



## MAXIMIZE BUSINESS VALUE PODCAST - EPISODE 226 Transcript

0 (1s):

Welcome to the Maximize Business Value Podcast, brought to you by Mastery Partners, where our mission is to equip business owners like you, to maximize your business value and achieve the exit of your dreams, whatever that means to you. With insights gained from over a hundred business transactions, we share real world strategies, lessons, and expert advice to help you build long term sustainable value in your business. Each episode is hosted by one of our Mastery certified partners, their seasoned experts who've helped countless business owners navigate the complexities of growth, scaling, and building value.

0 (45s):

They bring firsthand experience, actionable insights, and a passion for helping you build a business that thrives. So, let's dive in.

Hi, this is Tom Bronson, and welcome to Maximize Business Value, a podcast for business owners who are passionate about building long term sustainable value in their businesses. Today, I am excited to introduce you to someone who's been on the podcast before and one of our key team members here at Mastery Partners. This is Dave Casey, who plays a critical role in our mission to help business owners maximize their business value.

0 (1m 29s):

So, Dave, could you share with us, you know, what you do at Mastery? In fact, I'd like to know what you do at Mastery Partners.

2 (1m 37s):

You know, I've been, I've been trying to be undercover for a long time here, Tom, so I, this will be revealing to, to the audience and to you, I think.

0 (1m 43s):

Yeah, I can't wait.

2 (1m 45s):

So, but I am, I am a Certified Mastery partner, and with that, I have really the honor of working with, with mastery clients in all sorts of engagements. A lot of it is, you know, business owners. I was a business owner for 25 years, exited my business about a dozen years ago. So I kind of know what the business owner's journey is like and what their, what, what happens. And I've gotta say, when I got to the, to the end of that, when I was in the process of exiting my business, that was one of the most stressful points in, in my career. I think going through that process, we got to know each other a few years ago, and you described what Mastery Partners does, and I said there was an incredible need for that kind of service that to work with cust, work with business owners, and help them maximize the value of their business with an eye to an eventual transition.

2 (2m 39s):

Now that transition can vary. It might be a sale to an outside party, it could be a sale within a family, it could be a sale to employees. It may not even be a sale, it may be just the owner stepping back for a few minutes and letting, letting the business that's improved so much run by itself. So I got excited about that and really have been, been excited about becoming a certified partner with Mastery Partners.

0 (3m 4s):

You know, you were really one of those early folks that, that, you know, I was a solo practitioner back then, you know, and you reached out, we got to know one another pretty well, and, and you had a nice exit. And, and of course I got to know you again, really, through Business navigators, a servant leadership organization, and bus biz owners, ed, you know, Dave serves on the Board of Biz Owners ed, which is an educational program annually for business owners. But, but you said something to me. I was, I remember being en route to one of my clients and you said, you know, this is really intriguing to me.

0 (3m 47s):

You know, what you guys do, I'd like to see it in practice. And so we, we found it. I

2 (3m 51s):

Remember saying that word, I think intriguing. Yeah,

0 (3m 54s):

Yeah, yeah. And so, so, you know, you've, you were kind of the reason that we started adding certified partners to Mastery Partners, because you've done some really great work with some of our clients. I'm, I'm beginning to draw a blank now, three years maybe that, that we've been working together

2 (4m 12s):

Close to that. Yeah. I think we're two years in counting, so Yeah. And it's, and it's interesting because again, it, it's such a different perspective for me having been a business owner. And I think the thing that you said that struck me was that, that only 17% of people that set out to sell their business or transition their business actually achieve that on the first go round, that there's an 83% failure rate, and that you were, frankly, you were pretty pissed off about that, so, well, yeah. So, and I can see where you would be, I mean, I, it, it is, it is one of the most consequential events in a business owner's life.

2 (4m 52s):

And for that to fail is just, is just a tragedy. So what I, so I really kind of got behind the mission of what, what we're doing at business navigators, and, and I had the opportunity to go on a, a couple of client visits with you to get an idea of what the process was. And, and that's what really, that's what really intrigued me at that point, is that we can add real value to, to the transaction, to the whole process, to the company itself and the business owner. Yeah. You know, so even if a transaction never happens while we're dealing with 'em, we've added a lot of value to them.

0 (5m 29s):

Yep. That's, that's for sure. So you said something after we went through that whole first process, the whole transition readiness assessment, you looked at me, and I, I'm sure you remember this, but you said, wow, I wish that I had had something like this before I exited my business. Yeah.

