



## MAXIMIZE BUSINESS VALUE PODCAST - EPISODE 76 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, the CEO of mastery partners, Tom Bronson.

Tom Bronson (35s):

Hi, this is Tom Bronson and welcome to maximize business value podcast for business owners who are passionate about building long-term sustainable value in your business. This episode is part of our series called tales from the 17% club. If you're a longtime listener, then, you know, as we've said over and over again, a full 83% of attempted business transitions fail to reach the finish line, meaning that only 17% are successful. So in this series, we interview people who have successfully transitioned to their business. We call them the 17% club to learn more about the process.

Tom Bronson (1m 16s):

And here's some interesting stories along the way today won't disappoint. So in this episode, I'd like to welcome our guests, Beth Denton, who is the former owner and CEO of Medistar home health, which she sold in 2017. Beth and I have known one another for close to 10 years. First meeting was when she was thinking about transitioning her business and looking for some advice. And then we serve together on the business navigators board of directors for several years. And so I know that Beth has a true servant leaders heart, and I'm excited to talk to her today about her business transition.

Tom Bronson (1m 57s):

So welcome to maximize business value. Beth,

Beth Denton (2m 2s):

Thank you, Tom. I'm really quite honored to be able to share my more about my experience with you today.

Tom Bronson (2m 8s):

I know that our listeners are going to love this, so, so let's tee it up a little bit. Tell us about Medistar home health.

Beth Denton (2m 16s):

Okay. That's kind of like asking me to tell about my children. So stop me. Medistar home health was a, it was a Medicare certified home health agency. We had about 300 nurses, physical therapists, occupational and other therapists, home health aids, and you know, administrative staff, all of the operations were actually in the state of Louisiana. Whereas I am located in Dallas. That is my home state, but we had 10 offices throughout Louisiana and one here in Dallas.

Tom Bronson (2m 52s):

It must've been a Louisiana because only people who live or work in Louisiana actually call it Louisiana. All the rest of the world calls it Louisiana. Right. And that is clear demonstration that it was Lucy that you worked in and around Louisiana. So how did you start the business?

Beth Denton (3m 13s):

Well, at least at the time that I presume is still the case in the state of Louisiana. You well, in most states you have to have a license to operate. You also have to be approved by Medicare. So Louisiana at the time, didn't have, I had a moratorium on the issuance of new licenses. So the only way to get into the business was to purchase a license. And then you had to get certified medicine, Medicare and I had previously worked for the diversified home health agency and it had other healthcare concerns associated with it.

Beth Denton (3m 58s):

When the prior owner decided to make a sale of the four home health agencies I along with with other potential acquirers went through the due diligence, which was kind of interesting since I was the president and CFO of the company. But so I had a little bit of an inside track, but anyway, I was the winter and was given the opportunity to purchase them in 2004

Tom Bronson (4m 24s):

Oh 2004. So I didn't, I didn't realize that you were the CFO of that, but you hadn't spent your whole life doing that. What, what was your background before you got into metastatic?

Beth Denton (4m 36s):

Right? I had actually no healthcare experience whatsoever,

Tom Bronson (4m 42s):

Which is what a lot of entrepreneurs, right. Yeah.

Beth Denton (4m 45s):

Which made it quite interesting. But yeah, my career prior to jumping in and learning about the industry was in actually it started in 1996 when I left the CPA world. I, when I got out of college, I started with one of the large international firms and found fairly quickly that that was not my nine niche. I had had the opportunity when I was in college one summer to work for a small CPA firm that worked with entrepreneurs. And that was really my passion working for small businesses. So I left that and went to work for Rachel farm and eventually founded my own firm.

Beth Denton (5m 28s):

And when I'm decided to exit have my first exit from a business ownership standpoint, I not too long after that, one of my client X clients had approached me and was getting into the business and asked me to come on board. So I jumped in and found it fascinating and challenging business to learn.

Tom Bronson (5m 51s):

I'm kidding. You know what? We may have to do a follow-up podcast to talk to you about the exit from your CPA business then. So, so fast forward, just to get it in the interest of a little background here, you, this was one of your clients. You went to work for your client and then ultimately bought the business and ran it until 2017. Ultimately, what made you decide it was time to sell it?

