

Announcer (5s):

Welcome To the Maximized 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 Mastery Partners, Tom Bro.

Tom Bronson (36s):

Hi, this is Tom Bronson, and welcome to Maximize Business Value, a podcast for business owners who are passionate about building long-term sustainable value in their business. This episode is part of our series on books written by certified Exit Planning advisors or CPAs. Now, I got my CPA in certification in 2019. Earlier this year, I was invited to participate in the exit planning conference, author showcase that they had in Scottsdale, Arizona, where I picked up some great books. Now, while our guest today did not participate in that Author Showcase, he sure could have. He is a SEPA and an author, so I invited him to participate.

Tom Bronson (1m 19s):

Anyway, he's also a great friend. So in this episode, I'd like to welcome our guest, Dr. Nolan Duck, founder and principal of DBG Advisors, an m and a advisory firm based here in the Dallas Fort Worth area. Our paths crossed at an event hosted by business navigators, that servant leadership organization that you hear me talk about frequently, and we've gotten to really know one another over the past couple of years. Nolan is the former president of the Texas Association of Business Brokers. He's a licensed real estate broker and author of, *Are You Ready to Sell Your Business? 10 Critical Issues Every Business Owner must Address* to get their business on the right path for a Lucrative Exit, and one of my very few business broker friends that I keep in my Rolodex.

Tom Bronson (2m 11s):

Awesome. So welcome to Maximize Business Value Nolan.

Nolan Duck (2m 15s):

Thank you so much, Tom. I appreciate it and glad to be with you. Look forward to this conversation.

Tom Bronson (2m 21s):

I look forward to sharing your wisdom with our audience. So tell us a little bit about your background and why you became a certified exit planning advisor.

Nolan Duck (2m 32s):

Well, Tom, I have a pretty unusual background because I have spent decades in ministry. I was a pastor. I went to the University of Arkansas and have my finance degree from, from that school. But then I, I went to seminary and earned several degrees there, one of which is my doctorate. And, and I, later in life, I was in my fifties when I, I felt like taking another path. I had read a book that is, is called *40 Days*. Well, we had a

40 Days of Purpose project in our church, and I read the book, Purpose Driven Life by Rick Warren.

Nolan Duck (3m 16s):

And in that book, he talks about being, you know, why people are happy in their lives. And I had to have to admit I wasn't all that happy. I was, had been a pastor for over 20 years at that time, and I felt like I was in the wrong spot. So I left full-time ministry and went into something called Intentional Interim Ministry, which is going into churches that have had either a long term term pastor or a pastor who has had a problem and, and the church needs to regroup. And I, I do turnaround work for churches. And I began to do that, but I didn't make that much money doing that.

Nolan Duck (3m 58s):

So I began to wonder, Well, Lord, what do you want me to do otherwise? And since I have a finance degree and I thought, Well, maybe I should go into real estate, I went to training in to get my real estate license, and in the process I discovered business brokerage, had a friend invite me to work with him, and I just really enjoyed it. And so over the, over the years, I began to get trained and, and began to work in this area of selling companies. And that has been very rewarding, kind of a dual by vocational approach to, to ministry and business.

Nolan Duck (4m 39s):

And over the years, I've, I've been just blessed to be a part of working with business owners. I love people to begin with. I have, I'm a pastoral counselor, I'm a have a finest degree. I'm a a board certified broker, a real estate broker. And, and so all of this kind of fit together in a marvelous way. God works in mysterious ways, I guess, to he does to get us to where we, where we are. And through that process, I I, I found my, my niche of, of working with business owners, being m and a advisor. And in that process, I had a lot of different companies and, and business owners coming to me that were ill prepared.

Nolan Duck (5m 23s):

They, they didn't have an exit strategy. So I began to look at different methodologies I could use to help business owners who were struggling. They've come to me, they, they have a lot of issues that that really would prevent them from having a lucrative exit. So, so I, I began to, to move in the direction of providing that kind of guidance to, to business owners. You know, other brokers don't do this. They, they feel like it's a waste of time. I want to help business owners. And so that's what's motivating me, me, I, I want to help people accomplish what, what their true goals are. And one of those goals ultimately, especially for those that are baby boomers, is retirement and having, you know, their business as their greatest asset pro provide for that retirement is, is something that, that is near and dear to my heart anyway.