2 (5m 49s):

You know, I, I, I contemplated exiting my business for about two years. I did a lot of things. We were in the IT services, sales and services business, so we had some inventory and equipment and so on. So I had written all of that down to zero. I, I had, you know, a, an employee file for every employee. I think we, we kept that stuff up to date. Our financials were good. We were getting financials by the 15th of the following month every time. So I thought I had done all the things that, that you would do as a business owner to prepare and get the maximum value having gone through the mastery process. Now, I left money on the table, obviously, so Well, you,

0 (6m 28s):

You had a nice exit. And, and

2 (6m 30s):

So I did, you know, and I'm, I don't regret it at all. I just wish I'd known then what I know now. You know, that's, that's really the key,

0 (6m 37s):

Right, right. And of course, you know, even in my own experience, even though I've, I've bought and sold a hundred businesses in my career, and, and a couple of those were massive roll-ups. I wish I knew in the beginning what I know now. Right. And I, and I suppose as I tell my kids and young people, there's only one way to get experience, and that is to get experience. And so, so, you know, that learn the lessons of, of our experience and, and take that into your business for our listeners. And so, so I think one of the things that our listeners really value is understanding kind of the impact of our work.

0 (7m 17s):

Could you share an example of how you've helped a client kind of transform their business?

2 (7m 22s):

Yeah, I, I can, we've got a, a client we've had now for, oh, just over a year, I think, and they're in the home services business, and they were running, I would say, a pretty good business. And, and the business owner, you know, we encounter a lot of business owners that are baby boomers. They're in their late sixties or whatever, and they're, they're trying to think about how do I, how do I execute this exit? This fellow is not there. I mean, he, he's a young guy, tons of energy, wants to build his business, certainly wants to sell his business at one time. He's, it's not like he's married to it, that, that this is his life's dream, or maybe his life's dream is a career, but it's not his life dream to run this thing for 40, 50 years.

2 (8m 9s):

And so when we got engaged, he was, I think a little bit like, well, I think I'm doing what I'm doing, and I certainly know my industry and, and I'm a little curious what you guys can do for me. Well, we've made some tremendous changes in that business in just a short period of time. They've adopted the EOS operating system. He was already, you know, tracking KPIs, running his financials very well. But we've dug d dug deeper into

several areas of that. And then just the structure of the business itself, he's now broadened out into several different home services. So we've helped him through the transition of, of establishing multiple LLCs, kind of a partnership over top of that, bringing aboard some people that have some, some future ownership in the company and that sort of thing.

2 (8m 58s):

So it's, it's a, it's been quite a, quite a journey in just a short period of time. And, and we're not done yet. He's, he's got a lot more to do. And I, I'm fully confident he's gonna have a, a business that's worth at least 10 x of, what was that day that we walked in the door.

0 (9m 14s):

Yeah. And he, he actually had that goal, and I'm sure you recall that when we first went down to meet him in his office. Yeah. He had that goal. He said, I really want to 10 x my business. Yeah. And, and in,

2 (9m 26s):

Yeah, the first book I gave him was, 10 x is two x.

0 (9m 30s):

Right.

2 (9m 31s):

Cover, cover.

0 (9m 33s):

So, yeah. And so, so that's amazing. So what, what do you find the most rewarding about your work here at Mastery?

2 (9m 42s):

You know, I think there's a couple of things. I've, I've had the opportunity, not with clients that I've worked with, but with Mastery clients to kinda watch this, this transformation as a, as a business grows, gets stronger, it gets better, run, better organized, the employees are, are more engaged. And then watching that business move over into our North Star m and a side, and actually the business owner achieves an exit. And again, my exit was a dozen years ago, but I remember it like yesterday. And, and I just remember that I call it the vortex.

2 (10m 23s):

The closer you get to of transaction, time speeds up, things are flying at you, you're getting questions you've never heard before and ask for information that you've never laid your hands on. And that whole process. And with mastery, I think what we have the opportunity to do, and I've seen it in action, is that we can take a, a, a client through that process before they actually experience the process. So we, many of the things that we do to help our clients will result in a very or a less stressful due diligence process when they actually have a buyer running them through due diligence that most of, if not all of those steps in those boxes have been checked prior to that occurrence.

2 (11m 14s):

And boy, that, that, you know, if I'd had that, and I had a, you, you know, the m and a attorney that I used, he's fantastic. He guided me through, he's a friend, but I still felt that pressure of what is this they're asking us for, and why are they asking it, you know? Yeah. And we're, we're really good at educating our clients. You know, this is, this, this is what's important, this is what's not important. You know, and,

0 (11m 38s):

You know, of course this podcast is about Mastery Partners, but even over on the, on the North Star mergers and acquisitions, which is our sister company, you know, they do things differently than other m and a advisory firms. You know, they try to gather all of this information in advance because it's their firm belief that the faster they can go in due diligence and through a process, the more the, the more smooth it will go, and the, and the higher the likelihood that it will reach a closing table. Yeah. We hear all the time from buyers about how easy we make that process. And, and it's all about that preparation, the work that Mastery Partners does in advance to make sure that we're, that you've got all the financials in order and the processes are documented, and all of the, the things, the business just runs the way it should.

0 (12m 29s):

And, and it just makes, it's such a great relationship between our two businesses, but it, who really benefits from that are the clients Yeah. You know, that are ready to exit. And

2 (12m 41s):

So, you know, the other thing, Tom, that, that I've seen is, you know, and there's tons of people that are, that are advisors that advise business owners in all sorts of ways, as a business owner approaches a potential transaction. A lot of times they run into a business broker or, or an investment banker, and those kind of folks perform a valuable role and, and are very knowledgeable, but they are focused on the transaction. They are

focused on, we're gonna take you from this state to that state, and this is how it's gonna happen. And, and they don't get paid until that transaction happens. I mean, they're, they're, so, their vested interest is to try to get this thing across the line as quick as possible.