Beth Denton (6m 20s):

Well, that decision was very much influenced by what was going on, industry wide health, healthcare wide. It's, it's interesting that, you know, when I first bought the business, I was, I was almost startled that business advisors and other business people would ask, what's your exit strategy? I'm going well, whoa, I'm trying to figure out my entrance strategy, you know, and I just, I love the business. I love the people I've really started responding. You know, I think it's going to be death. I mean, I can't see myself doing anything else. I loved it, but you know, you've got to be real.

Beth Denton (6m 60s):

And the healthcare industry was undergoing lots of consolidation. And I felt that at the time was fast approaching that either I needed to be a baker acquire or possibly a seller. And obviously I took the route of becoming a seller. Wow.

Tom Bronson (7m 19s):

Wow, wow. Yeah, that's, that's almost some market timing information there, right? Because the changes that were going on and, and healthcare at the time, it's not an uncommon story though, to hear business owners say that they don't give a lot of thought to their, to their exit strategy. And in fact, that leads to a lot of horror stories that we've got a, the podcast last week, the, for our listeners was about a gentleman who tried to sell his business and ultimately wound up closing it because it was not sellable. And so, so I applaud you for being able to get there. Let's, let's talk about your exit strategy, not your entrance strategy.

Tom Bronson (8m 2s):

Were you, at what point did you become intentional about developing an exit strategy or did a transition show up one day and just say, Hey, Beth, I'd like to buy your business. Okay.

Beth Denton (8m 17s):

Well, after that initial response that I kind of teased about my ex started to as my death, I really did focus on it and it really kind of evolved for me once again, my background was the CPA world working with, you know, at the beginning, working with large companies and entrepreneurial companies. And I was an auditor and I certainly appreciated good systems, good policies. And it occurred to me that as I was putting systems and policies and procedures, et cetera, place that I was simultaneously preparing for my exit strategy at whatever point that came to be.

Beth Denton (9m 5s):

So I was, I was very intentional once I got my brain in gear going, well, wait a minute, what I'm doing now and an exit strategy. They're not really that different in my, in my mind. It wasn't,

Tom Bronson (9m 19s):

You had the benefit of, of having exited a business before. Right. And so, so you understood some of those things that a lot of entrepreneurs don't, and that is that having those defined processes and systems and good accounting, I would assume as a CPA, you would have good accounting practices, but hopefully it's not the story of, you know, the cobbler whose children have no shoes. Right. But, but you know, a lot of times business owners kind of neglect those things that make a business more transferable. And so I applaud you for thinking it about it that way.

Tom Bronson (9m 59s):

Did, did you ever have a timeline for your sale and, and did the timeline go as predicted? So at some point you realize that this is, this is really not only improving my business, but preparing it for sale. Did you establish in your mind? Well, here's my timeframe. Okay.

Beth Denton (10m 18s):

Well, no years ago I did not. I, and quite frankly, I sold it much sooner than I thought I would, that I've had for many years would have preferred to have the, again, as I mentioned earlier is like, I, I didn't want to be, yeah. Timing is everything. And an example that I use quite frequently when, when talking with my staff and colleagues is that we always, we, we need to be evolving. We need to be prepared for what is coming towards us. We got to take care of today, but we've got to constantly be looking forward.

Beth Denton (11m 1s):

And what would the analogy I used was a blockbuster. If you remember those days where, you know, we want to watch a movie, we got in the car, I went to the blockbuster star store, picked out one or two. What were those things called Types that you had to stick in a machine and come home and watch it, you know, et cetera, et cetera. And then it just seemed like overnight, all of a sudden that wasn't the way to go. And even though there's nothing like home health care is nothing like the best the video market, I felt like, you know, from a business standpoint, conceptually, it was, you know, we can't assume status quo today is, is it's going to be the way things are in the future.

Beth Denton (11m 54s):

I just always had that going in the back of my mind. And it, like I said, it was a lot of, a lot of acquisitions going on. And in, in my industry, at least back then, there were a lot of mom and pops and I didn't want to be a one of the mom and pops, you know, shuttering the store. So I always postured us for growth and strategically, I think

Tom Bronson (12m 18s):

I'm going to assume that most of our listeners know the story of blockbuster, but just to just a short snippet there, you know, back in, gosh, I want to say it was probably around somewhere in the 2000, maybe one to three timeframe, some little startup company called Netflix approached blockbusters because they were, they were running out of capital and they needed an investment. So they tried to sell the company to blockbuster and blockbuster of course said, well, there's no way that anybody's ever going to want to stream movies and videos online. And of course we know now, you know, the tail of that tape, Netflix, you know, owns the market for that.

