

Announcer (3s):

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 is 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.

Jim Roddy (35s):

Hello, this is Jim Roddy and welcome to Maximize Business Value of podcast business owners who are passionate about building long-term sustainable value in their businesses. Now, this is my fifth appearance on the Maximized Business Podcast. One time for each of my books, the Walk on Method to Career in Business Success, and then also Higher Lake. You Just Beat Cancer. Both of those are available. One click away on Amazon. And then twice I interviewed your favorite host, Tom Bronson, about two of his businesses. And today I'm back here to interview Tom to wrap up the series on books written by certified Exit Planning Advisors. Now, Tom's new book comes out this week, it's called The Maximized Business Value Playbook, 65 Specific Actions to Dramatically Increase the Value of Your Business.

Jim Roddy (1m 20s):

And on a personal note, I was honored to write the forward for Tom's book, and I'm honored to be back here on the pod. Tom, welcome to your podcast, maximize Business Value.

Tom Bronson (1m 30s):

Thanks, Jim. You know it, it's always surreal when this happens, right? That, that someone is hosting my podcast. I will say that I'm a little disappointed in myself because I knew when you were coming up to this number five, I really wanted to get you one of those Saturday Night Live number five smoking jackets. And we, we made a heroic effort in the last week, but couldn't find one. But next time I see you, perhaps I'll have a smoking jacket with a number five on it, because you know, I don't think anybody will, will ever pass you in that.

Jim Roddy (2m 1s):

Well, I appreciate that. But again, I moved from Erie, Pennsylvania down south to Raleigh. I might need more of a like jacket or a t-shirt because smoking jackets down here, it's a little bit too warm up in Erie. I would've needed a parka, so

Tom Bronson (2m 12s):

Oh, that's great. Cuz that's a lot less expensive. If I get you

Jim Roddy (2m 15s):

T-shirt. Yeah, get me one so I can show off my guns too, please.

Tom Bronson (2m 21s):

For sure.

Jim Roddy (2m 23s):

So Tom, it, it's great to connect with you again. Can you tell the audience who doesn't know about your background tell, give that story, and then also why you became a certified exit planning advisor?

Tom Bronson (2m 33s):

Sure. Our, my background, most, of course our listeners would know this, but are to folks that are new to, to the podcast. I, I've done, I've been what you would call a serial entrepreneur. I have done a hundred transactions in my career buying and selling businesses. Most of those, I was the buyer, a smaller number of those, I was the seller. But one of the things that, that is been sort of the hallmark of, of my career is that in every case, when we went to sell a business, we were successful a hundred percent of the time. Unfortunately, only 17% of attempted business transactions reached the finish line.

Tom Bronson (3m 15s):

And I, and that just, it, that just flies all over me. I hate that statistic. And, and when I sold my last company, I can't believe, almost five years ago, four and a half years ago, I, I made the decision to start a practice to help business owners to achieve the same success that I have. I want every business owner to be able to sell their business on their terms when they want to, for the value that they want. And so when I started thinking about what do I need to do to, to start attracting some attention to this cause and, and, and really kind of raising awareness, I decided that two things, I would write a book, which I did my first book *Maximized Business Value*.

Tom Bronson (4m 4s):

And secondly, I decided to get my CPA or certified Exit planning advisor designation. And because I thought if a hundred transactions don't give me enough credibility, then perhaps I can get a certification that will give me credibility, or I can write a book that would credibility. So the real reason that I did it was just to lend some credibility to the work that we do helping business owners. That's, that's in a nutshell why we did it.

Jim Roddy (4m 32s):

Got it. And let me ask, did it round out like, you know, you did things the hard way, right? The school of hard knocks with all the acquisitions and all the exits. Did it fill in some gaps there or did it more or less just affirm kind of some of the things you lived through?

Tom Bronson (4m 46s):

You know, it's really interesting, the, the certifying organization, the Exit Planning Institute, which is not far from where you used to live, it's up in Cleveland. They're, they're an interesting organization. And the whole process to become certified, I mean, it's a week long immersion in all of these things. I did learn a lot in that

class. And it was really more about how to build a team of people to help business owners understand kind of all the different angles that they need to be thinking about. I, I learned about, you know, financial planning, I learned about valuations. I, I learned about kind of the, the CPA side, the legal side of transactions.

Tom Bronson (5m 30s):

I, my career is focused mostly on the business side of the transaction, and I've always surrounded myself with people. But now the thing that, that I and other CPAs say is that taking the course and getting the certification gives us a common language so that we can speak in shorthand with one another about business owners and, and about situations in their business. And so it did open my eyes quite a bit. Now, now we have a proprietary process that we use that I'll talk about later. But one of the other things that I got out of taking this course and, and getting my certification is the experience of Chris Snyder who wrote another book I, the, but it's a, it's about, I'm drawing a blank on it, but it's a great book.

Tom Bronson (6m 22s):

We've highlighted it on the podcast before about preparing a business for transition. He helped me kinda refine our process a little bit, thinking, you know, he'd done a lot of transactions himself. He now is the owner of, and along with his son, the Exit Planning Institute, and just his thought process as I walked through with him, it did give me some additional thoughts about, okay, how can I really tweak what I'm doing to make it more usable? And so it was a, it was a very valuable course. And of course now they do 'em, they do 'em live, they do 'em online.

Tom Bronson (7m 2s):

But to me, it's almost silly. The reason why I went to go do it, to give my, to give credibility a hundred transactions, don't give me enough. Writing a book doesn't give enough credibility. And so, but in retrospect, it was a good and valuable investment of my time and money.

