36s):
I maybe I would like some expertise at the table. Someone to talk to that can help me grow. That's been there before. You don't have to sell your whole company to do that. And there's been an increasing amount of capital available that is non-control or is control is not, is even non-equity right. I mean, I think we talk about various levels of debt providers that, and then equity investors and different types of equity investors. And if you imagine kind of a sliding scale, the more you move to the right enough gets more expensive in terms of interest or giving up upside, which is the most expensive giving up equity, but the dollar become big and what you can do with that. And hopefully the value add in addition to the capital gets bigger.

Oliver Cone (15m 21s):
You know, there's, there's a whole range of capital providers out there, and now it's a very efficient market and, you know, lots of options to choose from people should, you know, they have the right to choose what's right for them all the way from non-control wise, we are meeting with someone this morning, that's thinking of a non-control investment, primarily for personal wealth diversification, but also to help grow the business, but believes so much in the upside. And let's see so much opportunity and is key and wants to keep running the business so that they don't want to give up more of that upside than they have to.

Tom Bronson (15m 53s):

That would be a, they would retain control of that business because I think a common perception out there is local. When I bring in an outside investor, I'm going to lose control of my business. And I call the shots as I tell people frequently, cause I've, I've sold many of my businesses to very large companies. And I tell them the same thing, you know, I'm a great CEO, I'm a terrible employee. And so, so I know man's got to know his own limitations. Right. And so, so, so I typically will, we'll sell a business outright and move on, but, but are there options, like if you want to retain control or there's, are there investors out there that would do that kind of,

Oliver Cone (16m 34s):
Yeah, I'd say increasingly over the last several years in particular, 10 or 15 years ago, it felt like private equity was you had to sell control. They wanted to be in charge of everything. Yes. You'd keep a small piece, but they were going to have the lion's share of the ownership that market as everyone has heard, I think is as more and more money out there, it's become much more competitive. I think, I think there's two and a half trillion dollars of capital out on the sidelines globally that hasn't been invested in companies as it became more competitive as the availability of good deals became more tight. You know, these investors have to become a little bit more kind of flexible about what they're looking for and to get the money to work.

Oliver Cone (17m 17s):
That's obviously their mandate. And so we've seen an increasing number of institutional groups, private equity funds, comfortable with minority investments, non-controlling investments. There are some that even focus on that, but that's all they do. And whether that's a combination of some mezzanine debt and equity or just equity, certainly to your point, you know, less than a 51% position, less than full control of the board or the ownership rights. So it's very doable to attain that kind of upside retain a bit more control over your own destiny. I wouldn't suggest that life is completely normal. Once you bring in an institutional investors, they will have expectations.

Oliver Cone (17m 60s):
They will want to be out of very key decisions and critically, I think they are going to want to see a path to liquidity. And the only way they operate is to get that money back at a good return for their investors. And when you're not in control, your risk is you're kind of along for the ride. So I think there's, you're, you've got to understand that there's going to be a need to cash them out at some point, but you can do it on your own terms and somewhat on your own timetable. If they're only a 20, 30, 40% owner in the business, because the dollar amounts, you know, it's smaller, you don't have to sell the

whole business necessarily to cash them out and you can determine in advance the mechanics of that and how that's going to be worked out.

Oliver Cone (18m 41s):
So it's definitely a viable option now, and it's two and a half

Tom Bronson (18m 45s):
Trillion dollars of, of dry powder. I call it out there that it's looking for a place and looking for a home. It seems to me, I don't write a whole me to this, but it seems to me several years ago, I thought I heard the number was like 3.4 billion. Does that mean that a billion of it or brilliant Ryan? Sorry. Does that mean a trillion of it has already been placed somewhere or did, so they get pulled off?

Oliver Cone (19m 10s):
Yeah, I don't know. It might be me. Like my number comes from one part of that industry and yours from another, I don't know. It's hard to track given the number of calls I get for given the number of calls we get from equity group is looking to put money to work. There's a lot of it, whatever the number is. Yeah,

Tom Bronson (19m 27s):
Yeah. There's, there is a lot, you know, in good economic times and bad economic times, there are always, there is always money looking for good investments. You know, even Warren Buffett says, as you know, stocks are the only thing that people don't buy on sale. He's always looking to buy businesses that are good value and can bring value to his shareholders. And, and even in bad economic times, money might be a little bit tighter and the restrictions might be a little different. There is always money looking for good opportunities where it can be invested. So I do, you mentioned in there a term mezzanine debt, just for the purposes of folks who don't understand that, what does that term mean?

Oliver Cone (20m 11s):
Yeah. So in my world that would, I play sat as kind of subordinated debt. So it comes behind a senior debt bank, what we would think of typically as bank debt. So it's second impiety to getting paid in a, in a downside scenario. And so, you know, is more risky for the lender than a fully collateralized or senior loan. So therefore it charges a little bit more. The benefit is, is that it stretches further than a typical bank word or senior loan would, would stretch. So you're able to access more capital by taking on that kind of, which has a higher cost, like I say, but gives you access to capital.

