



MAXIMIZE BUSINESS VALUE PODCAST - EPISODE 41 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 of mastery partners, Tom Bronson.

Tom Bronson (36s):

Hi, this is Tom Bronson and 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, I'd like to welcome our guest Greg Stanley. He's the president of accelerant consultants. That's a consulting business with the mission to help small and medium-sized companies unlock their growth potential by optimizing their revenue functions, creating more new sales opportunities and increasing their valuations. Something we love to hear on maximize business value. I met Greg last year by an introduction from a mutual friend.

Tom Bronson (1m 17s):

Who's a member of business navigators that servant leadership organization based here in Dallas that I frequently talk about when I was recently talking with Greg about his business, kind of the pieces of the growth puzzle started coming together for me, if you're passionate about growing your business, then this is the podcast for you. And if you're not passionate about growing your business, then you should stay tuned.

Anyway, because by the end of this podcast, you'll be convinced that growth is really, really important to business value. So welcome to maximize business value.

Tom Bronson (1m 57s):

Greg, how are you today?

Greg Stanley (1m 59s):

Tom, I'm great. I really appreciate you having me. I appreciate it. Our conversations that we've had in the past and really feel like we've got a lot of synergy in the way we go to the market and help small and mid-sized business owners. So I'm hoping that your listeners and viewers can get at least a few tidbits out of today's discussion.

Tom Bronson (2m 15s):

I think that they will find that you are as passionate about helping business owners as I am. So that's exciting to have you, so tell us a little bit about accelerant consultants. Yeah.

Greg Stanley (2m 25s):

And consultants, as you said, was founded about four years ago with a mission of helping small and mid-sized business owners optimize their revenue function in a way that maximizes valuation. And I really saw a market opportunity because I saw a lot of smaller business, small and midsize business owners operating in a way that didn't necessarily maximize valuation or didn't even take valuation necessarily into consideration. And knowing that there will be an exit event at some point, there always is. It's something that I thought was really important in a market niche that I help fill given my background.

Tom Bronson (3m 1s):

That's awesome. You know, you said a mouthful there, every business on the planet will ultimately transition. You know, our listeners hear that frequently from me, you know, it's a foregone conclusion. And so you should be thinking about your business value as you run your business. So what is your background and why did you start accelerant?

Greg Stanley (3m 23s):

Yeah, I had spent about 25 years building and growing marketing and sales organizations participating in organizational strategy, being involved in transactions and evaluations. And, and it started with a company that was doing about a million dollars in revenue right out of college. I was the 10th employee by the time I left 10 years later, we were doing \$500 million in revenue. So explosive growth and a lot of opportunities to just sort of figure things out within the context of the business and build new businesses within the business, went to work for PWC, the big four accounting firm and help them in a couple of different contexts build and grow marketing and sales functions inside the organization and help them go to market and a bit of a different way in the areas where I was responsible.

Greg Stanley (4m 12s):

And I again saw an opportunity with small and mid-sized business owners who largely came from backgrounds that weren't in marketing and sales. They weren't probably an organizational strategy. They were sheet metal fabricators where they were technologists or they were whatever their engineers or scientists or whatever their background happened to be where they came up with a great idea. They had a great business mission. They tried to grow the business and ultimately believed they could scale by hiring a sales team and developing a revenue function without necessarily a lot of strategy behind it. And so helping them execute both on the strategy and the execution of the strategy was an area where I just felt like I could provide a lot of value and you get to a certain point in your career and you're looking for a bit of intrinsic value in making your Mark on the world or the business world as you start to wind things down.

Greg Stanley (5m 3s):

And I saw a great opportunity to do that.

Tom Bronson (5m 6s):

Wow, that's that is exposed. So they you're like employee number 10 at that company. And then, and then next thing you know, it's a \$500 million business, right? So was it still a 10 employee business at the time? I'm guessing not, well, you said a mouthful, you

know, the, the a lot of times we, we take action without thinking about a strategy and what, you know, the it's, it's kind of that it's instead of ready, fire aim, it's fire, fire, fire, you know, ready, and then think about aiming later when it comes sometimes to sales strategy and, and growth and things like that.