Jim Roddy (7m 22s):

Yeah. And kudos to you for living the lesson of, you can't say I'm at the finish line for learning. Right? There's always something more that I can learn. And not that you're going in there with a blank sheet of paper, but that it really rounded out that I also find it ironic. So you are now a certified exit planning advisor, and our mutual friends for years have said, Tom Bronson is certifiable. So it's nice that you really lived up to what people have been saying behind your back for many, many years.

Tom Bronson (7m 48s):

So, well, yeah. So I was certifiable, but now I am certified. Yes, it's, you're absolutely right. But I don't wanna skip over that point. One of my very, very good friends coin to phrase, let's see if we can remember who that was said reading books is like getting a \$15 mba.

Jim Roddy (8m 6s):

Yes.

Tom Bronson (8m 6s):

Who was it? Who said

Jim Roddy (8m 7s):

That? I repeated that, but I believe Yeah, somebody you know, of all the books that I've read are people I've listened to. Yeah. \$15 mba, one at a time, and yeah, no downside to, to getting smarter, that's for sure. And

Tom Bronson (8m 19s):

I, and I, and I am a lifelong learner. I, I never, I, I devour books. I mostly for business, but also I'm, I'm actually currently, my, my sinful pleasure is I'm reading the Harry Potter series and, and I have to tell you, boy, the books are way different from the movie. And it's like, yeah, so, so, but just be a lifelong learner. Expand your mind. That's, I'm very passionate about

Jim Roddy (8m 44s):

That. Well, and you're not just a reader, you're a writer. We mentioned earlier your first book, again, maximize business value. Begin with the Exit in Mind that was published in early 2020. And so talk about your second book, again, it's not the maximized Business value header, but it's the maximized Business Value Playbook, 65 specific actions to dramatically increase the value of your business. What was the inspiration behind this new book?

Tom Bronson (9m 9s):

So, so this book, actually, you be, you might be interested in, in hearing this kind of the whole litany, the original book, the original title for the original book was the case for exit planning because it's really walks business owners through the logic and why they should be thinking about their exit plan, even at early stages in their business. Always kind of defined what that is. And when I used that manuscript with my clients, I, I sent it to them and I said, Hey, would you read this? Give me your thoughts. What are your impressions? A hundred percent of them came back with, I love the book, I love the content, but if you ever bring a book that says exit planning all over the front of it, near my office, you're fired.

Tom Bronson (9m 56s):

I don't want my employees to know that I'm, that I'm doing that. And I, it made me step back and go, oh golly, I need to think about how do I, so it really is all about maximize business value again with the, with the little tiny print on the front. I did slip and exit on there with, begin with the exit in mind. But it's still that journey of why a business owner should be thinking about this. And, and, but then it doesn't really give kind of the nuts and bolts. It gives the, it gives you a strong case for why you should be thinking about it. In the second book, I thought, why don't I, why don't I just give some of the nuts and bolts, right?

Tom Bronson (10m 38s):

Let's, let's do just a dive right on into the deep end of what are some things that a business owner should do? And the original inspiration for it was a workshop that I did for the RSPA. Okay. At

Jim Roddy (10m 53s):

Retail now, I believe. Yeah,

Tom Bronson (10m 55s):

It was at retail now. It was a, it was an hour and a half workshop where I did 50 things business owners should do to maximize the value of his business. And it was so well received. I thought, man, this would make a great book. And so I thought, what a great follow on, now that I've given him the strategy or why they should think about the strategy at the beginning. Now let's just give 'em some hands on things, 65 different things that a business owner can do. Actually it was started as 50, but as I was writing the book, then I came up with 15 more that I thought, these, these need to be in there. So, so what I really wanted here was to, to give somebody actionable stuff in the book.

Tom Bronson (11m 41s):

And that's why we, that was my inspiration now that I've given you, if you've read the first book and now you understand you need to think about this, well now here's some things you can go ahead and start taking action on. That's why. Got it. It's my inspiration.

Jim Roddy (11m 54s):

Got it. And just a side note for our listeners who are maybe new or not watching on video, I am wearing my RSPA polo shirt. So I'm the president CEO of the Retail Solutions Providers Association. A lot of software companies, value added resellers, hard manufacturers, distributors, payment companies. And that's how Tom and I got to know each other from the time when he owned, operated, and purchased a lot of software organizations. So yeah, I do remember when, when he gave that presentation. Now talk about how you envision business owners reading this book and using this book. It sounds like it's not something that they just sit back and they're easy chair and flip them and go, that was interesting. My guess is you want them to underline and circle and say, I gotta start, you know, I have to focus more on step number three or idea number 44 or things like that.

Jim Roddy (12m 42s):

But how do you envision it as the author folks using?

Tom Bronson (12m 44s):

Well, so yeah, in fact, even in the, you have, as you've already mentioned, you graciously provided the forward for this, but in my introduction to the book, I say, I don't expect this to be a linear read. I don't expect them to start on page one and end on page 190. I, I expect them to, to peruse the table of contents and pick

the sections that are important to them. Okay, I wanna work on the, on my financials. I wanna work on the financial side of my business. There's six or eight or 10 chapters on finance in there. And, and there's very specific things that they can go in and take a look at.