Oliver Cone (20m 52s):
And it's still in my view, you know, that's not as high a cost as giving up equity. The cost of equity is immeasurable, right? It's has no upside because if you grow to the moon, that equity is going to be worth billions, you always know what the mezzanine debt is going to be. It's going to cost you. So, you know, the other thing is that is typically, oftentimes you don't have to pay the principal back until the end. It's kind of what we would call the balloon or bullet maturity on principle amortization. So you'll actually, even though the interest might be higher and you're paying quite a lot on interest every year, that big chunk of the actual amount that they've learned, the principle is not due to the end.

Oliver Cone (21m 32s):
So frees you up your cash flow.

Tom Bronson (21m 36s):
Awesome. Thank you. That that's helpful for our listeners. So, so when you're raising capital, let's say that a business owner has decided that he doesn't really want to sell his business outright. Either wants to raise a minority or majority capital in his business. Is the preparation for doing that different than for preparing your business for a sale?

Oliver Cone (21m 57s):
Yeah, it really isn't. I don't think, I think it's, you know, you're still talking to the same type of sophisticated buyer slash investor. I think you still have to be able to demonstrate the strengths of the business. And if you think about it, if we go back to the minority investor alternative, as I said earlier, in some ways that investor could view themselves as kind of at the mercy of this team and this business kind of along for the ride. So demonstrating exactly why this is a good, predictable business and telling a good story, a strong story perhaps becomes even more important in preparing for that exercise because now you really, really are buying into your team and your vision and your strategy because they don't really have the ability to change it.

Oliver Cone (22m 44s):
If they don't, if it doesn't work out the way they think it's gonna work out. So,

Tom Bronson (22m 48s):
Right, right. So, so the preparation is important. You know, one of the things that, that in my experience that I find very common is that that really most business owners don't have a realistic opinion of the value of their business. So they want to go raise capital or they want to sell the business. And they don't really have a realistic opinion or realistic

understanding of what the, what the business is worth on the open market. So, so how, how should they go about addressing that?

Oliver Cone (23m 18s):
Yeah, you're right. I think I find that people either extrapolate market multiples or multiples, they've heard at the country club when someone said, I sold my business for 10 times, or they just have an arbitrary number and they had the, they've always said, if I can get X that's success and that's, that's what I need, you know, the way that really are works and the way that I've seen. And sometimes people come to us having done this, the first step oftentime, talk to your financial advisor, your wealth manager, work out what it is that you need and to maintain your lifestyle for immediate cash needs, whatever it might be. And that's oftentimes the driver of coming to us. So they're having a conversation with their wealth advisor that says, you know, you need to diversify.

Oliver Cone (24m 2s):
And then they, then they ask about, you know, if I wanted to carry on living in this way and doing these things, how much money would I need in the bank? And then they can come to us and they know in their mind, you know, that's not an arbitrary number anymore. That's actually a mum number to mean something that is a bar that you want to meet. And then coming to us, you know, we're going to talk about based on our activity, how much we're in the market. I think we can have a pretty good estimate of what's reasonable and realistic to expect from the market for any specific business. And it really comes down to, it's not just the industry, it's not just the location, it's the quality of that business, the size, the profitability, what the opportunity, what the upside is, where they've been, all kinds of things play into that.

Oliver Cone (24m 46s):
And we, we talk about that on the front end and we would not go, you know, I think, I don't think you should ever go to a buyer, start talk, calling, making that first call until we and the client on the same page as to what's going to be acceptable. And what we think is, is achievable. We're not, we're not going to start a transaction if we think that expectations are out of whack, you know, and, and hopefully we're fairly conservative where we out perform what our initial estimate is, which typically tends to be the way, hopefully that competitive process, we run generates an even better market number. And we don't, by the way, do not go to the market with a purchase price.

Oliver Cone (25m 27s):
I mean, all that would do would be to set the ceiling on what you could get. So we're going to let the market tell us, but I think just based on, you know, the level of activity we

do and who we talk to and who we know, we can have a pretty good sense of what's going to be realistic before anyone starts doing anything.

Tom Bronson (25m 45s):
Just to be clear now. Cause I, that is some great advice. We advise our clients all the time that, that they should, if they don't have a financial advisor, they need one who can tell them what the number is that they're trying to achieve. Right? What, where do I need to be in order to live my lifestyle for my life expectancy, you know, and, and provide for my, my family, my spouse, whatever, for the rest of my life, they need to know that number, but that is not tied to the value of the business, right? That's the number we know you'd need, but that doesn't determine the value of your business. If that number is 5 million and your business is only worth two. Yeah.

Tom Bronson (26m 26s):
That doesn't mean you can go out and sell your business for 5 million. Okay. Now I know I need 5 million here it is. And so just, just to get clear,

Oliver Cone (26m 34s):
We come at it from two sides and, you know, I think we can give a pretty good sense, like I said, of what's achievable and usually the surprises on the other side, usually once they talk to an advisor about all the structural options and the tax options available, they actually find out that they don't need to sell for as high a number as they thought in order to achieve their goals. Not that they should take a lower number, but you know, it's not always as high a bar as some business owners expect just based on their own knowledge.

Tom Bronson (27m 2s):
I actually had had a financial advisor that, that saved a deal one time where the buyer got cold feet, because suddenly because of the tax structure and, and, and the outcome that they weren't going to get, what they felt like they needed in order to survive. So we got a financial advisor involved very quickly, who determined that, Hey, this number actually meets your financial target for the rest of your life. And it actually saved the deal where if they had walk away, they might not ever get a deal like that again. And so it's so important to have a really good, strong team of advisors around you. That includes having a great investment banker who can help you prepare the business and get it going.