Tom Bronson (5m 48s):

So, you know, it's so important to have a clear strategy in place in our conversations. We've talked about three things that, that I think be a little confusing to our audience. So let's, let's kind of peel that onion a little bit. You talk about revenue function optimization, marketing consulting, and sales training. So what is the difference between these three

Greg Stanley (6m 14s):

Animals? Yeah, I think there's a lot of market confusion around all of the people that claim to be able to help grow your business. And it could be business strategists. It could be sales trainers. It could be marketing firms that want to launch a digital marketing campaign. It could be revenue function, optimization firms like myself. The, the challenge is, and, and what I see in terms of the market is that each of these independently, while they may be helpful, don't necessarily address the root cause of the problem and don't necessarily address the problem holistically. So while an organization may certainly need marketing help, or may need sales training at some point for their sales team, they need to understand how and why they're going to market, how they make money and be able to then structure things around those concepts, as opposed to just throwing money at marketing firms or sales training, and, and put themselves in a position where they really optimize their entire investment around the revenue function.

Greg Stanley (7m 13s):

Wow.

Tom Bronson (7m 14s):

So in fact, it's, it's interesting here and I don't, I didn't point this out earlier, this is the first of a podcast of a series of podcasts on sales growth and that kind of thing. So it's really

good to get that underpinning now because you're absolutely right. You know, as I think about the different businesses that are out there, there are, you know, everybody can hundreds and hundreds and hundreds of companies will claim to, to help you be able to grow your business, but they may be only handling one piece of the puzzle. Right. And so it's sort of a complex thing, right?

Greg Stanley (7m 52s):

Yeah. Very much. So you need to address the entire continuum going back really to the mission of the organization, why they're in business and how they fill a unique market need or market niche and do so in a way that's differentiated from their competition and in a way that drives profitable growth. Right.

Tom Bronson (8m 9s):

Awesome. So, so we talked about kind of one of those components is the sales training, but, you know, I've seen just as much probably ineffective sales training as I have seen effective sales training. So why is it that sales training often doesn't work?

Greg Stanley (8m 26s):

Yeah, I would say it's probably a couple of reasons. The first is really more a function of the continuum that generally happens in small and mid-sized businesses what'll happen. Oftentimes is you'll have a business owner who will grow the business to a certain point. They'll assume that they can scale the business by hiring a sales team and, and allowing salespeople to do what they do, which is go out on the market and sell. They effectively do that without any mission in mind, without any guidance in terms of who they should sell to or how to build profitable revenue or what a value proposition is. All of those things that are really necessary in terms of being effective in the marketplace. And they'll make the assumption that the sales team just isn't any good and they need training.

Greg Stanley (9m 7s):

And so I'm going to send them off to sales training. And oftentimes the sales training is guided around how you pick up the phone and make a cold call, or how you get a meeting scheduled or words and phrases to use, or taking a customer centric view of

the world. They tend not to be very sustainable. People tend to fall into the habits that they've had before without that organizational reinforcement. And they tend to be fairly canned sales training that you go into a room with a whole bunch of other people, and they train everybody the same, regardless of what their skills gaps are, regardless of what the organization does or what industry they're in. And in a lot of cases, if you look at the profiles of those, delivering the sales training, they haven't themselves necessarily been overly successful in sales or business development or organizational leadership for areas where you really need some effectiveness.

Greg Stanley (9m 58s):

You, you need some experience to be effective.

Tom Bronson (10m 7s):

Wow. I'm just trying to just even peel that, that whole onion apart there, because where do I even start with this? I apologize that, you know, normally you don't catch me off guard like that, but it's that whole sales training in a can, right. Is what we're talking about here that might not be effective. I see over and over and over in businesses where they really haven't defined their market, you know, what is their niche? You know, we sell X and we sell it to restaurants, right. So go out and just sell this product to restaurants. Well, what, what types of restaurants? Right.