Tom Bronson (12m 59s):

And, and the last blockbuster store shuttered a year or two ago. And so, which is amazing that it hung on for that long. So I love that story as a great example, to on two fronts, the Netflix was almost out of money and, and they, and they didn't know if they could go any further and they tried to sell themselves, but they, they powered through that pain found additional investment. And here they are in the market. On the other hand, a company that just was too slow to react to what was going on in the marketplace, blockbusters doesn't even exist any longer. And so those, those are stories that I think are both great lessons for business owners.

Tom Bronson (13m 43s):

So I'm really glad that you, that you brought that up. Well, how long from when you finally said, okay, this is it we're going to sell it. How long did the entire process take? You said it was faster than you thought. So how long did it take from when you were ready to sell until you actually closed the transaction?

Beth Denton (13m 59s):

That part's easy a year.

Tom Bronson (14m 1s):

One year. Okay.

Beth Denton (14m 3s):

Yeah, 2016. I was like, okay, I seriously think this is the time. And so, and I was just dead set, determined to finish by December 31st, 2016. It's like, well, lo and behold, that was a Sunday or something. So anyway, so the effective date was in fact he had January 1st, 2017.

Tom Bronson (14m 25s):

No kidding. That is, that is faster than, than many. You know, the average process for business owners is, is 12 to 18 months. And so, so, but for everyone that closes, I hear many deals that can close in, you know, six months or less, but for every deal that does

that, you know, there are deals that hang on for years, right. And don't close. So I applaud you for being able to get that done. Did you have a transition team help you market the business and go out and prepare itself?

Beth Denton (14m 56s):

I, I, I did. My, my team was in fact in the beginning before I brought in, you know, my, my upper management to, to help out with things. But anyway, I interviewed and hired a leading an industry leading M and a advisory firm. And, you know, as I was checking with my trusted advisors, if you will, I realized that from a, a fee standpoint, they were probably the most expensive of any of my interview, but I tell you what they were well worth, the time and effort and money.

Tom Bronson (15m 38s):

Awesome. That's a, I'm glad to hear that so many people try to try to go it alone and, and you really do sort of need a team to help you. It sounds like you had the right M and a advisors. What role did they play for, with you and for you through the process

Beth Denton (15m 56s):

Early on you you've meant, you know, you asked about your marketing. You know, they worked with me to me, that was my first level of due diligence. They requested a lot of information and put that together and they put together a spectacular book. If you build a marketing brochure and then through discussions with computers, questions I had with them, we narrowed down who this confidential document would go to. And so they, they already had a list of real prospects that either had express interest in purchasing a company, our size, or in our re in our geographic region, or, you know, one way or the other thought that that might be a good match.

Beth Denton (16m 51s):

So that in and of itself saved a lot of time and effort and, and confidentiality, you know, like most businesses don't want to be known that they're up for sale. And I would think particularly in a service industry that if people start getting scared and leave, well, then your asset is quickly diminishing can family cause know, essentially you're selling, you know what? You've got your people, your systems, everything. There's not a whole lot of



brick and mortar in the home health care industry. So yeah. Yeah. The majority of the due diligence, the whole, you know, 12 year, excuse me, that was a slip.

Beth Denton (17m 36s):

Yeah. Probably seemed like 12 years. Yeah. Was so, you know, going through the process of zeroing in, on who the purchaser without thought might be the best purchaser for the vestment, you know, price, etc.

Tom Bronson (17m 56s):

So just again, for, for explanation here, a lot of times then when you hire an M and a advisor, many times that's in the form of a business broker or an investment banker, it's, it's really good to find somebody who has experience in the space who can be an advisor for you. It sounds like you did that. Some of the documents that folks may or may not be aware of, you know, when you go out and identify the prospects, then typically you send them a teaser, which gives them just enough information where they really can't figure out who it is. Right. And, and then if they're, if that peaks their interest, then they sign a non-disclosure agreements. Right. So, so that they will hold whatever information in confidence.