Tom Bronson (13m 24s):

And, and so I envision a business owner not really kind of reading this cover to, I would love it if they would read it to cover, to cover and, and then kind of make notes of the places where they need to go back and start taking action. But I expect that, that most of them will go, I need to work on sales and marketing. So they'll go into the sales and marketing section of the book, and then they'll be, you know, six or eight chapters on sales and marketing and we'll walk through those things to do it. Now the other thing that we've added as a key, and this came from our editor, she is an amazing human. She edited my first book and, and actually retired between my first book and when the second book came back,

Jim Roddy (14m 12s):

Because she read your book once she got the end first one, I'm,

Tom Bronson (14m 16s):

Yeah, I mean, why in the world would she, you know, want to go on with her life after, after, you know, committing her name to that book. But Nancy Baldwin is her name. She's retired, so, so you could try to reach out to her, but she won't answer. She's an amazing human and an amazing editor spent her entire life editing books. I convinced her to come out of retirement just to edit my book and she knows my style and all that. She goes, you know, Tom, that that would be my pleasure. And so, so I convinced her to come, come out of retirement just to edit this new book because I wanted the style to be, you know, very similar.

Tom Bronson (14m 57s):

And as she was reading the chapters, it, my, my assistant Kim, she's really my operations manager, Kim Benson, she had come up with an idea of why don't we give action items at the end of every chapter of things that people could do. You know, we, it tells a story about why this is important. We, we go into a little bit of how you can do this, and then why don't we give 'em an action item or two at the end? And so when we sent that off to Nancy to edit, she came back and said, you know, Tom, there's some chapters that have one thing, some that have three things. She said, I think you ought to harmonize in just every chapter have three actionable items.

Tom Bronson (15m 41s):

I thought, gosh, that's brilliant. That is brilliant. So, so throughout the book there are actionable things that you can do and we refer you to free things that are available on our website that you can download as templates to do some of those things. And so, so that's the way I envision, I envision 'em to go and dial in, well, I've got a real problem in this, in my business. Let's see what Tom has to say about that thing. If it's in the 65, go read that short chapter. Cuz I think the longest chapter is probably three pages long. Okay. I

mean, they're short and what actions does he recommend and go and, and do those things.

Tom Bronson (16m 22s):

That's the way I envision business owners using this tool. I want him to use it as a workbook and there's a workbook tool that'll come out with it. So

Jim Roddy (16m 30s):

Great. And so a very, very, I mean, I've read it a very practical book, not just like aspirational, not just motivational, but like, here are things that, that you can do. And you mentioned about hopping around. That's how I almost feel like we were trained in school. Start at page one, move on to page two. But when you're an adult and right, you don't have to prepare for a quiz or what someone's gonna pop on. If you have a section and like you said, I'm pretty good in this or I don't need to know this, it's not as vital to me right now. Go, go jump ahead. Right? That's how, that's how the pros do

Tom Bronson (16m 59s):

It. Well, and that's that to me, I think that's partly what's wrong with our educational system. We don't teach people to just use their innate ability to go out and jump around and do some things. You know, I almost wish that everybody had an individualized, you know, study program. But, but that's the way I think. I don't, I don't focus on one thing for long periods, right? I, I jump around my, I I don't think that there's any such thing as multitasking. I just don't believe that that exists. I think there's rapid, rapid task shifting, but this again, like the first book, the second book is sort of written the way I think business owners think and that is jumping from piece to piece.

Jim Roddy (17m 39s):

Yeah. And, and I do have to say last thing about your editor retiring after reading your book reminds me of a female friend that I had who was dating a guy and then he said, we've been dating for a while, I've decided to become a priest. Right? It's one of those very difficult, they're like, well, how can I feel good? You know,

Tom Bronson (17m 56s):

I dunno what to read in it. Nancy was only 34 years old when she retired, but perhaps there's something I should read into that.

Jim Roddy (18m 4s):

Well, I'm glad you brought her back. I'm glad you brought her back. So, and so talk about, we talked about how the book is gonna be practical. What are some of the specific areas that you do address in the book?

Tom Bronson (18m 14s):

Oh, great. So, and it's a lot of the things that we cover in our process with our clients. So there's a section on corporate governance, there's a section on legal matters, there's a section on finance, sales and marketing

operations, you know, so, so we really sort of touch on every component of every business. The way I think about business, because I've owned so many different businesses from restaurants to high tech companies, is that you can take every business in America and put it into a box. And when you open up that box, the top 15% is what that business does. You know, in your case, you're the CEO of a trade association and you guys serve your members with all kinds of different things.

Tom Bronson (18m 56s):

You know, our business is a consulting practice. We've owned restaurants, you know, different things. But once you, that top layer, we're never gonna be the experts in that top layer underneath that 85% of the business and every business in America, we think are identical. Now they don't follow the same processes and things, but it's all about process and operations and finance and sales and marketing. Those are the things, all business that are, that apply to any business that, that you'll find, those are the sections in the book. If you're looking for, you know, how do I write software, you know, better bug free, that's, this is not the place to go for that.

Tom Bronson (19m 36s):

But if it's, I really want to understand better about developing KPIs that I can use in my business, or understanding how to better use my financial statements to run my business, or understanding why it's important to take inventory of your, you know, if you're, if you're selling products, that's the kind of stuff you're gonna find in the boat.

Jim Roddy (19m 58s):

Great. And I can say before I worked at the RSP for 17 years, I worked for, I guess I'll just say two brothers, Rick and Terry Peterson. And they started in publishing and then they moved into a bunch of other businesses, but they had been putting together to teach all their general managers and all their leaders, everybody on their leadership team guiding principles. It was for growing the value of a privately held business. So it applied to every kind of business that they were in. And man, if that wasn't true, right? Like there were some, like we were in publishing, that publishing had some specifics, but in terms of having a system for sales in terms of, right, you have to have this ongoing thing into how you're gonna increase sales. Every business needs that, like controlling costs, everybody needs that, right?

Jim Roddy (20m 41s):

And learning, you know, providing outstanding customer service, everybody needs to know that. So you're spot on with that. Again, I, I lived that. I, at first I thought, well, it's not, it's gonna be way, way different. But yeah, when you get to the fundamentals of it, the fundamentals of the business are the fundamentals of another business as well.