Tom Bronson (27m 46s):

You need a good financial advisor, you need a great CPA. You need an attorney. We take the approach of, of you need a team of people to, to help reach this. So, so that's awesome. All great advice. We're talking with all of our cone. We'll be back in <inaudible>.

Announcer (28m 2s):
Every business from eventually transitioned some internally to employees or managers, and some externally to third party buyers, 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 the way 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 there'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 (28m 43s):
Now is that time get started today by checking us out at www.masterypartners.com or email us at info@masterypartners.com to learn more

Tom Bronson (28m 55s):
We're back with Oliver Cone senior vice president and bulkley capital in the M and a advisory firm here in Dallas. And we're talking about preparing a business for that ultimate transaction. So a few weeks ago, I wrote a blog post on the rigors of due diligence. Be sure to go have a look at that it's right on our web website, it gives kind of a little bit peel back the sheets and take a look at what due diligence really is. But before a business owner ever starts the process, what are the kinds of things that they need to have in place to prepare for that ultimate due diligence?

Oliver Cone (29m 33s):
Yeah, good question. I think, you know, it comes down and we have to put ourselves step back, put ourselves in the eyes, in the shoes of the buyer, right. You know, every business owner and operator, what they think is really important is just what they do every day and their knowledge of the customers. And they can say, we've got these great relationships. It's, you know, no, we're not going to lose our customer because I play golf with them every month. If you're coming from the outside, all you really have to go on. At least at the beginning is the numbers. And I think everything starts with the numbers. And you need to make sure that you have scrubbed the numbers. So those numbers are defendable that they're real. They're not going to change.

Oliver Cone (30m 13s):
They're not gonna, you know, they're not gonna reveal, you know, you're half as profitable as you thought you were. Once someone actually takes a look at them with a CPAs viewpoint. So good validated financial results is number one. And there's been a thing emergency for the last few years. When you talk about diligence, a core part of the diligence from a bias perspective is bringing in and accounting firms, CPA firms to do what we would call it. A quality of earnings reports. It's kind of studying the numbers and it's more than, I mean, someone like an audit, but it's not really an audit. It's more geared towards a transaction. So proving out profitability, cash flow. Are they recruit? Are they reporting in the correct way? What does working capital look like?

Oliver Cone (30m 55s):
The last few years has been a big push that sellers are now producing those kinds of reports before they go to market. And I I've become a big believer in that. I think it's a real way to have the numbers presented in the way the buyer wants to see them. It's the analysis. They would run themselves. And obviously you'll go to identify issues early on and address them. And frankly, you identify when an M and a transaction one is selling businesses. You're probably going to both identify and validate and, you know, have the third party who endorses them adjustments to your earnings that are going to increase your value at the end of the day.

Oliver Cone (31m 35s):
So, you know, we've had every time that we've worked with a business owner, there's all kinds of add backs that people talk about at backstage, but all right, so things sort of running through the business, Don really affiliated with the business. One time non-recurring expenses that we should be stripping out. It's one thing just to say, they're there, but to have a report, show that they're there and, and provide the backup for that adds a lot of value. And every time we've done a sell side report that sell side advisors identified additional adjustments to earnings that we in the company didn't even know about. So even if it's just simply a way of reporting for accounting standards, that they were doing incorrectly, but ends up with a higher earnings, you know, expensing things, they could have been depreciating, that kind of stuff, but that pays for itself because think of the multiple on those earnings that is then paid by the buyer.

Oliver Cone (32m 30s):
So I'm a big believer in that. And then secondly, so that's just having your consolidated numbers. Good and defendable. Secondly, and we've talked about this in the past, and I've heard you speak about this Tom is processes and reporting systems internally,

having your hands on the long, the data as you're, you're operating data, as you go forward. I like, we like to talk about when buyers come into diligence, specially financial buyers, they almost the way they're going to attack it is to take apart the income statement and put it back together, right. And check that the top of the bottom still match. If they look at it from a customer perspective, a product perspective, a market perspective, a skewed perspective, a margin perspective.

Oliver Cone (33m 15s):
They want to slice and dice all of your data and make sure it still adds up, which by the way, also reveals things about your business, you know, where you're making your money. Do you have over the concentration and a couple of customers? So your ability to track that kind of information and run reports is key because you can be sure that they're going to be asking all kinds of questions. And if you can't answer those questions, it makes it harder for them to get aggressive, makes them harder for them to get enthusiastic about the business. So you just help them along as a buyer, by being able to answer the questions. Right.

Tom Bronson (33m 49s):
I think the whole quality of earnings advice is really great. I had a, a great friend of mine who is an investor in a business here locally. It was about a $300 million business. Maybe, maybe it was a a hundred million dollar business. They ultimately sold it for about $350 million. But one of the recommendations from their investment banker was to go ahead and do the, the sell side quality of earnings report. And, and so I asked one of the investors in that business who happened to also be a board member. I said, so what was the outcome? Right? I mean, how do you feel about that? He said, look, you know, we invested for the, for the investment that we made up front for that it returned 10 times that by doing that in advance.