Tom Bronson (10m 47s):

And there's, you know, half a million restaurants in America dwindling right now, I get it. But, but you know, w which restaurants are we focused on? Which restaurants are we good at? Which restaurants do our, do our products really work well with, rather than kind of taking that whole shotgun approach. You know, you're taking, taking a more rifle approach and zeroing in, on the target as opposed to firing the shotgun into the air and hoping a BB lands on the right porch. Right. So, so it's gotta be a focused approach with a strategy kind of behind it. I love where you're going with that. You know, you, you, in our conversations, you've compared building an effective revenue function to a military operation.

Tom Bronson (11m 33s):

All right. All right. I love that. Tell me, tell me more.

Greg Stanley (11m 36s):

Yeah. And I certainly don't want to give the impression that selling and military operations are of the same import and you've got the same consequences, but I think from a process perspective, there are a lot of lessons there to be learned. And really one of the key themes that we'll talk about today is the theme of intentionality. So if you think about an operation like D-Day, for example, and you think about how that would have worked, if there was really no defined mission, if they were really no defined objectives, if the soldiers hadn't been well-trained and weren't equipped with weapons, and there was no organization to it and no leadership oversight to it, and the soldiers were left to their own devices to choose what beaches they landed on and how they got there and what they captured after they landed there, it would have been a miserable failure.

Greg Stanley (12m 29s):

Military operations start with a mission. What's the mission we want to accomplish? What are the objectives we want to accomplish within the mission? And how do we ultimately achieve a larger goal by achieving smaller goals in the interim? How do we train our soldiers in a way that they're going to be effective in the field? How do we give them the right weapons that once they're in the field, they're going to be effective? How do we get them to the right places via transportation and logistics? That's the reason those missions work. And that's the reason D-Day, for example, worked, it was highly coordinated. There was a very well-defined mission and objectives. The soldiers had the right weapons. They knew exactly why they were there and what they were doing. And it worked however, most business operators or Ms.

Greg Stanley (13m 12s):

Most business owners operate in a way that they don't necessarily define the mission. They don't clue the sales team in on why they're there. What the greater mission is, what their value proposition is. They don't necessarily give them tools. They don't integrate the marketing function with sales. They don't give them a value proposition that's effective and compelling and differentiating. They just say, go out and sell, which is

tantamount to having a military mission where you say, go out and capture stuff and it just doesn't work. So it's, again, certainly not of the same import, but I think there are some lessons to be learned in terms of the process and the approach that that can be very applicable.

Tom Bronson (13m 51s):

You don't think that works, just go out and capture some stuff and bring back whatever you find, right. Typically not, but

Greg Stanley (13m 57s):

It's amazing how many business owners actually operate their sales revenue organizations in a way where that's effectively what they're doing, whether they know it or not.

Tom Bronson (14m 5s):

You know, one of the things that we do when we assess a business is to ask, you know, have you defined your unique selling proposition or your value proposition, right. And, and I can tell instantly, by the way, the owner answers that question, if they're hemming and hawing, then, but they ultimately come up with a response and say, well, what if I go and ask your sales team? What I get exactly that answer, right? Or, or are they going to fumble around and try and figure out what it is in their mind and stated as well, if you, as a business owner, haven't defined that a value proposition, then how do you expect your salespeople to be able to articulate the value proposition to the customer?

Tom Bronson (14m 52s):

So, so great. That's that is, of course, clearly one of the weapons, one of the tactics, you know, that you would use in that sales assault, that the folks are going out there. I love that analogy. I'm going to probably steal it from you at some point, but I'll give you credit for it. So, yeah. And, and don't, don't for a minute thing that that selling is not just as important as the military. So I've got, I've got a lot of friends in the military and we appreciate everything that they do. So how should a business owner make the most of their marketing spend as a part of their go-to market strategy and for our business owners marketing spend, of course, or the dollars you invest in your, in your marketing.

Tom Bronson (15m 38s):

So how should they make the most of their marketing spin as a part of their go to market strategy?