Tom Bronson (18m 40s):

And then once they do that, then typically you send them what probably the package that was put together is called a SIM, a CIM, which is a confidential information memorandum, which is typically, I think it can be hundreds of pages, right. It anywhere from 50 to a couple of hundred pages to talk in more detail about the business. And so it sounds like those are the documents that, that perhaps they were using. And that's just a side note to educate folks on doing that. You, you mentioned due diligence. So when you, when they, when it got down to it, did you just pick one of the folks to move forward and get into heavy due diligence? Or did you have multiple folks you were trying to do that for at the same time

Beth Denton (19m 23s):

I picked one to move forward and, and yeah. At that point, yeah. It was very intense.

Tom Bronson (19m 32s):

Yes, I bet. All right. So, so how did dude now you're in a, you're an accountant by trade, right? You're by trade. So, so how did your due diligence process go? Was it fun and, you know, rainbows and, and ice cream?

Beth Denton (19m 50s):

Yeah. I think the slip on, I said 12 years, instead of 12 months, I'm going to go kind of is a clue there, but oh my goodness. It, yeah. Mentioning my prior CPA background. And in fact, the health care is a diversified health care company that I worked for, you know, before I felt like I sort of knew how about this due diligence process coming to find out whoa, it was okay. So the whole list of documents and, and, and information that was needed, I, it was pages and pages and pages and line items of nanos and line items long.

Beth Denton (20m 34s):

And yeah, I wanted to be thorough and I wanted to keep it close to the bills as long as realistically, you know, to be done. And so I didn't get a lot of sleep. I mean, I was dogging and I think from my CPA firm, you know, experiences, auditor, it helped me from the standpoint of if it was on the list, I pretty much bought it needed to be provided. So, you know, I was just going through the list and it was nice that they had a virtual data ring. So I could just upload the document when I had a document, I could upload it.

Beth Denton (21m 15s):

And if not, if in a number of instances, in one section of the due diligence site, in the case of a Medicare home health agency, you know, regulatory, you know, it was quite a lengthy area, you know, then you got your tax and then you got to legal and then you've got your accounting and it goes on and on and on. And you know, when you're like going seriously, how many times have I provided this document? You know, it's over here in the tax, it's in the legal, it's in the regulatory, it's on the clinical, but this is where I think maybe my audit experience came into. You know, it's like, those are different groups of people that are going to be taking that piece of the due diligence. So just upload it again, check it off and go look at, look at what I've done.

Beth Denton (21m 59s):

I just, I just uploaded five documents when in fact it was one. So I didn't want to get bogged down in the details, but yeah, it, it was quite voluminous as far as the documentation required.

Tom Bronson (22m 13s):

I remember how many, do you remember how many information requests they gave you?

Beth Denton (22m 17s):

You know, I don't, that might be, try to remember a bad dream or something, you know, I mean, literally it was hundreds and hundreds and hundreds.

Tom Bronson (22m 28s):

Okay. So someone said to me the other day, Hey, you know, a nightmare is a dream. So the only reason I asked that question is because a couple of weeks ago we had a guest David Weibel from a industry weapon. He had a process to actually maintain that. And they had, I think the number was 674 requests for information, 674. Now that's a, that's a lot more than normal, but I imagine in your business, which is, you know, healthcare related, it probably was not far off that

Beth Denton (23m 2s):

I would totally agree with you. I would say it seems there were at least that many, that again, there were a lot of duplicates, but I liked him. I was like, I get to check off a lot in one fell swoop.

Tom Bronson (23m 15s):

Oh, I love that. Yeah. That's and, and, you know, you brought up an excellent point too, just because they ask and due diligence doesn't mean you have to go out and create it. And many times if there's, if there's something that you consider to be a minor ask, you can, you can, I've done this before in mine, you know, note no data to provide, you know, and, and, and upload that document by the way, which checks the box.

Beth Denton (23m 38s):

Exactly. I did quite a bit of that and, you know, they'd be impressed. I was like, oh my gosh. She's like uploaded another 25 documents. When in fact, Matt Minnie on may have been the same document or document, this is not applicable.

Tom Bronson (23m 50s):

Exactly. Now, do you feel like the process of due diligence added value to the business or did it attract value from the sale? Okay.