Nolan Duck (6m 18s):

And so I'm, I have been working with business owners to accomplish just that. I got my CPA to help me better fit in with other CPAs in my lane, so to speak. Or the thing that I do is mainly help business owners sell

market and sell their companies. And, but I want to make sure that the business owners that I'm working with have a team of people around them so that they can actually have that very positive exit experience that I, I hear many people don't have. So that's kind of what motivated me to, to get involved and I wrote the book to, to help people have some steps that they could follow to be able to, to move in the direction of, of that exit.

Tom Bronson (7m 10s):

Wow. That is just a lot to unpack right there.

Nolan Duck (7m 14s):

So, I guess so,

Tom Bronson (7m 15s):

And, and I, now, I get a, I get a understanding of what it's like to be listening to one of your sermons. There's just lots to think about, right? So, Oh, no. Yeah. So Purpose Driven Life, great book. It, it made me make a note here. You know, I'm glad your church did that. Our church did the same thing. We, maybe we should collaborate and write a book 40 days to exit instead of 40 day, you know? There you go. We

Nolan Duck (7m 41s):

Can do it. Absolutely.

Tom Bronson (7m 43s):

I don't wanna mislead anybody to think that it can, you can really do that in 40 days. It takes a long time to get a business prepared, and your book is, is good now. So you sort of think of your business as a calling, as as this is part of your ministry, right?

Nolan Duck (8m 1s):

I do. I believe that God has given me gifts and abilities that, that really fit well with, with what I'm, the service I'm providing to business owners. I mean, I could talk about the biblical background of, of why I came to hell, I came to that conclusion, but that might be a little bit much for, for to

Tom Bronson (8m 20s):

That's right. Maybe we'll save that for, for another podcast. But it is a great book and you've sort of given me a little bit about why you, why you've done that and, and the fact that people need a team that, that not all exit experiences are good. In fact, I met with a perspective client yesterday who's had two failed attempts right? To sell.

Nolan Duck (8m 42s):

Oh, no.

Tom Bronson (8m 43s):

And it's because they haven't taken the time to read a book like, Are you ready to sell your business? And again, the the subtitle, 10 Critical Issues Every Business Owner must Address to get their Business on the Right path for Lucrative Exit. It's, it's, it's 10 things that, that, in my opinion, Nolan, and don't take this the wrong way, there's nothing in here that's earth shattering. I'll bet that most of your clients that read this book, or business owners that read the book, go, Yep, I probably should have been doing that, Right?

Nolan Duck (9m 17s):

Yes. That it's, it's just common sense. And I, I use illustrations of, of real live people that I've worked with and, and issues that, that were either not addressed or ill addressed. And, and, and so as a result, it led to a problem. Now what we wanna do is remove problems. We wanna remove obstacles that would prevent a lucrative exit. So those are the things that many business owners are not thinking about. And I, I hate that because I, you know, it, they're walking through a minefield and, and what I'm trying to do is put little flags on where all the mines are so you can avoid those and, and move beyond it.

Tom Bronson (9m 58s):

Yep. I I, next week our guest is gonna be Zain Torrance, who wrote the book, 17 Reasons, Your, Or your, What is it? 17 Reasons Your Business Is Not Investment. Great. And so, so you boil it down to 10, he's got 17, but chances are there's, Well, in fact, I know because I've read both books, there's a lot of very similar things. And I'm guessing that, that these 10 things are the things that you're seeing most commonly in businesses that come to you that want to sell. Would that be a fair statement?

Nolan Duck (10m 31s):

That would be fair.

Tom Bronson (10m 32s):

Yeah. So, so of the 10 critical issues, why don't we examine a few of those? So by the way, just folks know who are regular listeners, if you're listening to this and not watching on YouTube, what you don't see if you're just listening, is that this book has a lot of sticky notes in it. And, you know, because I read a lot that, that if I find really good material, I market in a book like that in order to, to go back and, and refer to it again. And so I've got not only the sticky notes, I've got things circled and, and whatnot.

Tom Bronson (11m 12s):

It's a, it is a really good book. So let's attack one of those things. Let's explore a couple of those and then we'll take a break. What will it take to prepare for an eventual exit without disrupting the business?