Greg Stanley (15m 44s):

Yeah. And I'll go back to the theme of intentionality. Marketing spend needs to be made with a high degree of intention and an expectation of an outcome. And what I find is a lot of business owners, number one, haven't defined their value proposition. Well, so they're not necessarily sure what to tell the marketing firms to go do, other than develop a website and develop a logo and do some branding and do additional ad campaign or whatever they have them do, but they need to make sure that they've got a clearly defined, differentiated, and compelling value proposition that they can then arm the marketing organizations with. They need to make sure that they're not spraying a, I call it sprinkling brand dust. So they invest a little bit in a table at a not-for-profit event.

Greg Stanley (16m 27s):

And they run an ad in a magazine and they have a speaking engagement at a, at a conference. And they put a booth up at a trade show and they do a lot of stuff and things with, and they cross their fingers and frankly hope that it results in business. They don't track it. They don't have an expectation for it. They don't integrate it with the sales team. And so with a lack of those things, the marketing spend is largely wasted in most organizations. If those things aren't done and aren't done with a high degree of intentionality and again, expectation of outcome.

Tom Bronson (16m 60s):

So I, I, again, on another nugget there sprinkling brand dust, you know, as everyone who listens to this podcast knows I've bought or sold a hundred businesses in my career. So I've operated a lot of businesses. And one of the first things I ask when we're thinking about budgeting and going forward, as it relates to marketing is what's the ROI on our marketing efforts? How do we, how do we get a return on investment there? And, and probably one of the most egregious places where business owners don't think about what their return on investment is, is in the area of trade shows.

Tom Bronson (17m 43s):

Right? I bought a company, they were doing twin board trade shows a year, admittedly, small of regional or state trade shows. And I said, well, what's the ROI on each of these? So what do you mean? The ROI said, well, we're tracking our leads, right? How many, how many deals are we closing? Where are we going? And one, I don't know where this is all part of, just kind of our branding. Now I have a term for that. That's sprinkling your brand dust, right? So I love that. I'm going to, I'm going to use that one as well. I think we're going to get a lot of things that I'm going to be able to use here later on, we are talking with Greg Stanley. Let's take a quick break back in 30 seconds.

Announcer (18m 24s):

Like it or not eventually. You'll have to come to a point when it's time for your business to transition, will you be ready? What you're going to get to get the maximum value for your business. Brought to you by mastery partners. MasterYclass is a 12 month program designed specifically for business owners. We meet once a month as a group to work through our transition readiness assessment, expand your business. Toolbox through leadership presentations have live interaction with other business owners. This program determines vulnerabilities in your business will affect business value and your ability to transition in the future. Whether that transition is in two or 15 years, what you do now has long term effects on the future value of your business.

Announcer (19m 11s):

We have the know how you to get the results you want in your business to maximize the business value. To learn more And secure your spot in the program. Visit mbvmastery.class.com. That's MBV mastery, class mastery with the Y mbvmasteryclass.com.

Tom Bronson (19m 32s):

We're back with Greg Stanley, president of accelerant consultants, a consulting practice that helps small and mid-sized businesses unlocked their growth potential. So let's switch gears for a moment. I'd like to talk about how growth drives business value. So make no mistake. A growing business is always more valuable than a flat or declining

business bonus points. If you can tell me which there is one area that a declining or a flat business might be more valuable. So bonus points, any of our listeners who can, who can text or email me the answer to that question, but we're 99.99% of businesses.

Tom Bronson (20m 17s):

A growing business is always more valuable than a flat or declining business. Now, as we already indicated in the first half, and I say it all the time, every business on the planet will transition. We use the term business transition because, you know, after every, every business is going to transition, but, but it, that transition might look different. Some might call it exit planning, but we use transition because we explore kind of all the options. A business owner has to ultimately exit their business. Cause that at the end of the day is what is eventually going to happen. So what are some of the things business owners should be thinking about doing with their revenue functions prior to transitioning their businesses?