Beth Denton (23m 58s):

It definitely added now you particularly, you know, seriously, I don't work for an MNA bus referral, but they having them on my team and especially having one in this particular case that was, you know, specialized in health care. And even, even further drill down to, you know, home health, they had some other specialties, but it wasn't like everything in the rural hospital hospital is so different from home health care, but they really added value. Not only in terms of the professional book, you know, they having the intermediary to negotiate the sales price.

Beth Denton (24m 42s):

I was, I was very pleased with the sales multiple and had I not used the M and a advisory firm than I did. I, I would have sold myself short quite frankly.

Tom Bronson (24m 57s):

And so, and so that additional, multiple that you traded at probably paid all the fees and then

Beth Denton (25m 3s):

Some, oh, there is no doubt. Yeah.

Tom Bronson (25m 7s):

So sometimes at the end of a due diligence process, again, let me just back up and quick explanation. So after you provide the SIM, then they typically provide an offer letter or a letter of intent, you agree to a price, and then they start the real deep due diligence

process. But at the end of that, by the way, due diligence is really designed. Yes, there is information that, that the buyer needs, but a lot of times, especially for sophisticated buyers, it's an opportunity for them to discover things that were not previously disclosed and allow them to adjust the purchase price accordingly. So I call that their retrade conversation, and I've had many of those through the years I've been on the giving end of those conversations and on the receiving end, but did you have a retrade conversation after due diligence?

Beth Denton (26m 2s):

And I'm real happy to say that we didn't ever get that far. We were headed in that direction. I mean, I knew the area on the financial statement on the balance sheet that had the most vulnerability, you know, quite frankly it was the biggest item on there and, you know, the accounts receivable and when you're dealing with government accounts receivable, it can be very interesting, very, very challenging to, to collect. And I won't go down that road politically speaking, but I knew that was where we had vulnerability. And when we were kind of headed in that direction, I really called on the financial team of the M and a advisory firm.

Beth Denton (26m 50s):

And to help me, you know, with the arguments that we were going to make together. And we did, we had, you know, quite a number of conversations directly about that, but we were able to head off an actual retrade of the amount.

Tom Bronson (27m 10s):

Oh, good for you. That is, that is so rare and good for you. We're really identifying the point of vulnerability. What I, what I tell our clients is think about those things in advance and disclose them as early as possible. Because if the buyer knows something before they make an offer letter, they can never claim ignorance later. And I've actually headed off a retrade conversation for that reason. Somebody thought that they'd discovered something in due diligence. And I went back and showed them where I had disclosed it prior to the offer letter. And it headed off a, a that, that conversation by the way, for, for our clients and the process we go through putting together that data room.

Tom Bronson (27m 50s):

A lot of times that's done in advance of even starting a process, even though there's going to be requests and due diligence that we never think of the bulk of those traditional things will already reside in a data room with our clients. So that it'll cut the process down a little bit. So, so fast forward to closing day. Now, it's time for your employees to find out how did they react and how did, how did this transition impact them?

Beth Denton (28m 21s):

Initial reaction was fear, apprehension, fear of the unknown, whether they were going to be keeping their job, what it was going to be like, was the culture gonna change this big company coming in and buying them after they had been used to being able to, despite the dispersion of the offices, they pretty much, all of them felt they could pick up the phone and call me with a question or concern or recommendation. And the fear was, is that going to be the case anymore? Another aspect of it, and this is not uncommon, at least in home health agencies is usually not, you know, immediately that very soon after the close, the new purchaser wants to transition into an, a new name and, you know, a lot of staff that had been Westmaid for a long time.

Beth Denton (29m 18s):

And particularly those on the business development and were concerned about losing the identity of something that they've worked so hard in so many years to create. And it's like, you know, you're going to come in and you're no longer ABC company. Now you're XYZ company. How do you, how do you, how does the business development team go back out and go, yeah, no, yesterday we were X, Y, Z, but now we're ABC. And, but, and, and how to believe yourself and then go sell it if you, if you will, that were the same, but even better. So again, in a nutshell concern and fair, and that was, you know, the, the challenge to alleviate those.

Tom Bronson (30m 3s):

Yeah. That's a, that's a, those are very common things. You say it, and you stay in touch with any of those folks.