Nolan Duck (11m 29s):

Well, one of the things is business owners don't really understand how long it takes to, to be prepared, to get prepared. And, and so, you know, they've been doing their work, they've been successful in their business,

All is just great. They hopefully have a management team that, that they have worked with. They hopefully have some processes that are in place and documented, But what happens a lot of times they don't realize how much time that it takes to actually sell the company.

Nolan Duck (12m 11s):

Their focus is off of it, you know, because you're adding something to your normal business day. And, and if you're not prepared for that, you're in, you're in in a little bit of a well, you're headed toward a shock. They, they begin to recognize that they have to do things to be able to sell the company, and there's a lot of work that's necessary. And so what happens is they, many times they take their eye off the ball. They, they, they stop doing what they normally do. And if their business is too dependent upon them then, and what, what takes place is their revenue begins to drop or, or the, you know, maybe they're not doing the things they had always done.

Nolan Duck (12m 57s):

And as a result, the clients are not as happy there. There's some distress that shows up not only for the, in the revenue, but also even in the employees. They, they begin to, what's going on? Why is the boss so, so busy? What's, what's, what's happening? And, and most of the time they don't really understand that there is a transaction on the horizon. And so when, when that happens, you know, if, if you're gonna prepare without disrupting, then you need to not be in a hurry. We need to set this process up so that we can do it in a reasonable amount of time and not feeling like, you know, the, your hair's on fire, you, you've gotta recognize that this is gonna take some time.

Nolan Duck (13m 48s):

And if you're gonna do it, you're gonna have to commit some well, resources and time to the preparation process process. And that time can be as many as two or three years could be longer. But if we do that, if we set things in motion in that way, then we come to a, well, we are preparing for a very lucrative exit where we don't have obstacles that we have to, you know, manage around. We, we are in, in a better position to sell the company at a higher price.

Tom Bronson (14m 26s):

I love that. You know, we, we, of course, you are on the side of the business that actually takes 'em and, and then goes and, and sells the business. And where we sit is, of course, on the preparation side. And, and I agree with you wholeheartedly.

Nolan Duck (14m 41s):

Well, my, my goal is to, to introduce somebody to you possibly or someone like you, Right? And, and then be, be prepared so that when the time is right for the, for the marketing process to begin to go to market with the company, we have all of our ducks in a row, Sorry for the pun, but we have everything lined up so that we are moving in the right direction at the right time.

Tom Bronson (15m 7s):

Can you imagine all the ducks being little doctors as well?

Nolan Duck (15m 11s):

Yes, I do. Dr. Duck is a, is a, is a lot Yes. Deal with,

Tom Bronson (15m 18s):

Yes. It's so, but now you said, you know, working, it could take two or three years, you know? That's right. We always tell prospective clients that five years before your exit is the time to actually kinda ignite the process so that you've got plenty of time to do the things that you need to do to prepare the business. And then once it's time to shift over into the marketing and sale of the business, I mean, that can take as long as 18 months. Oh yeah. It's, you know, 12 to 18 months is typical. And so if you just do the math and you work backwards, you know, you got, you have an 18 month process at the end, two and a half, three and a half years to get ready.

Tom Bronson (15m 59s):

You know, our objective is to hand off clients to you that are fully ready to execute, to cut that time to market in half, because you don't have to do all the prep work. You know, they come with a, with all the data that they need. I mean, business owners don't think they, the gentleman I was talking with yesterday, you know, he just knows things intuitively about his business that you have to explain, right? Yeah. Oh, you see, so, Oh yeah, I know what's going on with that. Well, those are things that if you've been in your business for a long time, then, then how do you document that? How do you transition that knowledge? And, and you can't do that if you're in a hurry.

Tom Bronson (16m 41s):

I love that. Right. Don't, don't do it. Don't try to do it in a hurry.

Nolan Duck (16m 45s):

Right. And, you know, when I, I'm, I am not trying to push my, my clients to do something quickly. I'm not sitting there patting my foot. What I'm trying to do, I, I look at myself as little Abner, Heather's a character in little Abner called Marrying Sam, and people would come to him to, to get them married real quickly. Well, in a way I'm marrying Sam, but I, I do premarital counseling, and I, and I make sure that, that there, there's a good fit here. And, and really when I go take a company to market, what I'm looking for is a buyer who is a fit for that, that company and for the, for the seller himself.