2 (13m 23s):

Maybe not as much as, you know, the most valuable transaction, but the quickest transaction. The thing that I'm gratified about with, with Mastery is we are really there to help the business owner build the value of the business. We're not focused on the business, on the, on the transaction. And if we hear the phrase from the, from the business owner, well, you're just trying to get me to sell my business absolutely incorrect. We're trying to get them to make their business better, make it more sellable, essentially. You know, eventually, eventually they'll transition out of that business one way or the other. But we just wanna make that, make that more valuable when they do that. And the side effect, which is not really a side effect, the business is gonna run better.

2 (14m 6s):

I think their, their people will be better served, they will be able to sleep better at night. I mean, there's a lot of great side benefits of, of, of what we do to help a business owner maximize that value in the business.

0 (14m 18s):

Well, you, you set a mouthful. You know, the reality is, is that at Mastery Partners, we're agnostic to the outcome, right? We, we don't care, you know, if the business owner wants to give the business to his employees or to his family to, to sell it to the, the management team, to sell it to a third party, take it public, you know, whatever, whatever that ideal desired outcome is, we take the business owner through a process, a journey to understand what that ideal outcome looks like. And then once we understand that, we help the business owner, we craft a strategy to get to that ideal outcome. And so, whether you're selling the business or transitioning the business some other way, we're agnostic to that.

0 (15m 3s):

All we want to do is help the business owner realize their own dreams. And no one can tell you your dreams except you. We just have a process that helps walk through and, and lead you on a process of discovery to really think about what that looks like. And so that's a, that's an exciting time for us to, to work on.

2 (15m 23s):

And, and the process is important. You know, we, we, it's been, been refined over the years, even in just the, the short period of time that I've been involved with Mastery, we've changed the process a bit, but we do that. It's better every time. You know, I, I think we, we add and delete things and we, we just add more value to the, to the process for the, for the business owner.

0 (15m 44s):

Yeah. No, every time I go through it, this is a, a risk. Every time I go through it, I think, oh, let's tweak this, or let's do that a little differently. And so it is, you're right, it's an iterative process and, and it consistently gets better and better and better. So, one last question, Dave, this podcast is all about maximizing business value, which is sort of our mantra at Mastery Partners. What's the one most important thing that you would recommend business owners do to build value in their business?

2 (16m 15s):

Wow. You know, the thing that I think about is they, and this is almost universal, I was guilty of this when I had my business, is that I was just heads down in my business working on a day to day. I, I certainly was thinking somewhat around the corner, but I'd say 80% of my time was just nose down in the business. And I, I think a business owner really needs to start thinking about, you know, what's, what's it look like in a three year timeframe, a five year timeframe, and, and start making those changes to get to that point. One of the things that, that really kind of, and you know, shouldn't, because in retrospect, I was guilty of this, but as, as I've engaged with the clients I have with Mastery, it, the first part of our engagement is really what do you really want to see?

2 (17m 6s):

And, you know, where do you want, where do you vision yourself, be your family, your business, yourself, all that. And spend some time with that before we start the process. And that really gives us that, that idea of how long do we have to make to execute these changes? And I think the thing that, that I would stress for business owners, don't wait, don't wait till it's six months before you know, you're, you're anticipating you're gonna sell your business to start trying to make these changes, or trying to do some things to make it, you know, more attractive to the marketplace. I think you have to start immediately. And, and, and it's, it is, it takes time.

2 (17m 47s):

Some of these things take time to, to execute. So don't wait is probably the, the thing, my biggest advice to business owners.



0 (17m 54s):

Yeah. The longer the timeframe, the better the outcome, right? Yeah. And we, we even have clients that are, that are on the 15 year plan, you know, they're not, they're not anxious to get out of their business now, but what they are anxious to do is make their business more valuable. And the sooner you start on that, the better. That's, that is Wise words. Indeed. Dave, thanks for sharing your insights and experiences with us today. It is always a pleasure to see the tangible benefits our team brings to the table. This, of course, 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.

0 (18m 36s):

Be sure to tune in each week with our new hosts, Dave, Terry, and Darren, and subscribe to our channel so that you won't miss a single episode. We'll see you next time. Thanks for joining us for another episode of the Maximize Business Value Podcast. I hope today's conversation sparked new ideas on how you can continue driving value in your business. But remember, it's not just about listening, it's about taking massive action. Visit our website [masterypartners.com](http://masterypartners.com) for more resources. Grab a copy of any of the books in the Maximize Business Value series on Amazon or via the links below.

0 (19m 20s):

And don't hesitate to reach out if you want to know how to apply these concepts to your business. So until next time, I'm Tom Bronson reminding you to relentlessly execute while you Maximize Business Value.