Tom Bronson (34m 36s):
So that is a great piece of advice to do that in advance. And secondly, I, I advise people to it, no matter the size of their business, particularly once we get into kind of the realm where you are operating at at 3 million and above, you probably ought to be having an annual audit of your numbers because an audit is just a third party. That's validating that your numbers are accurate. And if you've got a firm that's doing your audit, doing a quality of earnings report is a lot less expensive, right. Then then having to start from scratch and go do that and build it from nothing. I will tell you that I made a giant mistake.

Tom Bronson (35m 16s):

One time in my business, I waited until I had a business that was doing about 20, 25 million in revenue. And that was when we first decided to go ahead and do the audits because we knew we were a couple of years from a transaction and waiting that long. It was like, you know, nails on a chalkboard. It took nine months. It was twice as expensive as we thought it was going to be. It was enormously disruptive to our, to our finance team. So I'm a big fan of starting audits when you're small, because then you put processes in place that make it easier in the long run. And then you can negotiate and get a good deal for doing that.

Oliver Cone (35m 59s):
Yeah, it's, it's, it seems like an unnecessary cost for this year's P and L. But if you think about it as the value, it's going to create down the road, you know, like you say, huge payback on those kinds of things. Just, just don't leave the bio, have any kind of question marks. I mean, it just just helps everything.

Tom Bronson (36m 18s):
That's a totally, so, so some owners may sit back and say, geez, why do I need to prepare all this stuff in advance? You know, why don't, why don't we just go out and put it on the market and see what the buyer asks? In my opinion, that's a big mistake. You know, our clients are already, they built a data room. They can slice and dice the data. They can do that. So why is it important to have all of this really ready to go before you go to market?

Oliver Cone (36m 46s):
Yeah, I, I think that the way to make, to maximize value at the end of the day is to keep the timeline and the negotiating leverage on your side. And for me, that comes through continued momentum and things, not no roadblocks, no vote humps or whatever you want to say in the road. As you go forward, preparation is the way to maintain that momentum. Once you're out in the market, if you can keep bio enthusiasm, by keeping that timeline short, keep everyone moving fast, respond to questions quickly. It gives the data that people want, Hey, it looks impressive. And they get more convinced that you're the right deal for them.

Oliver Cone (37m 26s):
Be you just keep that momentum. They don't, you don't give them an edge in the, in the negotiation. So momentum is everything for us. And, you know, having that stuff in advance, we can spend as much time on the preparation of a company before we make that first phone call, as we do from that first phone call to close. I think it's equally as important, you know, with a well used phrase here is that selling a business as a

process, not an event, you don't just get up and do it the next day. And that's a process that starts way before you go to market. Because again, it's an investment of time and effort that pays off multiple fold.

Oliver Cone (38m 9s):
Once you get into village and someone's or get into the market.

Tom Bronson (38m 12s):
No, I I'm. I agree with you on the, the, the keeping, the momentum, keeping it on your time frame. And if things kind of grind to a halt, because you can't produce the data that they need, that's a deal killer, you know?

Oliver Cone (38m 28s):
Yes, you either, you either lose interest because they've got a lot of other deals to look at the numbers you produce and now three months old. So they just want the new version of that by the time you get them, the first version. And lastly, I mean, in the worst case, it starts raising questions about your ability to how well do you know your business? Can you pull the numbers out? If you can't pull these numbers out? How good all the other numbers we got, right. So you never want, like we said earlier, don't put a seed of doubt in anyone's mind.

Tom Bronson (38m 59s):
Right? Exactly. Keep it going now, does it make a difference on the various types of buyers that might be interested in, in kind of where you need to prepare the business to, does it, are there certain buyers looking for some things and others looking for other things?

Oliver Cone (39m 16s):
I mean, I suppose so. And a lot of it is around. If you just take the simple distinction between a corporate buyer, strategic buyer and a financial buyer, the financial buyer typically is going to have a heavier lien against, you know, bias against who's this management team they're effectively backing the team, not this as much as they are the business. So for them, it might be important for a strategic buyer. Perhaps that senior team is less important because they feel like they've got that. But I think you still need to prepare in the same way most of our clients, you know, want to talk to both sets of those buyers. So you're doing the same kind of work in the beginning.

Oliver Cone (39m 57s):

Anyway, it's very rare that someone is very focused on one and not the other market of buyers, but, you know, if it is, it's usually that they don't want to talk to strategic buyers. They want to remain independent. They want the company to remain independent from industry perspective, at least. And so it's really just financial wise. They're talking to, and then obviously, you know, and we know those kinds of focuses, you know, it's a numbers side, it's the people's side, some market opportunity side of things. You know, you, you would feel that if you were purely going to shoot you. So we sold a, you know, an engineering firm a few years back, a civil engineering firm, and really the interest there was really just becoming part of a larger platform in the industry.

Oliver Cone (40m 39s):
So we were talking only to industry insiders, you know, people that knew the space. So we were able to be very kind of narrowed and focused in the information we prepared and provided because we didn't have to educate anyone about, or how does the engineering industry work and what's happening in the markets and which areas are hot and which are not. So we could just predict what they were looking for in terms of a very short list of information and put it out there for very quick, effective conversations. But that's, you know, that's not the most, the most common situation is you want everything out there and you want to be able to choose your option.

Tom Bronson (41m 16s):
Well, cause you may not know when you started, unless you're, unless you start the process focused very specifically on the types of buyers, you may have a financial buyer and a strategic buyer who are looking at the business at the same time and they may have kind of different needs. And that's why it's to Prepare that stuff.