Nolan Duck (17m 29s):

That they, that there's a good fit on a number of different levels because business owners do, have, have concerns about their employees, about the legacy of their company, the name that they've built, you know,

the, you know, all the brand that they have. All of those things are important. And so I wanna make sure that, that I'm putting my client first and making sure that they are, are happy about the outcome after the sale.

Tom Bronson (17m 54s):

Right, right. You know, chapter four, we're gonna kind of rehash a little bit of what you just said, but go a little bit deeper here. Chapter four is, How do I keep my business operating on all cylinders while I prepare for a sale? What, what advice would you offer to business owners on how to keep their business operating on all cylinders while they prepare for exit?

Nolan Duck (18m 17s):

Well, again, I, I think I've already pretty much covered that to some extent, but the things that, that come to mind, well,

Tom Bronson (18m 28s):

Listeners want you to drive it

Nolan Duck (18m 29s):

Home. Okay? I'm a I'm gonna drive it home. One of the things that, that you need to do is lead by example. You know, the, for you to get prepared and move in the right direction, you need to demonstrate accountability and create that kind of atmosphere so that everybody understands that, you know, what we're doing here is important. The, the things that that come to mind is, you know, you, you're gonna need to be able to have good records and books. You're gonna need to have good processes. You're gonna need to make sure that you are not the lone ranger you, that you are the business.

Nolan Duck (19m 9s):

And if, if, if you leave, the business will fold. I mean, you need to have, have a business, not just, you know, a clients that come to you and only you. I mean, you've gotta recognize,

Tom Bronson (19m 21s):

We're gonna jump into that after the break. We're gonna get into that whole owner dependency thing.

Nolan Duck (19m 26s):

But, you know, those are the things that, you know, to, to keep it keep you operating on, on all cylinders is, is mainly focused on, on making sure that the different areas of your business, and you know, it, it's the people, it's the processes, it's the data, it's the, you know, making sure that your, your accounting is, is in good in, in good shape, not living out of the business. So that there's a lot of, of expenses being hidden basically in the, in the ex p and l of the, of the business. Those kinds of things that, that you, you remove so that you have a clean three years anyway of, of p and l and balance sheet that is clear and is growing and is vibrant and, and is attractive to a business buyer.

Tom Bronson (20m 19s):

Yeah. So, and that's, and that just takes time, you know? Yeah. That just takes time to do kind of all those things. We're talking with Nolan Duck. We're talking about his book. Are You Ready to Sell Your Business? Let's take a quick break. We'll be back in 30 seconds.

Announcer (20m 35s):

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.

Announcer (21m 16s):

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Tom Bronson (21m 29s):

We're back with Dr. Nolan Duck, a certified exit planning advisor and author of, Are You Ready to Sell Your Business? Now, of course, your book addresses, and we sort of touched on this before the break a little bit, but I want to do a little bit of a deeper dive in this. Your book addresses one of the classic sins that business owners commit, kind of keeping it in that whole ministry thing. The classic sin is owner dependency. So what advice do you offer business owners on how to start making their business less about them?

Nolan Duck (22m 8s):

Well, business owners do come, They come to me regularly thinking that they are ready to sell and their business is them. And, you know, in this indentured servitude is, is not something that can be done. Slavery has been outlawed. So we, you can't sell yourself and without you in the business. There is no business the way these, these business owners have, have built their business. And so the number one thing I try to, to get them to recognize is that that is the case. And, and then begin to suggest that, you know, they're not ready to sell until they can develop and, and foster a, a leadership team of some sort.

Nolan Duck (22m 56s):

And it, it can start with one person or two people, you know, just somebody else that is doing what the business owner does so that the business isn't entirely dependent upon them. You know, they, I if they're the hub in the middle of the wheel and without them, it ain't, it just isn't gonna roll, then we gotta work that out. We've gotta have some spokes, we gotta gotta have some things that are in place so that the hub isn't the

most important, you know, that the owner isn't the most important thing about that business. Now there's, it does take some time to do that. And one of the things that I, I do when business owners come to me this way is I refer them to people like you, Tom, to help them get to where they need to go before they go to market, so that they have something to sell.

Nolan Duck (23m 46s):

It's really frustrating. And there are some business owners that, you know, they, for one reason or another, it might be, you know, possibly they have an illness and, and they, they need to, to sell the company because they're, you know, they're, the stress is, is beyond what, beyond control and or their, their health is declining or there's been a death in the family or something. And, and so they're ready to, you know, sell the company right then. Well, in that case, you know, I try to help them, but in some cases I can't help them at all.