Tom Bronson (20m 56s):

And it doesn't matter if you're running a restaurant or a, or a, a publisher or, or you know, a a a point of sale

software company. Yep. Fundamentals of the business are the fundamentals and that's really where we focus on in this

Jim Roddy (21m 11s):

One. Yeah. Yeah. The goddess of commerce rules over every type of, of niche vertical. So right before we take a break, so some of the chapters in the table of contents, they have dollar signs after the title. So please tell me it's not like a toll highway that one of the action items at the end says, chip in 10 bucks to help Tom out. What are the dollar, what are the dollars?

Tom Bronson (21m 32s):

That is brilliant, you know, since it hasn't actually come out yet. We're recording this on election day. Yes. Since it hasn't actually come out. I can always add like a little toll at the end of each chapter where you have to insert a quarter to open up the next thing maybe, or Yeah. I love that idea. No, it's, those are what I call the money chapters. And I got the idea from Alan Lake's book, have you ever read Alan Laken how to Get Control of Your Time in Your Life? I,

Jim Roddy (22m 1s):

At Jameson Publishing, that was required reading and people would call it, I've had the time of my life is how they would refer to the title. Yeah. It's on my bookshelf behind me.

Tom Bronson (22m 10s):

Yep. But the, so it's one of my favorite books ever written. It's no longer in print. And anytime I can find copies of it, I buy them because, you know, I I I like to give it out. I think it's a brilliant, brilliant book. And, but on the back cover, right? So if you look, turn around the back cover to that and on the very top of it come down to it says to save time, turn to pages 1 58, 30 and 11. Cause he says, Hey, if you don't have time to read this book, here are the three things that I think are important that you should know.

Jim Roddy (22m 44s):

Yeah. Right.

Tom Bronson (22m 45s):

And so I, I thought back to that book, that's one of my favorite early career books that I ever read. And I thought, why don't I just give some clues here about what I think the money chapters are, meaning these chapters that are gonna have the most impact on any business. And so, I mean, a great example of that would be the chapter on reviewing your financial statements by the 15th every month. You don't do that as a business owner, then you need to start doing that because it can have a significant impact on the, on the future value of the business. So what I did is, I think there might be a dozen or so that I, I also envisioned business owners going, okay, where are the dollar signs?

Tom Bronson (23m 27s):

And just doing the things on the baller side. Yeah. Okay. My point is, if you just do those, you're gonna have a major impact on the value of your business loan.

Jim Roddy (23m 37s):

Yeah. Great. I love it. And before we take a quick break, so a couple, one quote from How to Get Control of Your Time in Life by Alan Laken is, no matter how busy you are, you should always take the time to plan. And that really ties in with what we're talking about today. So again, we are talking with Tom Bronson, we're gonna take a quick break, we'll be back in 30 seconds.

3 (23m 59s):

Every business will eventually transition some internally to employees and 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 where you want to be and design a custom strategy to get you there. Next. We help you execute that strategy with the assistance of our amazing resource network. And ultimately you'll be able to transition your business on your terms. What are you waiting for? More time, more revenue. If you want to maximize your business value, it takes time.

3 (24m 40s):

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

Jim Roddy (24m 53s):

This is Max Maximize business value permanent guest host Jim Roddy. I'm kind of like the Jay Leno to Tom Bronson or to Johnny Carson is, is how it worked out. And we are back with Tom Bronson again. He's a certified exit planning advisor and the author of the new book, maximized Business Value Playbook, 65 Specific Actions to Dramatically Increase the Value of Your Business. So Tom, before the break, you mentioned this book is meant as a guide for building value in various areas of your business. Can you now dive a little bit deeper, talk about some of the examples of things you cover in the chapters of the book?

Tom Bronson (25m 28s):

Yes, absolutely. And, and by the way, you picked right up on that you are, you're, you are my Jay Leno, if I'm Johnny Carson, cuz that, that's what he did named Jay Leno, the permanent guest host. For those of you who are too young to know what that means, go look it up. I I made a reference

Jim Roddy (25m 45s):

Who's, who's Johnny Carson.

Tom Bronson (25m 47s):

Yeah, right. I made a reference last week at a, at a dinner to Cosmo Kramer, and there was actually somebody at the table that didn't know who that was. And so I was like, wow.

Jim Roddy (25m 58s):

I was going through an airport with Abby Sorenson, you remember Abby from Business Solutions Magazine. And so she was in her, I think mid twenties at that point. And in the Cleveland Airport has a quote from Tammy Faye Baker. And I read the quote and she said, who's Tammy Faye Baker? And I'm like, how do you even begin to explain? You

Tom Bronson (26m 15s):

Are joking.

Jim Roddy (26m 16s):

No, no, but a lot of people don't. I mean, how would you know if you didn't? So, no,

Tom Bronson (26m 20s):

That's true. That's true. So, so a few examples for your, for your questions. Well, I already, I already mentioned one of them. It's, you know, get get to know your financial statements, make sure that you're reading your financial statements, that you're getting them by the 15th of every month so that you can review them. And my, my logic on that is financial statements are a history book, right? They're not forward thinking. They're not, they don't predict anything about the future. But the, the fresher the history is, the more actionable the things you can learn about things that you can do to change the outcome for next month or, or the month that you're already in.

Tom Bronson (27m 2s):

So that to me is a huge one that, that so many business owners don't. They, they look at their financial statements once a year at tax time or you know, once a quarter. And I get, and I get arguments all the time from business owners that say, you just don't understand, my business is too complicated. I can't get financial statements that fast. And I, and the example I gave in the book was my last company Grandberry Solutions. We had three different operating divisions and we had 17 different acquisitions that we did. I could do the financial statements by acquisition, I could do financial statements by division, and I could do financial statements consolidated.