Oliver Cone (41m 37s):
I think to that point, as you know, the scuttlebutt kind of in the industry over the last few years, is that a one time you thought it was common knowledge that strategic buyers would pay the most and be the most aggressive. And it's kind of flipped the last few years in many sectors that the private equity buyers are the ones that are more aggressive and we've had two or three situations recently, where, what I mentioned earlier, the whole reason we were talking to people, it was kind of spurred by a strategic buyer. We're approaching them and conversation starting, and then them hiring us both to help in those conversations to make sure that they had someone on their side, like you were saying earlier. And secondly, well let's, how do we know that's the best option?

Oliver Cone (42m 18s):

Now I know we talked to a few other people just to make sure we have a good sense of what our options are, keep this first group honest. And I'd say that in a couple of times that I can think of recently where that was the case, our client, I think probably still expected that that strategic was going to be the buyer at the end of the day, but saw the value of bringing in some other people. And both times those, those companies who ended up being acquired by private equity groups who were more moved more quickly, were more flexible in terms of structure and terms would pay more, you know, and just made it less, you know, put up fewer roadblocks to a deal getting done. I should say it that way and just were, you know, able to, you know, get the deal through that.

Oliver Cone (43m 1s):
By being more aggressive than, you know, some corporate buyers are hemmed in, by some agreements they made internally, like we're only gonna pay this or we're not going to get into this space, or we're not going to structure a deal as a stock purchase or whatever it might be. Right. So, you know, people have been surprised. And so to your point, you need to be ready to be open to other options.

Tom Bronson (43m 22s):
No doubt, no doubt. So let's talk about something, a little, a little dice here, here, and that is look, every business has warrants, right? Every business has, has something that's wrong, something that, that needs to be addressed, something that needs to be fixed. How do you feel about identifying those and disclosing them to potential buyers in advance?

Oliver Cone (43m 43s):
Yeah, I think short answer is yes, absolutely. You should. And that's part of the reason from a financial standpoint, if there's sell side quality of earnings support so that we identify things. If, if, if you never want to buy to be the one to find out something bad about your business, you know, especially not in diligence, if you're in diligence, it means you've signed an exclusivity with that buyer. You've turned to other buyers and options away. So you have fewer options at this point, you're halfway up the aisle mates and they, you have the opportunity then to use that against you to a much greater extent than they could before earlier in the process. Right? So if they find in diligence, chances are, they're going to try and use it against you in terms of something in the deal, whether it's valuation or just structure or terms on a worst case, they feel like you were trying to hide that from them.

Oliver Cone (44m 35s):

And that's not a good starting point for a finer ship going forward. And for them to trust in you the rest of the time, you know, I would flip it and say, if we can identify things upfront, Hey, we put them out on the table. So they can't be used against us later. So you just, you know, negate that possibility B you can start developing or even executing on strategies to mitigate those problems and fix them. And by the way, if you're an investor or a buyer coming in, that's what, what better example of how strong this management team is, or this company is? So they've actually, they've identified a problem and they're fixing it and they come up with a way to do it. So I don't see a downside. And if there's a real downside, like if it's really damaged to value a business, that's going to come out anyways.

Oliver Cone (45m 20s):
So you probably should go away and fix that before you go to market. Anyway, I mean, you're not going to keep that hidden and that's the whole point of it.

Tom Bronson (45m 27s):
Yeah. You, as a, as I'm a fond of saying, you know, you can try to sweep something under the carpet, but if you have a, a strong buyer, somebody who's done this before, they're not only going to peel back the carpet, they're going to peel back the flooring and the sub floor. They're going to get all the way down to the foundation. Right? And so, so trying to hide it is an, is a giant mistake. Let me, let me give a great example of that in a business that, that we were trying to sell a number of years ago, we were measuring our customer satisfaction. And that was just a normal part of the way we did business. But we bought a company that had a particularly bad what we call NPS net promoter score, right?

Tom Bronson (46m 12s):
Those are the numbers, the customers who would promote us versus the customers that it, what you would call detractors when you calculate it NPS, if you want to know how to calculate NPS, you can go to our website and we'll give you examples of how to do that. But we had a particularly low one. It was minus 24, right? Minus 24, which meant I had lot more people who didn't like us than actually did like us. So we talked about that in our management presentation, even before we took the offers, we told them, here's what it is, why it is and what we're doing to fix it. And, and then, you know, months later we're down in negotiations. We, we, we negotiated a deal we're in due diligence, we get to the end of due diligence and then comes what I call the reach raid.

Tom Bronson (46m 59s):

This is where they're going to uncover the things that they uncovered during due diligence. And they're going to use that to renegotiate the deal. We already had the deal, but now they're going to say, well, we found these things and we're going to need to lower the price. So, which is I call it the retrade conversation. I'm sure that you may have a term for that. But, but, so I, I get the call. It's about two or three weeks before we're scheduled to close the transaction. And it was a CEO of the buyer, a big publicly company. And we have a couple of, you know, 10 minutes or so of just chit chat, you know, talking about what's going on and various things. And I finally said, Hey, look, I know this just, isn't a social call.