Nolan Duck (24m 28s):

There's nothing I can do. I mean, we could try to take it to market, but it, it's not gonna sell. No one's gonna buy it because it is them. So those are the things I try to help them get focused on developing a leadership team of some sort, putting together some, some processes that, that are transferable, that are, that are helpful to the, the, the new owner, et cetera. Or else there would be a, a long earn out that would be a part of the sale of that

Tom Bronson (24m 55s):

Company. Well, yeah. And then the owner is tied up having to work there if they wanna retire or, or there's a reason like what you just described, you know, a death in the family or a spouse, you know, ill spouse or, or worse, the owner is ill, or the, or the worst case scenario, the owner passes away and, and the business is owner dependent. That, that makes the business almost worth nothing. You know, a couple of months ago I got a call from an, from a business attorney in Birmingham, Alabama. The business owner died, and the business was owner dependent. And so the family wanted to find out, you know, how could they sell the business?

Tom Bronson (25m 35s):

Well, the first call to me didn't come until eight weeks after the year passed. There was nothing left. I, there, there was nothing left of that business to try and even go sell. And so that's, that is a horrible tragedy.

Nolan Duck (25m 50s):

It

Tom Bronson (25m 51s):

Is for families who are dependent on that business for income, right? And for right future, for the future of their family. And so, so owner dependency to me is a, is an absolute deal killer. Now, if you run a 50 million

business and it's got some owner dependency issues, you're probably gonna take a haircut on valuation, maybe as much as 25% on the valuation. But a but a business that's less than 10 million in revenue and, and the smaller it is, if it's a, you know, 3 million in revenue and it's owner dependent, it is not sellable. No, it's unsellable unless you sell it to somebody, a competitor.

Tom Bronson (26m 34s):

And then of course you're opening the kimono to your competitors, right? And, and showing everything about that. So, so to me it may big business, 25% haircut, small business, It makes it worth nothing. And so I, it's such an important issue, owner dependency. It

Nolan Duck (26m 53s):

Really is. It really

Tom Bronson (26m 55s):

Is. I want to give a hint here to our, to our listing, You know, you don't have to pay me for, for advice on this because it's, it's a super seemingly simple fix. It, you know, the execution is a little harder. But when I get into a business and it's owner dependency issue, the first thing that I demand that they do is hire their replacement.

Nolan Duck (27m 14s):

Right?

Tom Bronson (27m 15s):

Hire somebody to who, who can be a junior them and do the things that they're doing. And here's the beauty of that. If it's done correctly, the, you hire a, let's call it a general manager or you know, manager or whatever you're gonna call it to replace the owner, that means that a hundred percent of the owner's salary, once you've kind of transitioned all of that, the responsibility and someone else can run the business. A hundred percent of the owner's salary is an ad back and doesn't. And so hiring a GM can actually improve the value of the business, right?

Tom Bronson (27m 59s):

And so many times I hear it, Sorry, this, this is just one of my real hot buttons. Yeah. And I'm glad you wanted to talk about it today. So many times I hear a business owner that, that that does go out and painstakingly hires a gm, I hear three months later, like, I don't know why I didn't do this 10 years ago. You know, I've got so much more to reduces

Nolan Duck (28m 23s):

The stress. It gives them freedom. It, it, it, you know, sometimes this happens and they think, Well, you know, I think I'm going to keep working for another 10 years

Tom Bronson (28m 31s):

That's

Nolan Duck (28m 32s):

This is, this is, I have freedom.

Tom Bronson (28m 34s):

Yeah. They're no longer working 80 hours a week now. Now they can do it in 20 hours a week or 10 hours a week. And so, so it's amazing. It's amazing. So sometimes making that decision though, takes them off the market. But that's, you're right. That's okay.

Nolan Duck (28m 48s):

That's okay. That's okay for me by me.

Tom Bronson (28m 51s):

Yeah.

Nolan Duck (28m 52s):

In their best interest. So that's, that's not a problem.

Tom Bronson (28m 55s):

Exactly. So now the, the last chapter in your book is actually one of my favorite, and, and business owners a lot of times, you know, the thing about business owners is they don't, they don't want any help. They don't need any help. They got to where they are because they are who they are. But it, it really does sort of take a village to get a business ready. And I love the last chapter of your book. It's all about surrounding yourself with the right people. So why do business owners need help in creating a successful exit?