Beth Denton (30m 10s):

Well, that's a little tricky, cause I had a very long non-compete agreement. You know what I mean? A couple of people, you know, that I've worked with literally for 20 years, you know, we're friends, you know, it was like, okay, well we're friends, but I was very, very careful not to violate the terms. So I don't re you know, if they reach out to me like on social media or something, you know, I'll respond and you know, and that kind of thing, but, oh, which by the way is kind of how I'm best able to go. Okay. Well, these, my Keela leaders in this area and this area is still with the company.

Beth Denton (30m 52s):

So that makes me feel better. And, you know,

Tom Bronson (30m 57s):

That's a, that's a very common feeling with business owners. They want to take care of the people, people that, that have been with them and help them get there. Look, we need to take a break. We're talking with Ben, Beth Denton, a member of the 17% club. Let's take a quick break. We'll be back in 30 seconds.

Announcer (31m 14s):

If you want to be a 17% or two, of course you do. And we can help you get there. This whole mastery partners is on a mission to unmask the value of your business without incredible to the transition readiness assessment that as we like to call it TRA in a simple and complicated way, the tra unmasks where you are generating value in your business and where you aren't this comprehensive assessment, pinpoints your hits and misses. So you can focus on what's working and solve. What's not what you do today matters and will have a tremendous impact on the future value of your business. Get your tra today and be a 17% who to [masterypartners.com](https://masterypartners.com).

Announcer (31m 56s):

Schedule a call with Tom and join tra challenge. Don't be deceived, I'm covered and know how to build massive value in your business.

Tom Bronson (32m 7s):

We're back with Beth Detton, a business owner who successfully sold her business, Metta star home health in 2017. So Beth, as we kind of come into the home stretch here, what did you learn going through this whole process?

Beth Denton (32m 26s):

But quite simply you can never, ever be over-prepared. And even when you think you are prepared, you're probably not. And I thought their thing that's really important, or it was, to me, it was to have a good support system outside of work. I was all in 150% and it was nice to have those outside of work support me.

Tom Bronson (32m 55s):

That is excellent. I know you have a great support network and I'm part of that. Maybe. So the, and I know you're definitely part of my support network. I'll tell you that right now. So what would you have done differently knowing what you know now, what would you have done differently in the process or before the exit or whatever?

Beth Denton (33m 17s):

I would have seriously started interviewing MNA advisory firms earlier than I did allowed more time in that process. Although I, before I did, you know, throughout the ownership, I've kept in touch with, you know, different MNA advisory firms, you know, they'd want to see how the business go on, et cetera, et cetera. And I had an idea who I thought I might go with and I eventually went with them, but I wanted, I didn't want to be set in with one idea and not consent, you know, consider the others. So I would have started earlier. And because the time between the point at which I really thought, okay, this is serious.

Beth Denton (34m 2s):

I need to really look into doing this too. We got to the point where we selected the LOI we're going to work with and then had that 647, you know, line item list that took more than the rest of it. For me, I was dead set on the December 31st or January 1st deadline. And that there w there was a change in presidents and administration. And, you know, we were all trying to guess who that was going to be and how the chain to us. Yeah. That was a lot of fun, but I'm going to close.



Tom Bronson (34m 41s):

Yeah. So, so let's get into kind of the meat of the act you're you're on with business owners and business owners are listening to this. What advice would you give business owners who are looking to eventually transition their business?

Beth Denton (35m 0s):

Well, first and foremost, the, the, the, the old, you know, five PS, proper planning prevents poor performance. And we're in, of course this situation performances the cycle. So plan, plan from day one, put your systems in place, et cetera, have a strong management team. It's easier said than done quite often, but that is key, particularly in my case, when you have a service business, that's what you're selling is your team, your people, your systems. And we talk about systems. You don't have written policies and procedures in place, some of what they found at Medistar home health.

Beth Denton (35m 43s):

I think they were quite surprised, you know, given the fact that, you know, it was so longer, you know, it was me. Yeah. We had 300 people. That's a small business, you know, but, you know, don't act like a small business, you know, document these things, you know, how professionals and understand that the exit strategies and the sales process. So do notch, or could this, I, I I've said a lot today about, you know, my, my belief that the hiring professionals in conjunction with the sale. And then lastly, I'm the tail end. You know, this is, you know, be willing to turn your baby over to the new owners.