Tom Bronson (27m 45s):

Our chief financial officer gave us the first draft of financial statements by the fifth day of every month. And this is big middle market company, right? We got the first draft and that went out to all the general managers and all the, the people responsible for different components. They comments were due by the seventh and final statements by the eighth. Now we were running a pretty sizable company that with very complex

financial statements. And by the way, we didn't have teams of hundreds of people. We had four people in our finance department, four people. And so if we could figure out a way to do that and deliver it, you can too in your business.

Tom Bronson (28m 24s):

Another biggie over, and maybe the legal section is, and I had this conversation actually with an RSPA member yesterday and, and someone who's been a good friend in a long term client avoid lawsuits like the plague, right? Yeah. You know, a a business that's involved in a lawsuit, whether you are the, the plaintiff or whether your defendant is unsellable and, and avoid lawsuits. You know, in fact, the conversation that I had with this great friend was, I've learned through the years, I've filed lawsuits, I've been the recipient of lawsuits and I've learned through the years that it doesn't matter if I win because I've won almost all, every legal battle that I've been in.

Tom Bronson (29m 12s):

Now that I'm on the back end of that and it's years in the rear view mirror, I was a loser every time in legal fees, in damaged relationships, in, in, in distraction from my business. So, so get away from lawsuits, don't do anything. Another one of my money chapters is on return on investment. How do you measure return on investment? And you should be measuring return on investment on everything in your business. It says in actually twice in my book somewhere, the long running joke was that in my businesses, I wouldn't buy toilet paper if I didn't understand the return on investment. And that's actually true, right?

Tom Bronson (29m 53s):

I mean, I, I wouldn't if I didn't know. But I do fortunately know how to express the return on investment in toilet paper.

Jim Roddy (29m 59s):

I I am not asking a follow up question.

Tom Bronson (30m 1s):

It's, it's wildly inefficient to send people out, right? To go to the, and so, so those, those are a couple things. Oh, documenting processes. And that's something you even touched on over at Jameson. I mean, that is just, oh yeah, clearly that is a business principle that, that so many business owners don't think about. They start their business, maybe it's just them, right? They start their business and they start doing stuff and, and then they hire their first employee and they teach that person how to do something. But it's all verbal, right? But there's nothing written and then that person teaches the next person and so on until suddenly you wake up one day and you've got a hundred people and they're doing things in a way that you just never envisioned and didn't want them to be done.

Tom Bronson (30m 50s):

And you don't like the way it is. Well, if you document your processes, it makes it so much easier to teach new hires how to do things the way you really want them done. And it also eliminates employee dependency, right? If a, if something happens to one of your employees and that includes you, you know, a business owner or one of your key people, you want people to be able to pick up and and move on. And even if it's a frontline employee, you want, you wanna be able to hire somebody and give, here it is. Here's the playbook on how we do this. Yes. So documenting processes is huge. And the last thing I'll mention is as that applies to business owners, so many businesses are owner dependent, right?

Tom Bronson (31m 35s):

They completely depend on the owner to operate and, and that drives the value of the business into the toilet. I mean, if you're a micro business, when I, I call that, you know, like 5 million and down main street sort of business and that business is dependent on the owner, it's almost worth nothing. Yeah. Something think, think of it this way. If I get hit by a bus on my way to lunch, what's gonna happen to my family? What's gonna happen to my business? And if the answer is not a resounding, oh, everybody will be fine. You know, then, then you got owner dependency issues and you need to resolve those because nobody wants to buy a business from an owner if the business is dependent on that owner.

Tom Bronson (32m 21s):

Yeah. And so, so that's sort of some of the things that, that we talk about.

Jim Roddy (32m 26s):

Yeah. And what, you mentioned the word playbook and I guess I just, I'm hoping you can expand a little bit upon that cuz a lot of times when folks hear process, they think step one, this step two, this step three, you must do this. But playbook is more along the lines of here are things for you to consider, like almost a playlist rather than a checklist. Some things need a checklist, but some things in businesses just mean you should consider this so you don't say, whoops, I forgot about it. I guess can you talk about that a little bit in terms of Oh yeah, processes need to have some flexibility, but a process makes sure that it's not gonna go below a certain floor, right? You can always build and do something different based on the situation, but it's not a, it's not like coloring by numbers or something.

Tom Bronson (33m 7s):

No, no, no, no, no. You're right. Well, you did mention there are certain things that should be colored by numbers. And that is, that is the way you handle cash in the business, right? Handle your checks. That means payroll

Jim Roddy (33m 18s):

Should not be a particularly creative process,

Tom Bronson (33m 20s):

Right. That those things need to be step by step. Here are the things in how you do them. But then there's other things as I think about in, in my old business, you know, help desk, every customer that calls a help desk has got a different problem. And so what we need here is sort of a process about how do we diagnose this? Yes. And what questions do we ask in order to kind of filter to, oh, here's the, here's what the problem is, let me solve that. And it's really more of a, of a rather than a step by step process. It's more of a flow chart. If you think about, if you know, it's moving all different directions, right? If the answer to this is no, then you kind go a different direction on that and, and follow it differently.

Tom Bronson (34m 5s):

And it's really more about also teaching people the philosophy, right? Of how you wanna handle this. It is, we, we want to handle this this way. And so everybody in the business is doing, we've got 10 people doing this thing and we're all doing it largely the same way, maybe interjecting our own personality into the process, but we're all following a general principle about the process. That's really the way I think about it. And by the way, if you think about a business and you break it down, there's hundreds and hundreds and hundreds of processes, right? Business that you do every day. I'm not saying document all of those, but things that are critical to the business, the things that, that are, if this doesn't get done properly, it's gonna damage us.