Nolan Duck (29m 31s):

Well, there's, there's a lot to think through. And business owners are, you know, like they know exactly what to do to run their company, but they don't know much about investments. They don't know much about accounting. They don't know much about the law. They, they don't know a whole lot about actually taking their company to market. So at the very least, they need to have a competent cpa, someone that understands about the sale of a company, that they understand that it's not a good thing for them to be a C corp when they go to sale. Because that and diminishes the number of buyers on the market.

Nolan Duck (30m 13s):

Cuz people don't want do a stock sale. They, you want to make sure that you have not your family lawyer to, to do the transaction work. They need to have a transaction attorney. You know, you don't have a, a brain

surgeon doing heart surgery. It, it just doesn't work well for you. So you need to have the right attorney. You need to have a financial advisor that, that understands that if, if you're trying to put a trust together, you need to have that all settled before you get an loi or the IRS is gonna come after you. You know, you need to have the people who understand the dynamics of what's going on in your corner.

Nolan Duck (30m 56s):

A boxer when, when he's, you know, fighting in the, in the ring has people in his corner who are taking care of him when he comes back. Well, you gotta have people in your corner that are on your side that are trying to help you win this, this battle that, that you're in using the boxing metaphor.

Tom Bronson (31m 14s):

I like that. I like that. I'm gonna start using

Nolan Duck (31m 17s):

That. That is something that, that you really need. And a lot of times what, what owners are thinking, Well, I don't wanna have to pay them to do this and pay them to do that. If the thing is, you are gonna get a much better sales price if you have these people in your corner. If you have competent people that you can trust now that's, that's an issue. You need to find people that are trustworthy, that, that are in your corner, then you are elevating the sales price by their presence and you're not gonna be taken advantage of. There's a whole lot of, of issues that, that business owners don't even have, never even thought about that we who are involved in, in the sale of companies.

Nolan Duck (32m 1s):

Understand. And so, and, and really the attorneys have their place, the financial advisors have their place, the CPAs have their place. The the brokers or m and a advisors have their place and the the people do. The CPAs have their place to try to help you get prepared. So all this, this team approach is critical. That's my view.

Tom Bronson (32m 23s):

No, I I love that. You know, in fact, you, you said something here that, that to me is, I, I don't wanna underplay that or don't want our, our audience to miss that. If you are a C corp, if you are a C corp today and you're thinking you want to sell in five years, you need to start right now.

Nolan Duck (32m 44s):

Amen.

Tom Bronson (32m 46s):

And, and you don't need to wait. Don't wait until three years before, Don't wait until a year before you need to transition that business from a C corp to a pass through corporation, an llc.

Nolan Duck (32m 57s):

If you're trying to sell a C corp as a stock sale, you are, you've eliminated 75% of the buyers.

Tom Bronson (33m 3s):

Yes, you did.

Nolan Duck (33m 3s):

And it makes it a whole lot more, more difficult to sell. Now I've done four stock transactions, but at the same time they, they are few and far between and they are much more difficult to, to get done.

Tom Bronson (33m 15s):

Yes. Now there's some tricks and things that you can do to do some interesting things, but that needs to be evaluated and it needs to be evaluated by a competent CPA and a competent m and a attorney. So when I say competent people who, CPA and attorney who are familiar with m and a transactions, who

Nolan Duck (33m 37s):

Can absolutely

Tom Bronson (33m 38s):

You make the right decisions. The other thing that I wanted to kind of jump in on here, I love the boxing analogy by the way. I'm gonna, the first time I use it, I, my, my process is the first time I use it, I will give credit for it. And then after that it becomes, it's yours.

Nolan Duck (33m 53s):

So Yes, I get it.

Tom Bronson (33m 55s):

So just so you know, if you hear me say it again later, you'll know. Right? So the paying for the advisors, you know, that's one of the things that's kinda universal. Business owners don't want any help, don't need any help and don't wanna pay for any help. Well, really good advisors, having the right advisors around you pays for itself. Absolutely

Nolan Duck (34m 17s):

Does

Tom Bronson (34m 18s):

In, in spades. And actually you get a return on that investment if you've got the right people in place because,

Nolan Duck (34m 26s):

And it's fully deductible from your sales price.