Beth Denton (36m 27s):

If it's going to be a successful transition, you can't have the owner, you know, hanging on and whispered in that employee's ears. And that sort of thing, you gotta be ready to do that.

Tom Bronson (36m 38s):

And so many owners aren't right. They, they live under it. Now, did you, did you stay on with the company after the sale for any period of time?

Beth Denton (36m 46s):

Oh yeah. For a few months. That was part of the whole, all the documentation and the agreement

Tom Bronson (36m 52s):

And the, and that, that that's typically called a transition period, but you didn't have like a long-term three year agreement.

Beth Denton (36m 60s):

Matter of knots, you

Tom Bronson (37m 1s):

Know, a lot of times business owners will sell their business, you know, particularly for, for a sizable businesses that might find a financial buyer and take a multi-year contract, right. To stay on with them. But they find pretty quickly that somebody else is calling the shots and business owners don't like that. And so the average tenure for a, for a founder CEO to stay with a company that, that they have a multi-year agreement with the average tenure is 17 months because they just can't stand it much longer seeing somebody else. You know, you, you mentioned that that it's your baby. You got to let somebody else kind of raise the child from that point forward.

Tom Bronson (37m 46s):

And, and boy, what I tried to make notes, five piece. I love that I had not heard that proper planning prevents poor performance, proper planning, prevents poor performance. I'm going to use that. I will always give credit, you know, I do that, but, but the, the piece about finding the right people and having the right team in place, you know, I forget who said it, it was at Stephen Covey or, or Gino Wickman or somebody in one of their books first, who then what? Right. Make sure that you have the right people doing those things. And just because you are a small business, doesn't mean you have to act like one.

Tom Bronson (38m 27s):

I love that. That is great advice in documenting these things. I've actually seen businesses get a higher multiple because their processes are so well-documented. And

even though the company buying them as a bigger company, they want to adopt those processes and procedures. And therefore it makes the company more valuable. That's part of the intangibles that people don't think about. You know, certainly your people are the intangibles, your intellectual property or your intangibles, but it's your processes, right? That, that are intangibles that can add significant value. Boy, those are all great pieces of advice. I'll, I'll be talking about these for a long time.

Tom Bronson (39m 7s):

So you sold the business. Did you have any idea what you were going to do after the sale? I call that act three. You know, we have act one, which is kind of youth and young and dumb and act two is, are earning years in power years and raising a family years and then act three is what's left. Right. So did you have an idea of what you are going to do for act three?

Beth Denton (39m 31s):

I had very little idea. Really. I was, you know, I talk about my employees being apprehensive. I was quite apprehensive and it took me a long time to use the word or retirement. And I wasn't a hundred percent, I was close, but I wasn't a hundred percent sure that was, you know, the primary direction I was headed. And, and just the way I am, you know, I read a bunch of books about how to retire. I was like, what am I going to do? I'm like, I'm not passionate about improving my business and that, oh, I just, I, I have adjusted quite well.

Beth Denton (40m 11s):

I'm going to stay an active and I it's, it's been good. I I'm, well, we are in the midst of, of COVID redo or whatever. So that's kind of a stalled that the travel, but that's, that's a passion of mine.

Tom Bronson (40m 28s):

I do know that you're traveling a lot, which is awesome. I know that COVID kinda tailed that off for a little bit, but hopefully you guys are back in the saddle and doing that, but so, so other than that, what are you doing now that you solved your business?

Beth Denton (40m 43s):

Well, it's been four and a half going on five years now and

Tom Bronson (40m 48s):

Yeah, I guess it is that long.

Beth Denton (40m 52s):

So during most of that time been on the board of directors of two non nonprofit organizations, one of which was with you and that particular one has a term limits, so, or consecutive term limits. And so I've rolled off that board at the beginning of this year, I'm on the other board and it keeps me engaged and I'm able to give back. And that is, I knew that was one of, that was one of my goals is to be able to have more time to give back to the community through the organization, through which we, we met. I really wanted to give back to that organization.

Beth Denton (41m 37s):

And, you know, particularly as a result of all the good trusted advisors I had through that organization, that helped me during the mass sale. So I was on the board. I was on committees and I still am on the other, other organization. I mentioned,

Tom Bronson (41m 55s):

I wrote you into a committee or to a, with business navigators too. So

Beth Denton (42m 0s):

Thank you very much.