Tom Bronson (34m 57s):

Those are things that need to be documented. And typically in a business that boils down to maybe 50 or 60 things, yes, you might want to go deeper on, you know, so that your training manuals are, are better. But, but it's, if, if something happened to this person we, and they're the only person who knows how to do these four things, we need to make sure that they're well documented so that yes, the next person can pick up.

Jim Roddy (35m 23s):

Amen. And let me ask, so to dive even deeper in terms of helping the readers of your book, you mentioned like a template earlier. Can you talk about some of the tools that you have available if folks, you know, if they wanna do that, maximize their business value, right? That you have the, the principles they have some of the actions. Can you talk about some tools to actually help them execute on those?

Tom Bronson (35m 43s):

Yeah, absolutely. Yeah. And that comes in those, those three bullet points at the end. There's always two actions that you can take on your own and then one that directs you back to our either our website or other public documents that you can find. A great example of that is, you know, in cash flow or budgeting, you know, we, we think it's important that every business, you know, prepare a budget, you know, in advance of the upcoming year. Now Charles Koch, who arguably is one of the greatest businessmen who've walked to the face of the earth, right? At Koch Industries, he argues in his book, good Profits that You Shouldn't Budget.

Tom Bronson (36m 22s):

Now, that's a, that is a very different view than what I would take most humans need to budget Yeah. In advance. And so his businesses are different and it's a, it's a great book, but a but a difficult read. But I highly recommend it. But you know, we say you should do that. And so a lot of business owners look at, well where do I even start? How, how do I even start? Well, we have a template, right? That's available on our website that you can just go in, we give you the url, how to get to it. You can go just download our template and off you go. Right? Right. You got templates for, you know, cash flow for one of the things that we talk about in the book is product penetration rates.

Tom Bronson (37m 5s):

Meaning how many of your customers, of your available potential customers for every product that you sell, how many of them are using it? Is it 10%? Is it 20%? Yeah. Because if you understand your penetration rate, let's say you've got a product that every one of your customers can use that they could pay you \$10 a month for, but only 20% of them are using it, well that 80% becomes the green field of growth opportunity.

Cross-selling products into an existing customer. So we even have a template that's available that, that talks that, that contemplates product penetration, all kinds of things. Great. But overarching, as soon as you buy the book, one of the things I say in the introduction is go download a workbook because we've actually got a workbook that, so you don't have to mark up the book itself.

Tom Bronson (37m 55s):

We've got a workbook where you can start working through these things. That's great as you work through it, as in the workbook covers every chapter in the book and it's a free download that you can get on our website. So there's all kinds of, of additional free tools that, that business owners can use in their business.

Jim Roddy (38m 14s):

Good. Cuz nothing more frustrating than trying to start from a blank sheet of paper building something you don't really know. So glad you're giving everybody a, a head start For

Tom Bronson (38m 22s):

Sure. And, and if you find something in the book that, that it's not clear, then we always direct, you call me, right? Yeah. My cell phone is right on our website. So, so if somebody has a question about, well this wasn't that clear, great. Cuz we want you to ask that question because if it wasn't clear to you, it's probably also not clear to hundreds of other business owners, right? Yeah. And so, so we would appreciate feedback or if, could you give us a tool that'll do this? Yeah, absolutely. We'll do that now. We tell people all the time, you can do everything that we do in your business for free. You don't have to engage with us if you just buy the book and, and just listen to all of our podcasts and read all of our blog posts and, and, and follow us on all of our social media.

Tom Bronson (39m 4s):

We, we are very transparent. We tell you all the things that you can do to do it, but most business owners won't because they get caught up in the day to day of their business. Yeah. So the grinding we're, we're all about education and providing all kinds of tools.

Jim Roddy (39m 18s):

Yeah. And so I have a few questions before we wrap up that aren't directly connected with the book. Like, one of them is like, clearly you're passionate about this, right? I've seen you speak at events, listen to your podcasts. Right? It's never like this guy's faking it or he is bored with himself. So can you talk about where does that come from? And quite frankly, you were a successful business owner and then sold your business. Like why not just pursue a life of leisure, right? Why not just doing more golfing and napping and reading? Where's the passion come from?

Tom Bronson (39m 46s):

Well, I do, I do all of those things. My golfing in

Jim Roddy (39m 50s):

Not full-time though. It's part

Tom Bronson (39m 51s):

Time. Yeah. But, you know, it, retirement is, is just not a, a word that works in my vocabulary. Right. Okay. You know, I'm, I'm at the end of the baby boomers, right? The baby boomers range from my age, which I am 58 now up to 78. There's a 20 year span of baby boomers and we were the people that invented the 60 hour work week. The rest of you are welcome and we like to work, we find value in our work and nothing. So when I sold my last business, by the way, that wasn't my first transaction. Right? I'd sold other businesses before, why didn't I ride off before?

Tom Bronson (40m 33s):

Because I'm all about creating and expanding and, and doing new things. The only ask for my wife is please don't bankrupt us. Right. Go out and take these risks that, and I do, I'm, I am less risk averse than almost any human. And so, so I'm a wild risk taker, but I I won't damage our retirement honey. So, or at least I don't intend to Hope she's not listening. But, but one of the things that just for whatever reason has always just given me a charge of electricity is when I'm explaining something that is complicated and suddenly you see the light bulbs come on and they go, oh, you know, like, oh, oh my gosh, I, I suddenly get it.