Greg Stanley (21m 5s):

Yeah, I would say there are a number of things or areas where I see business owners may be falling a bit short or not really realizing their maximum value when they decide to take their business to market. And as you said, every business owner, whether they know it or not, they're going to have a transition. And sometimes it's driven by a family health event. Sometimes it's driven by I've done this for 28 years. I'm just tired and I'm ready to get out. It could be driven by a strategic offer or private equity or wanting to do an ESOP and give their employees some ownership, whatever the case may be, there will be a transition in your business, what you want to make sure you don't have happen. Is that transition, be just closing the doors of the business, putting people out of work, not necessarily realizing any value from the asset that you spent probably many years growing.

Greg Stanley (21m 52s):

And so, again, back to the theme of intentionality, it's really important that the businesses operate with a high degree of intentionality and an understanding really of those levers, that affect valuation. And so when you talk about those things that the business owners ought to be thinking about within the revenue function, you think about

what makes your business sellable when, and if you take it to market or when, and if you get a strategic offer, there were a lot of business owners that I see get caught in the trap of doing stuff for money. And so they start out with a mission and they start out with a differentiated value proposition and they know how they're going to market, but they've got a house payment to make. They've got a payroll to make, they've got credit card bills to pay off.

Greg Stanley (22m 32s):

They've got kids in college, whatever their expense structure is. They develop it into a lifestyle business that just provides growth on top of growth, helps with the lifestyle, but from a strategic connectivity perspective, a lot of the services or products they provide become unrelated. And so that's not something that necessarily becomes sellable. A lot of business owners focus on growth for the sake of growth and it's, we want to grow 6% next year, 8% next year, pick your number. But again, it's not necessarily a strategic growth. They can be with the same large client or customer that they have, which creates a revenue concentration issue. That isn't going to be very attractive to those bidding on the business, or wanting to buy the business.

Greg Stanley (23m 14s):

At some point they may be growing at a level that's not all that profitable or not as profitable as the rates they've seen historically, or, or that are consistent with what their competitors are growing at in the marketplace. And so lower than market profitability. That's not a place you want to go. Even if your top line is growing, all you're doing is creating, creating more administration and more costs for the same amount of EBITDA, which is what your business value is largely going to be based on. It's going to be a multiple of your EBITDA depending on your industry and your growth and your profitability of your business. So it's really, and one of the first white papers I wrote as a business owner was growing the right way.

Greg Stanley (23m 56s):

It's, it's not necessarily about purely the focus on growth, but it's focusing on growth in a way that will make your business marketable. At some point in the future, when that time comes,

Tom Bronson (24m 8s):

You're blowing me away here. When I talk typically with, with sales folks, they're all about the growth, but they're not thinking about the exit strategy and how the, the growth impacts that, you know, that is, that is so important. What you mentioned here about growing the right way, you know, growth for growth's sake is not a necessarily a good thing. If your, if your top line is growing at 15%, but your bottom line is flat or declining or, or growing at a slower rate, that is to me, a symptom of unhealthy growth. And, and so you, you've gotta be able to evaluate that.

Tom Bronson (24m 48s):

And, and, you know, it's also alarming to me. I was having a conversation with someone the other day, it's alarming to me, the number of, of prospective clients or clients that we have, or, or business owners in general that really can't measure the profitability of a customer or of a line item. And, you know, the, the, the skew in the warehouse. And if you can't measure the profitability of that, then how do you know that selling more is going to be good, right? If you can't, you don't, they don't measure the profitability of their sales reps, right? And those are things that as we advise in a business value, eliminate the unprofitable things.

Tom Bronson (25m 32s):

But if you don't know what those unprofitable things are, you're making a wild stab in the dark. So, wow. That is, that is some great advice. And I love the fact that, you know, kind of all the different types of exit strategies, because I just don't hear that. So perky Arizona folks listen up, we've got a guy here who knows about growth and understands the exit side of the business. What are some of the biggest mistakes business owners make prior to the exit?