Tom Bronson (42m 3s):

We're not quite done with you yet. Hey, I rotate off the board this year. So

Beth Denton (42m 14s):

Yeah, that's why I sort of did a little smell when I said, you know, the organization has this policy, unless we're like Tom Bronson and, and have the policy rewritten, so you can stay on another shit. Oh gosh. Yeah. It was a unanimous decision. But anyway, so yeah,

it's, it's amazing to me how my time is, is filled with rewarding activities and, and being able to give back. And, and one more thing is, you know, although travel is my passion and personal fitness is not it. I have, that's been another one of my goals because I know how important taking care of your mind and body and spirit is.

Beth Denton (42m 60s):

So I have a, a nice rewarding, long life. And that's my plan.

Tom Bronson (43m 4s):

We have always looked like one of the fittest people in the room as far as I'm concerned. So you've been doing something right. Even though you say it hasn't been your passion, you have been an amazing business owner for a couple of different businesses. And, and I always like to ask this question as we kind of round up our, our podcast, one last kind of business question. The podcast is all about maximizing business value as a, as a former business owner and a couple of businesses yourself. What is the one most important thing you recommend business owners do to build long-term value in their businesses?

Beth Denton (43m 46s):

Well, short-term sacrifices to get tenured long-term rewards. So don't, don't, we penny-wise, and pound-foolish make investment in your business, in your people, whether that be education, training, you know, whatever, and, and invest in them, the necessary tools of the trade technology professionals, business development, don't suck your company dry because you, you want another shiny whatnot invest in your, in your company. And it can be a long-term benefits.

Tom Bronson (44m 25s):

I think that is great advice, but you know, I can't let you off the hook. I do have one more question for you. Beth are long time listeners know that I always ask our bonus question. It's one of my favorite questions and I know it is for our listeners. So here's your bonus question. What personality trait has gotten you into the most trouble throughout the years? I can't wait to hear this because I can't think of anything for you.

Beth Denton (44m 52s):

Well then, so you D you don't, you know me, so, you know, it's gotten me in the most trouble, you know, to me that means, you know, some rules are broken and I'm, I'm pretty much a rule follower, but one is, I think one trait that has, has not served me well, is that although I can be quite skeptical, one thing that has been challenging to me over the years is that somebody on my team and they say something, I tend to believe it to be the truth, and that we're all have the same goal paddling in the right the same direction.

Beth Denton (45m 36s):

And then some of the people are not really handling on time. They're not, not, may not even be in the same boat, you know, that, you know, I think a number of people said it, Ronald Reagan did, you know, as well as, but trust, but verify, Verify, verify. So that's, that's been challenging to me from a personal, you know, interaction with my colleagues standpoint, like seriously, you can look at my face and tell me this, that you know, that, you know, most of my team was with me for many years, decades.

Beth Denton (46m 18s):

So it wasn't the overriding thing I had. Great, great folks, but

Tom Bronson (46m 26s):

That is awesome. So skepticism, you think so a has gotten here now. I want to, I'm going to categorize it that way, Beth. You have been a wonderful guest. Thank you for sharing your story with us. And thanks for being on our podcast today,

Beth Denton (46m 42s):

It's been my pleasure, Tom always enjoyed visiting with you and, and to, and sharing my, my experiences.

Tom Bronson (46m 48s):

I know that lots of business owners will benefit from those experiences. You can find Beth Denton on LinkedIn, or of course you can always reach out to me and I will be happy to make a warm introduction to my good friend. This is the maximize business value podcast, where we give practical advice to business owners on how to build

long-term sustainable value in your business. Be sure to tune in each week and follow us wherever you found this podcast, and be sure to tell your friends about us. We'd love to continue to reach other business owners and help them learn and understand from our experiences. So until next time I'm Tom Bronson reminding you that it is never to take the advice of Beth, that it is never too early to start planning for your ideal desired exit strategy while you maximize business value.

Announcer (47m 43s):

Thank you for tuning into 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](http://www.masterypartners.com) that's master with a Y [masterypartners.com](http://masterypartners.com). Check it out.

Tom Bronson (48m 29s):

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