Tom Bronson (47m 42s):
So, so what can I do for you today? And he said, well, you know, a couple of things came up in due diligence. And I, and I want to talk to talk to you about them. And I'm like, yes, I've been ready for this. This is the regrade all, okay, we're going to find out what you discovered. And the first thing that he mentioned was said, you know, and in this group, you've got an unbelievably low net promoter score, customer satisfaction rating, and it's lower than we've ever seen. And I said, really, it's lower than you've ever seen. And so tell me, how did you measure it? And we went through their, what their ultimate score was. And it was minus one to two.

Tom Bronson (48m 23s):
Okay. Don't forget. I had already disclosed months earlier that it was minus 24. So immediately I go into thinking, okay, when did I disclose this? And I thought, Oh yes. I remember it was in the management presentation that we gave. And I said, say, are you sitting at your desk? And you have access to a computer. Yeah. I'm sitting there. I said, do you still have that presentation that we gave you back when your management team came down? And we walked through that at the same time, by the way, I'm scrambling, I'm opening this up the slides. Right. And I get to the slide. I said, Oh, there it is. Okay. I said, Hey, why don't you open that up and split the slide 76? And he said, he said, what am I going to find there? And I said, when you get there, you're going to see that back in August last year, before you made the offer, I disclosed to you that we had a minus 24, and I told you what we were doing to fix that.

Tom Bronson (49m 13s):
And you just confirmed that what we're doing is working because it's now a minus 22. So it's moving in the right direction. And while I appreciate that, this is the retrade call. It's not going to be on that. What else do you have?

Oliver Cone (49m 28s):

And it stopped

Tom Bronson (49m 29s):
Him dead in his tracks. Right. And so, so we were able to save a piece of that negotiation because we had disclosed this in advance and that's a long story, but it really gets to the core of know what the challenges are, know what the wards are and disclose them and disclose what you're doing about them. I think will go a long way to raise that credibility. And it will prevent them from discovering this on their own. So,

Oliver Cone (49m 57s):
Especially when, you know, if you think about the dynamics of a process where you're having some conversations and everyone's on their best behavior, and they're trying to win the deal versus when they kind of have won the deal in diligence, you know, you've like I said, you're only talking to them, give them that bad news when they're still wining and dining you. And they will say, you know, they'll say, okay, we understand it. You're doing something about it. Great. We'll take that into account. When we make our evaluation, we make our offer. And that's, that's what you're looking for. Cause then they can, to your point can use against you on valuation later.

Tom Bronson (50m 31s):
Yeah, absolutely. And, and, and interestingly, I'm really shocked that they did this. Interestingly, they uncovered that what we were doing was working.

Oliver Cone (50m 40s):
Yeah, exactly. I was going to say, even if they were asleep by slide 76 of a presentation, but it's still an excuse.

Tom Bronson (50m 49s):
Yeah, exactly. So, so what about mitigating risks in advance? If you've got a risks in your business, what should you do to, to mitigate those?

Oliver Cone (50m 58s):
Yeah, I think for buyers, if I, if you're a buyer, there's various types of risks that come up again and again, in a business. And again, when you're on the outside, all those risks are intensified because you don't know it. You don't have the tribal knowledge. You don't know those people as well. And you don't know the business as well, but any concentration of businesses or risk. So whether it's customer, concentration, vendor, concentration, employee, concentration, you know, people, a salesperson who has 90% of the sales underneath them, or all the customer relationships, you know, all those

kinds of risks, you know, and I would lump them all into that diversification bucket. For me as a business owner, you're trying to downplay or get rid of all those kinds of risks, because those are risks to you as a business owner anyway, not just the buyer, if you think about it.

Oliver Cone (51m 47s):
So you're trying to strengthen what you're doing, what buyers are really looking for at the end of the day, think about a bio is really paying for the future, right? We might involve value companies on last year's earnings and multiples of EBITDA, but that money is already gone, right? What they're really paying for is the future. And the more certain that future and the more positive it is, the more someone will pay for that because it's more clear that they're going to get their return. So that's why on the extreme side, a software business with every rev, every piece of revenue on the contract for the next five years is worth a lot because no brainer, it's going to come in all the way down to just a regular business.

Oliver Cone (52m 28s):
And you're trying to have management contracts or customer contracts with your customers, or maybe it's just, you've got a really long track record with them. So all of those things, I think if you could, the more you can do upfront, that's, what's going to build value in the marketplace, strengthening your team, making sure you have the right people in the right seats, either diversifying the revenue base, you, I saw you speak once. And you talked about, look at your product mix. You know, when you slice and dice, like we talked about earlier, you might find out that the top bottom 20% of your products skews are actually losing you money or dragging down your overall margin. And if you just simply exited that business and focused resources on the higher margin products, I could actually improve the overall business for you now, obviously as an owner, because you get to take more out of the business and when you come to sell.

Oliver Cone (53m 19s):
So, you know, I think look at it through the eyes of a buyer and try and reduce the risk that they might see in that business. You know, you want to, you want to have, again, no questions as close to predictable and smooth as you can possibly get it.

Tom Bronson (53m 36s):
Absolutely. Wow. That, that was actually brilliant advice. And you got that from one of my presentations.

Oliver Cone (53m 44s):

I think it was you, it's some guy with no hair. I, you know, as soon as you're

Tom Bronson (53m 48s):
You gotta, you gotta really think about what the risks are in the business. Hey, this has been a wonderful conversation. Tell us though, you know, I'm, I'm sold on bulkley. I think bulkley is one of those firms that does a great job, but what sets you and bulky capital apart from other investment bankers?