Greg Stanley (25m 59s):

Well, and I'm going to touch on the point that you just made, which was fantastic time around understanding where and how you make money. Most business owners, many business owners don't really have a good handle on the products or services that they sell and which ones are making money and which ones aren't their top customers,

which ones are making money. And which ones aren't, I think a lot operated under the assumption that I'm a \$20 million business owner. I've got one customer doing \$20 million. That's a great customer in aggregate. The business may be making money in spite of that \$4 million customer, as opposed to, because of that \$4 million customer and allows you to shape the relationship in different ways. And the same goes for the salespeople.

Greg Stanley (26m 39s):

I try to encourage all of the clients that I take on to do a P and L on your top customers. So you really understand the ones that you can't lose that are strategic, and you're figuring out how to put controls and processes in place to retain that business and, and create growth within that business, the salespeople and their level of net new, truly incremental profit that they're bringing the organization and also the products and services. So when you're making decisions, you're doing it based on an understanding of opportunity cost. And you're making a decision intentionally to invest in those things that are more, and those people that are more profitable and be investing in those things that are less profitable or unprofitable for your business.

Tom Bronson (27m 23s):

So I gave a story to someone recently around that whole line. So let me drive this home for our listeners, bought a company in Chicago. It was about \$33 million in revenue, our, but it was losing \$3 million a year. So some of you might ask, why would you buy a company doing 33 million losing \$3 million a year? Because during our due diligence, I understood what the problem was. I was able to dissect the problem and knew that I could fix it pretty quickly. And I can also pick it up at a pretty decent value for me. So, as it turns out, our five large, \$33 million business, our five largest customers were driving about 15 million in revenue, right?

Tom Bronson (28m 10s):

So that's a, it's a pretty large chunk. Almost 50% of our revenue was, was coming from our top five customers. What was it turns out each one of those customers, we were underwater. We were not making money. In fact, we were losing money. Every time we sent a delivery to their dock. And so, so I called our sales team together and I said, okay,

here are the top offenders. Let's go. We're going to go visit with each one of them. And we're going to have one of two outcomes. We're going to say, we need to renegotiate the contract. And here's why, and we'll, I'll be very open and honest with my financials, or we're going to give them the ability to walk away because we can't service the contract the way it is.

Tom Bronson (28m 56s):

And of course, my salespeople gave me, well, you might say that it was a slightly, a revolt that was going on around those customers because they were big customers. And the, the tail of the tape is out of those five customers. We lost two of them and we renegotiated three of them to get me to at least a break, even right. I wasn't trying to get to profitably here. I just needed to stop losing money. And we went from a \$33 million business to a \$28 million business, 33 million losing 3 million a year to a \$28 million business making a million dollars a year overnight.

Tom Bronson (29m 40s):

Well, yeah, you make another good point

Greg Stanley (29m 42s):

There, Tom, in terms of oftentimes issues like that can be tracked to compensation. I'm a firm believer that people do what they're paid to do. And if you're paying your sales reps purely on top line revenue, you're setting up a structure where the sales rep can win and the organization can lose. And that's not the alignment that you're looking for in the business. So the compensation element can be very important and making sure that you're structuring the right types of in behavior incentives to go after those clients or customers that are going to be meaningful from a profitability and a growth perspective.

Tom Bronson (30m 13s):

Yeah. Anytime I bought a company that uses a revenue driver for compensation per sales compensation, I change it overnight to a, to a gross profit compensation model because it just doesn't make sense to pay sales reps based on revenue. And, and so you've got to know what the gross profitability is by product, by customer so that you

can pay them effectively. But look, we pay ourselves people not to go out there and bring in random dollars. We pay them to go out and bring in profit dollars. Right. And so that's just another way of saying, I'm glad you brought that up because while you were talking about that, I was thinking about man. Sometimes we, we, we have some very unusual ideas about how we should be paying our salespeople.

Tom Bronson (30m 58s):

I, I think it's gross profit. Are there other things that I'm, that I'm missing there, Greg?