Tom Bronson (41m 23s):

That just gives me goosebumps. Yeah. When that happens. My wife is a, is a teacher, she is her doctorate in clarinet. And so she teaches at, at the college level and, and has for years on high school and middle school. We both are kind of wired the same way that, that we're just so passionate about teaching other people stuff. Yeah. And I hope that for the rest of my life that I'll have the, the opportunity to teach people new things. But

there is nothing that charges me more than when I, I engage with a new client and we talk about the financial statements and I just don't even look at my financial statements. And a year later they actually look forward to the 15th so that they can see what's going on.

Tom Bronson (42m 8s):

Right. And it's just, I, I sit back sometimes. I was with a client a couple weeks ago who, who had a mess and we engaged about three years ago and we had our regular monthly accountability meeting. And I sat down and she just started ticking off all these strategic things that she's thinking about. And I'm just like, where did this come from? You know, when you were, you were buried with the day to day of the business and now all you're doing is thinking about strategically how do you make your business better? And, and she beamed with joy and it just gave, gives me that energy.

Tom Bronson (42m 50s):

And so, so I love teaching. If frankly if I didn't do anything else, I would try to go find some college or junior college that would, that would be an adjunct title. And let me just teach entrepreneurialism because I just love seeing the, the light bulbs come on. And, and I'm just very passionate about that and I think that that comes across in my book and, and and, and when I'm on stage, I'm just very passionate about that.

Jim Roddy (43m 18s):

For sure. Yeah. You're not doing this cuz you have to, you're clearly doing this because your heart is in it, not just cuz your, your head is in it or it funnels stuff in your bank account. So.

Tom Bronson (43m 26s):

Exactly. And

Jim Roddy (43m 28s):

So for folks, maybe we, maybe we should've covered this earlier, but talk a little bit about your practice and how you help drive clients towards their ideal exit. Like beyond the book, beyond the speaking, what does your practice do?

Tom Bronson (43m 40s):

So when we engage with a client, it, it always follows a process you might imagine.

Jim Roddy (43m 46s):

Wow. Surprising.

Tom Bronson (43m 47s):

Yeah, it's shocking isn't it? We have a four step process that we use in the business. It starts with an end to end assessment of the business where we've got 65 things we cover in this book. There are 500 things we

cover in our assessment. So, so the, the book is basically the greatest hits of our assessment right. Tool that we use. We developed that assessment tool through the years of, of going to the school of hard knocks and not knowing and I and wishing that there was a tool like this available for my businesses. Yeah. So we created it for that reason. So we, the first thing we do is an assessment of the business. It takes a whole day to get through those 500 questions and we deliver a, a 40 page document that says every question we ask, how it was answered, and then how we graded them.

Tom Bronson (44m 39s):

And we give a score in the business on how ready it is if a transaction came tomorrow. Right. And so they can see by department overall for the business, kind of how that works. The second thing we give in that step one, which is called the transition readiness assessment, is an opinion of enterprise value. We tell you what the business is worth because shockingly most business owners have no idea how businesses are valued. They've got some idea in their mind about what they'd like to get for their business, but they have no idea about how businesses in their industry are traded. And so we do the research and we come back and we say, if you sold tomorrow, here's what you can expect for it.

Tom Bronson (45m 19s):

And almost always that turns into the, what I lovingly call the shark tank conversation. They're like, what do you mean I thought my business was worth three times that or five times that or whatever. Well then we walk 'em through the math and help them understand. So that's step one. Step two is now that we know where you are, step two is let's dream a little bit about where you wanna be. When do you want to exit this business? Cause it's a forgotten conclusion that everybody eventually exits their business, whether it's by forest or Right. Death or Yeah, yeah. Or by design. And we think it should be by design. And so, so if we can get you to paint as clear a picture about where you want the business to be, when that time comes, then we can build a roadmap to go from where we are today to where you wanna be.

Tom Bronson (46m 7s):

It's called the roadmap for value acceleration. Step three is, is the easy part. It's the execution of that roadmap. And think of it as kind of a quarterly, here is a list of things that we need to do quarter by quarter that builds until we can reach that end and, and the execution phase, our clients can either go do it on their own or they can engage with us and then we work with them all the way through the process to get there. And then step four is decision time. Do I stay or do I go? Yeah. And nine times outta 10, Jim, what I hear from our business owners is, wow, I'm having so much more fun and making so much more money, I really don't wanna go.

Tom Bronson (46m 48s):

Yeah, but fine. That's okay. You can stay. So that's really about how we engage and, and just so that if there's somebody new listening to this podcast, it doesn't cost you anything to, to get on the phone and talk to me. I'll spend two or three hours on the phone just learning about your business and thinking of ways that

we might be able to help before we ever ask you if, if, if you'd like to engage with us. And, and that is always a valuable exercise for business owners to go, oh, I should have been thinking about that. And so yeah, that's free of charge. And, and so you can schedule that right on my website.

Jim Roddy (47m 25s):

Great. No, that's wonderful. And again, it's, it's teaching people and oftentimes like you said, they say, boy, now that this business is under control, this is what I always envisioned it would be. And it's way more enjoyable and maybe I don't wanna exit at this point, but it's way better to have a choice than having one presented to you that you have no choice and you just have to react to it. A couple more questions for you, just to wrap things up. So again, as you know, this podcast is all about maximizing business value. You can you share with our audience like one thing that you heard recently that you'd recommend business owners do to increase the value of their

Tom Bronson (47m 58s):

Business? Boy, and you know, I even knew this question was coming and here I am shuffling papers on my desk cuz I wrote down a great answer to that and I hate to not give the answer that I wanted to give. So here it is

Jim Roddy (48m 14s):

For those, those listening on audio. He did put his glasses on and this is legit, this is not an

Tom Bronson (48m 19s):

Yeah. So I can see that, by the way, it is one piece of advice. Refuse to accept what you can get and focus on what you want. Let that sink in. Refuse to accept what you can get. In other words, refuse your circumstances that you have today.