Oliver Cone (54m 5s):
I interesting. I was just before this call, I was on a phone call with an undergraduate at UTD who was just asking for some insight into the, you know, the investment banking world, at least my end of it, and asked that same question, you know, what's different and what's special about us versus others. You know, I'm not going to pretend with totally unique and special. I think the way that we present ourselves, the way that we think about running a business as two or three key aspects, one is that we're very focused on the situations and types of clients. So it's that size of business. Like you mentioned three or 4 million to be a bit up to maybe 15 or 20 million of EBITDA. Those are either founders or family members who have inherited the business and their concerns.

Oliver Cone (54m 49s):
Their priorities are a little different than owners of either very small businesses or much larger businesses. Right? So, you know, I like to say use the example that for most of my clients, the, of the day who was selling the businesses, faces, you know, pretty much the most important thing, but there's a bunch of other stuff that's very close to being as important in their minds, whether it's confidentiality, whether it's what's happening to my people, what's happening to my brand. What time is my legacy? What am I going to do? And all that, we understand all those, how that all plays into a transaction. So we work every day with those types of elements. So anyone who comes to us, we're familiar with their situation second, as opposed to most boutique firms.

Oliver Cone (55m 33s):
I think we are, we provide a full range of corporate finance, corporate development services. So, like I said, at the beginning, we're not only selling companies. A lot of, a lot of investment banks really only sell companies. We are doing almost as much on the buy side, helping people grow their businesses to acquisitions, to developing an acquisition strategy and then going and executing on that and protecting the business while we do it. And then what you were talking about earlier kind of growth, capital recapitalization transactions, where people are maybe taking chips off the table, maybe

bringing in someone with a bigger checkbook, someone that can help them think through the next phases of growth and help them expand while they retain ownership in the business, whether it's minority or majority, and how that second bite of the Apple down the road, where there's another transaction that perhaps yields even more wealth than the first transaction, because they've grown very aggressively in the four or five years since.

Oliver Cone (56m 32s):
And then third, you know, the only thing is, is processed. I mean, and this is depends on the client and what they, what they're looking for at all, from we're not believers. We don't conduct broad, widely shopped auctions. So we're big believers. We've talked about preparation today. We're big believers. That part of that preparation is what exactly are you looking to solve for as the business owner. And that will lead to a different, a specific set of buyers. And then what is your personality? Who are you looking for as a partner or a buyer, and that will narrow that field down further. And we think you do your homework at the front end. Yes, our job is to give business owners some options, some viable options, but we think we can do that with a more targeted and a vital shot approach rather than a shotgun broad approach to the market, which by the way, at the same time, you know, is designed to protect the business.

Oliver Cone (57m 27s):
In the meantime, a lot of our clients I've mentioned the things they cared about confidentiality is usually number one, the disruption to a business from your competitors, your vendors, your employees, thinking that you're for sale can be huge. And you must always leave yourself the option that, you know, what if you decide to end the day not to sell. I mean, you could go out to market, get some, not like the office. You get just wake up one morning and have set us a most and change your mind. Something could happen in the economy or to your business that suddenly derails the process and it takes it off the market. And you have to run it again for a few years. If you get that business back, you want it to be still strong and still growing and not weakened or broken by a process that may be caused, you know, people to leave.

Oliver Cone (58m 14s):
And guess who leaves when there's disruption or they're worried about ownership, it's your best people, not your worst people. So, you know, they're the ones that have the options that get the calls from the recruiters. So protect the business through, and we do it through a very targeted for active and selective process.

Tom Bronson (58m 33s):

I love that. I love the approach that you guys take. I love the work that you do there, there's a lot of options that you provide out there and, and a big, big fan of bulkley capital. So as we kind of wind down here, one last business question, you know, this podcast of course is all about building or maximizing business value. So what's the one most important thing that you recommend to business owners to build long-term sustainable value in their business?

Oliver Cone (59m 2s):
Yeah, I, I I'd go back to something we touched on earlier. And for me, long-term sustainable value translates to building something that can grow, live and thrive without you as the owner and the founder, right? And a business that can see where it's going at any point of time and can adapt when needed and justified by the business. So to me, that means investing in the best people, the best systems, the best processes and documenting. That's another thing you've talked about documenting those process. So it's not resonant in one person's trival knowledge, it's an enterprise thing, and you're really building a true enterprise there.

Oliver Cone (59m 41s):
And I think the line often said is, you know, successful business owner is being able to walk away from the business and it's still being surviving without them. And there's a lot to be said to that. Cause I think, you know, the value that you are creating, this is then transferable just gives you options. Doesn't mean you have to walk away. It gives you options. If someone else could come in. And then my, my freebie, because everyone says, this is the coaching is really important. And it really is, even though it sounds kind of hack, you know, I think about all clients who are kind of mid-sized businesses in very large competitive markets, and somehow they've carved out a niche and somehow they're generating above average margins and making a very good living.