Greg Stanley (31m 3s):

You're absolutely right. It's gross profit, but my view and the counsel that I give to most of my clients is to pay on pay a higher amount or a higher commission on those things that are most valuable to the business, right? So it's not just on profit. It could be on percentage profit. It could be on the acquisition of net, new clients versus growth in existing clients. Another mistake that I see a lot of business owners make is they'll pay on revenue that if a sales person wasn't in the seat, they were in what happened anyway. And that's not why you pay a sales team. You pay a sales team to create incremental growth. And with the assumption that they're doing that, and they're doing it through the acquisition largely of net new clients, that's a really valuable exercise.

Greg Stanley (31m 44s):

And you ought to pay your salespeople really well for doing those things. But paying salespeople to sit on top of revenue that would have happened regardless of whether they were in their seat or not creates an extra cost burden for the organization that can frankly be eliminated.

Tom Bronson (31m 58s):

Great, great points. All. So sometimes when I talk with business owners, they have a nice lifestyle business and no real kind of short-term plans to exit. Why should they do anything different from what they're doing?

Greg Stanley (32m 11s):

Yeah. I think that speaks to the lack of preparation that a lot of business owners put in this exit event that we talk about, that we all know is going to happen. At some point, they don't want to disrupt the forward momentum of the business and the money that they're taking out of the business that affords them the ability to buy a Lake house or buy a boat, or send their kids to college, or have no debt or buy a second vacation home in Florida, whatever they happen to do, it's good income. And they don't want to necessarily rock the boat in terms potentially putting some of that income at risk while they're making that decision, though, again, back to the issue of opportunity costs, they are making intentionally the decision not to necessarily at create a business that's more valuable once they choose to exit the business for the vast majority of business owners is, and should be the most valuable asset you ever have over the course of your life.

Greg Stanley (33m 3s):

You've generally spent years and years of blood, sweat, and tears building the business to the point where you can get out of the business and you can do so in a way that's meaningful for yourself and your family and those you care about. And sometimes your employees, if you're doing an ESOP, but, but ignoring the fact that you have an asset that you need to build the value of over time and make marketable and sellable at the end of the day, and just running the business to be able to take money out of the business is going to create a really disappointing in for a lot of people at some point.

Tom Bronson (33m 34s):

Yeah, I, I don't even call it a lifestyle business, although that's the best descriptor of it. I, I say that there's business owners that have that they don't own an asset. They own a job, right? And, and the business owners that really think about their businesses as an asset then would do anything that they can to protect the value of an asset. Right. You know, you've got a house and you want to protect the value of your house. You got a car you want to protect that as much as you can, right? You've got, you've got stuff you want to protect that stuff. Why is it that we think about businesses differently and many times business owners, you know, really what they've got is a job, which, which again goes to that sort of lifestyle thing.

Tom Bronson (34m 19s):

They, they own a job and, and not much more than that. So man, we've gone a lot of different directions today and I love what I hear you saying. And I'm, I'm confident that our, that our, that our listeners would benefit from, from having a conversation with you. But of course, as you know, your field is very crowded, right? What sets you apart from other growth strategy consultants?

Greg Stanley (34m 43s):

I would say a couple of things, the experience in business strategy, the experience and transaction, the experience in building and growing revenue functions. A lot of times from the ground up and understanding of those drivers of value within businesses and how to get organizations to focus very intentionally on those drivers of value and, and to be able to handle all of that holistically. A lot of, as we talked about earlier, you get into a lot of firms that claim the ability to create growth in your business, but it isn't necessarily the right kind of growth. It doesn't necessarily even lead to growth. It's that really intentionality understanding of the mission and then making decisions that help you execute the mission to make your business more valuable that I've found to be that then the focus on valuation to be fairly unique in terms of the market offering.

Tom Bronson (35m 33s):

I love that, that I, I will say that that is a very rare case, right? In the, in the business that you are you've, you have differentiated yourself. You've got a great value proposition there. So one last business question, and that is, of course, this podcast is all about maximizing business value. And although we've touched on a lot of that stuff throughout the course of this podcast, what is the one most important thing that you recommend business owners do to build value in their business?