Jim Roddy (48m 40s):

Yeah.

Tom Bronson (48m 41s):

What are you gonna do to change the outcome for tomorrow? So refuse to accept what you can get and focus on what you want. I heard that somewhere recently, either on a podcast or, or read it in a book. And I have, I, I wrote it down and I Googled it. I can't find where that came from. So, so you know how that works. I'm gonna take credit for

Jim Roddy (49m 4s):

It. Exactly Right. Exactly right.

Tom Bronson (49m 6s):

So that's my advice is business owners a lot of times kind of just fall into that rut of, you know, I, this is what it is. No, it doesn't have to be what it is. Refuse to accept where you are, focus on where you want to be and, and drive that way as hard as you can. That's my advice.

Jim Roddy (49m 26s):

Yep, yep. Absolutely. And, and you have agency, right? Just because the situation presents to you, you can adapt your business, you can't adapt your business practices. There's nothing is necessarily forcing you to do it.

Tom Bronson (49m 37s):

Exactly.

Jim Roddy (49m 39s):

So bonus question, I know you've asked a similar question on your pods before, but what not, what personality trade has gotten you into the most trouble? What personality trade has gotten you out of the most trouble over the years? Tom?

Tom Bronson (49m 52s):

I, I think it is my ability to just keep talking until someone

Jim Roddy (49m 56s):

Just

Tom Bronson (49m 57s):

Lets it go. Right? I mean, I I I, I have what most people erroneously think is the sales trade and that's the gift of gab. No. Yeah. You want salespeople who understand how to ask questions and so, but I have the ability to think quickly on my feet and, and even though I've been in trouble plenty through the years, just killing the silence with lots and lots of noise until someone just finally goes fine, go

Jim Roddy (50m 28s):

Right. It helps you get your point across. Yes.

Tom Bronson (50m 32s):

That's probably gotten me out of more trouble. It also ironically has gotten me into a lot of trouble.

Jim Roddy (50m 39s):

Yeah. It's a sword that cuts both ways, that's for sure.

Tom Bronson (50m 42s):

Yes, it is.

Jim Roddy (50m 44s):

I And how can viewers and listeners get in touch with you? What's the easiest way to connect?

Tom Bronson (50m 48s):

Well, they found this podcast, so follow the trail to our website masterypartners.com, right on the website there is a button that you can click to schedule a call directly with me and use this magic of Zoom like we use to, to record this podcast. My cell is right on there. Don't hesitate. You know, that's, that's probably the message that I want to get across here. I, if you think you've probably oughta have a conversation with me, don't delay. Just pick up the phone and dial. You can find my cell phone right on our website, (817) 797-1488. Dial the phone and let's talk and, and see if there's anything we can do to

Jim Roddy (51m 27s):

Help you. And working with you is like working with a small business. It's not an 800 number and an agent will be in touch with you, right? And you fill out this form, right? They'll be able to talk to you and business person, to business person.

Tom Bronson (51m 40s):

You know, it's ironic too, most people think, well, they look at that and go, you put your phone, your cell phone, right? On the website. Yes. That's the only number you're gonna find on our website is my cell number. People say, well is it just you? Are you a one man shop? No, we have 10 partners at Mastery Partners. And, but, but through conversation with me, cuz I always take initial conversations and I love that. I love talking with entrepreneurs and then I'll direct 'em to the right place. Right. You know, it might be to to Dave Casey or Kim or John or, or one of the other folks. But I always take the first line of defense. Call me first.

Jim Roddy (52m 18s):

I love it. I love it. Well Tom, thank you very much for being the guest hosts guest today on your own podcast. It was great talking with you.

Tom Bronson (52m 26s):

It was so fun. And I, I promise you, I'll get you a number five t-shirt since maybe it'll be one of those tux t-shirts for the five on

Jim Roddy (52m 35s):

The, you know what I used to do this is it reminds me from soccer practice where we would play shirts and skins and because I never tanned very well, I would've guys with their five just slap me on the chest and then there would be this impression of a red five maybe next time we get together. That's a, that's what you

can do.

Tom Bronson (52m 50s):

Well that's a great idea. Maybe I go lay out and just like do a cut out of a five, get sun, get nice and sunburn, and then you got the white five that's now permanent part of your chest.

Jim Roddy (53m 0s):

Well, maybe I should, maybe I shouldn't have brought that up, that idea. Maybe I should have. I

Tom Bronson (53m 4s):

Do know where we can get a tattoo.

Jim Roddy (53m 7s):

Wonderful,

Tom Bronson (53m 9s):

If you will.

Jim Roddy (53m 10s):

Based on that, it is time to wrap this up. You can find Tom bronson mastery partners.com and of course if you'd like to connect with me as well, you can find me on LinkedIn. Just search my name. Jim Roddy. J i m r o d d y. And if you look, I'm not the Jim Roddy who, who owns the Bear Creek in Colorado. I'm not the Jim Roti broker in Australia, and I'm not the Jim Roti who's a city manager of Ireland. I'm again, the CEO of the RSPA and author and a speaker based in Raleigh, North Carolina. Again, this is the Maximized 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 find this podcast.

Jim Roddy (53m 51s):

So until next time, I'm Jim Roddy reminding you to learn about exit planning and prepare your business by reading books written by certified exit planning advisors while you maximize business value. Thanks for listening.

3 (54m 5s):

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, learn more 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 mastery partners.com. Check it out.

4 (54m 40s):

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