Oliver Cone (1h 0m 26s):
And they built something of real value, even though there's a huge guy down the road, right. That's competing for their space. And I think a lot of it comes down to culture that if you've built and it changes what that culture is, depends on the people, the industry, what part of the country you're in. But as long as it's every client we work with, it feels like there's a very clear and honest and consistent and a reinforced culture, whatever that is that makes people want to work there want to stay there, makes it easier to retain and recruit the best talent and, you know, ends up coming through in the profit margins and in customer relationships, customers that really want to stay with you. And that's, again, it's part of that transferable value, right?

Oliver Cone (1h 1m 8s):
Those customer relationships.

Tom Bronson (1h 1m 11s):
Wow. That is, that is some great advice, but that was almost a three-four right. I asked her a bunch of things and that's awesome. Every piece of it, a great advice course for our long time listeners, you know, that I always ask the bonus question and I'll be willing to bet that Oliver's going to be a little shy about this one, but everybody way, everybody waits for it. They listened to the whole podcast waiting for the answer to this question. What personality trait has gotten you into the most trouble over the years?

Oliver Cone (1h 1m 41s):
Yeah. Okay. And I'm probably going to sidestep a little bit, but I'd say being a, being the thing that comes to mind is the being kind of an analytical person. So I'm totally, I'm on that side. I'm a quantitative guy. I like numbers. I like analyzing things. You know, I think I probably tend to overthink things in my life. And while that maybe hasn't gotten me into trouble, I'm sure that it's slowed me down in the past, the, the, the tendency to try and know exactly what's going to happen. If I take this path versus that path. I think it all through maybe means I miss the exit every once in a while. Right. And I feel like, you know, it's, it's frankly, one of the things that really impresses me when I meet other people, that ability to, to make decisions, to live with them, to go through and not worry about what's going to happen and what the world is thinking.

Oliver Cone (1h 2m 34s):
I think that's a really a great character trait. It's something I see in my kids, which they certainly get from my wife and not, for me, I'm always really impressed about, kid's willingness to get out there, get in front of people, try something new and not get totally frozen by worrying about. And over-analyzing so I'm, I'm getting better at that and trying to get better at that and in my personal life. So we'll see, it's still a work in process.

Tom Bronson (1h 3m 2s):
Let me give you, did we didn't, we didn't bargain for this. Well, let me give you the piece of advice that I got early in my career that I really took to heart. I had one time, I sold a business to a big publicly traded company. I went to work for that company for a short amount of time. And one time I was at a management retreat. We were down in, in, at the Florida keys and I'm sitting down and having a, a, some sort of a tropical drink out on the beach before dinner. And the CEO comes over and he says, you know, Hey, how are you doing? And I said, I'm awesome. You know, a great, very approachable guy. He's long since passed on. He was, he was wonderful, man, but he says, so

Bronson, I don't know, you know, you've been with us for about six months now, how many really bad decisions have you made?

Tom Bronson (1h 3m 50s):
And I said, well, gee, Pat, I don't, I don't think I've made any. And he said, exactly. He said, you make really, really good decisions. And you know what that tells me. And I said that I'm a really smart guy. And he said, no. He said, it tells me that you move too slow. So you're not making enough decisions. He said, Bronson from here on out, if you don't make at least three bad decisions out of every 10 decisions you make, then you're not moving fast enough. So don't break the companies. And you're not just saying you're not responsible enough to go out and for enough things to go out and totally break the company, but I want you to move faster. And I said, that is great advice. And I have taken it to heart ever since.

Tom Bronson (1h 4m 31s):
And so, so there you go.

Oliver Cone (1h 4m 35s):
Yeah. Thank you. And that's that that's smile.

Tom Bronson (1h 4m 37s):
Yeah, it was solid. It served me well. So, so how can our viewers and listeners get in touch with you?

Oliver Cone (1h 4m 44s):
Well, we, we have a website, like I say, bulkleycapital.com and it's B U L K L E Y as an L on either side of the K can find me on LinkedIn and that kind of thing. And you know, we're active in, you know, if you're networking organizations, you mentioned provisors, which is a great kind of business development tool of professionals, service providers, very active in association for corporate growth, which is a national middle market M and a focus business development and networking organization. And so happy to talk about any of those

Tom Bronson (1h 5m 19s):
Just as you, I'm obviously happy to talk about either of those organizations. Awesome. Well, thank you. This has been great fun. It's been a great conversation today. Thank you for being our guest. So thank you so much. Oh, you're welcome. Thanks for coming. Really appreciate the opportunity. Awesome. You can find Oliver at bulky capital. I like that an L on either side of the cave, bulkleycapital.com. You can find him

on LinkedIn, but of course, as always, you can reach out to me and I'll be happy to make a warm introduction to someone who's become a great, good a friend of mine. So this is maximized business value, a podcast where we give practical advice to business owners on how to build a long-term sustainable value in your business.

Tom Bronson (1h 6m 2s):
Be sure to tune in each week and follow us wherever you found this podcast. Be sure to comment. We love comments and we respond to every single one. So until next time, I'm Tom Bronson reminding you to prepare for your exit long before the event while you maximize business. <inaudible>

Announcer (1h 6m 24s):
Thank you for tuning in to the maximize business value podcast with Tom Bronson. 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 on their terms on how to build long-term sustainable business value and get free value building tools by visiting our website, www.masterypartners.com that's master with a Y masterypartners.com. Check it out.

Tom Bronson (1h 6m 54s):
<inaudible> that was perfect. I wouldn't make any changes on that.