Greg Stanley (36m 2s):

Yeah, I'm going to say two, and they're both related. Number one is understand the drivers of value in the business, and what's going to make your business marketable at the end of the day, whether you plan an exit or not in the short term, you plan in the long-term, you're at least giving yourself options in the shorter term. If you decide to get out of the business, or if you have a health event, or if you get a strategic offer, if PE comes in and offers you a bunch of money, you're giving yourself options and you're

giving yourself the ability to maximize the, the takeout of the business. Once you, once you decide to exit, and then once you understand those value drivers, make sure that you make every decision within that business with a high degree of intentionality around those things that are accretive to that valuation.

Greg Stanley (36m 46s):

And I think a lot of business owners, it, whether it's launching a new product line or whether it's sort of tolerating under-performance in certain areas or not understanding where the profitability comes and therefore not being intentional about the decisions that you make to drive value within the business, every decision you make, you ought to go back to the mission of the business and mission of the businesses to drive value.

Tom Bronson (37m 11s):

No, I love that. You know, the, we often say that that having a great exit strategy kind of helps drive business strategy and it, they should go hand to hand. Now don't get me wrong. You shouldn't run a business by your exit strategy, right? But your exit strategy will give you clues to the things that you need to do in order to build that longterm valuable value in the business. Two great answers. I appreciate that, but I'm not going to let you off the hook yet. You know, our long time listeners know that we always ask the bonus question. And so here we are, people have been listening just to get the answer to this question, right?

Tom Bronson (37m 52s):

What personality trait has gotten you into the most trouble?

Greg Stanley (37m 55s):

Cool over the years, you know, I would say most trouble. I like to keep myself entertained. And sometimes that involves with family and friends during the pot a little bit and, and being a bit of a practical joker and, and just sort of sitting back and watching what happens after, after I feel the need to entertain myself. So I would say that's, that's the one that's probably gotten me in the most trouble. I would say the one that has served me the best over time, not to necessarily force an expansion of your question, but the one that has served me the best over time. I, I sincerely think I got from

my mother who was a first grade teacher for a long time. And it's empathy is the ability to put myself in another person's shoes, whether it's a business or a potential client or an employee of the business, and be able to operate from different perspectives and make sure that I create the best possible outcomes I can create.

Greg Stanley (38m 47s):

I am glad to hear that you're a practical joker. My brother and I have played practical jokes on one another for, well, you know, for the last, almost 60 years. And, and thank goodness I don't live near him anymore because he's really, really good at it. So maybe one of these days, I'm going to do a podcast on practical jokes and then we'll invite you back. And so how can our viewers and listeners get in touch with you? Yeah. In a couple of ways, the website is accelerantconsultants.com. My direct cell phone number is (317) 847-6290. And my email address is gStanley@accelerantconsultants.com and would be happy to follow up any questions that your viewers may have had as a result of the podcast and have really enjoyed the time we've spent together.

Tom Bronson (39m 36s):

And I hope your listeners can, can truly take a nugget or two out that that helps them run a better business. That's it. Each time we tell them to find one thing that they can take and apply to their business today. Well, you don't have to look very deep into this podcast to find at least one thing to go and apply to your business. So thanks, Greg. This has been wonderful. Thank you for being our guest today. Really appreciate the time. And again, hope your viewers got a little something out of it. Absolutely. If they didn't, they weren't paying any attention to see. I told you the guys that were, that were not interested in growth, that you'd now be passionate about growing by the end of this podcast. So if you are one of those folks and you were not passionate about growth, and you got through this podcast, let us know if, if we changed your mind on that.

Tom Bronson (40m 21s):

And if we didn't, then we'll work on you. One-on-one, you can find Greg Stanley accelerantconsultants.com or on LinkedIn. And of course, as always, you can reach out to me and I'll be happy to make a Warm introduction for you. 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. If you don't mind follow us or like us, wherever you found this podcast, don't forget to comment. We love your comments and we will respond to all of them. So until next time, I'm Tom Bronson reminding you to develop a solid growth strategy like maximize business value.

Announcer (41m 10s):

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 your <inaudible>.

Announcer (41m 56s):

That was perfect. I wouldn't make any changes on that.