Tom Bronson (34m 29s):

It is, it is. And so, so, you know, oh goodness, you know, it's, it, it make sure that, that you have the right people, don't let it be. So I don't want to do that because I can't pay for Right. If you have the right people, they will pay for themselves. So, wow, that great, great stuff here. Tell us a little bit about your practice and how you drive clients toward their ideal exits so that our, so that our listeners know who to call when it's time.

Nolan Duck (34m 59s):

Well, the, the way that I approach the sale of a company, someone approaches me and or I meet them and they are interested in selling their company. The very first thing I want do is do an assessment. And a part of that assessment is evaluation of their company. Cuz you have to have a defensible sales price. If you are gonna sell your house a 50 \$500,000 house and you put a million dollar price tag on it, it's gonna sit on the market for a long time. Cuz you're not gonna sell it at that price. You need to have a defensible sales price. And you need to also understand that just like in the, the sale of a house, you, you stage the house, you don't, you know, you, you fix it up.

Nolan Duck (35m 39s):

You, you do the things that are necessary so that it has, you know, good road appeal. I mean, looking at it from, from afar, man, that looks like a great house. I need to walk in that and see what it's like, see if I wanna live there. Well, that's kind of what the bi the buyer is, is thinking, do I wanna live in this company and I do, I want to take this thing over. Where can I go with the company? So I do that value that assessment and evaluation so that I can understand what's going on. Usually when I do that, I'm, I, the PN I and balance sheet reveal quite a bit to me. I see things that are in the, in my book I talk about a, a manufacturer who, who, well, his sales were going down and his commissions were going up and he, he didn't realize that he, he didn't really even know how to, to know if the, the things he was manufacturing were making any money because he didn't have an accounting software that, that showed, you know, profitability.

Nolan Duck (36m 39s):

So it was that all of that had to be changed. And, you know, he told me, Well, that's not right. That couldn't be right. Well, I said, Well, Mr, Mr, business owner, I'm using your financials and that's what it says. So let's, let's find out what's wrong, what's going on. So you doing that, you can see some things that need to be fixed immediately that can possibly be fixed easily. And if there, if that company is growing, if it's not in decline over several years, if it's bankable, then we can take that company to market and we can begin to put together the, what I do after I, after we've determined that and, and looked at the options that the business owner has, I'm not trying to force anybody to sell it.

Nolan Duck (37m 26s):

It might be maintained a status quo thing to do right now. But the thing is, we look at, at that company, they decide they wanna sell it is sellable. Then we, what I do is I put together a confidential information memorandum that is a clear understanding of what that company is about, what they do, how they do it, who is involved. And then we take that to market. We, I market in several different ways. One way is, is on the internet with smaller companies, larger companies, I have some other methodologies that I employ that are a lot more confidential that, that I, that I use.

Nolan Duck (38m 8s):

If there's a private equity group that I have access to thousands of private equity groups that I can put a teaser out to very easily. And then I have a 750, my best friends that I send an email out to with a teaser about the company. And, you know, I get the word out that a company like X is interested in selling and then I respond to, to the inquiries, sign an nda. And with that nda I'm able to, to provide them with the cert, the confidential information memorandum and, and we're off to the races. We begin to talk, I qualify the, the, the, the buyers make sure that they have the, the financial capability of buying the company before we go anywhere.

Nolan Duck (38m 55s):

And then we begin step by step working through with the buyers that indicate significant interest when they get an LOI signed, then that's when the attorney gets involved and we work through all the processes, we do due diligence, and then eventually we get a check that the owner gets and, and they are thrilled. So that's kind of the process. I have kind of a, the, the sales process outlined on my website@advisors.com. So that's, it's pretty, pretty well documented there. You can see a roadmap that I use and it, it's the, the first, first step is that assessment, but then I, I begin to build the team, make sure that you have a team and then move on to the other steps.

Tom Bronson (39m 40s):

Right. Yeah. That's, that is great. And as I said at the beginning of this, you're one of the very few business brokers that that, that I refer people to because there are so many, Make sure if you're gonna go try and sell your business, that you are partnering with the right m and a representation. Just make sure that you're doing that. And, and DBG advisors does amazing work in that. Well, one last business question here. This podcast is all about maximizing business value. So Right. You're a business owner, right? What is one of, what is the one most important thing that you would recommend business owners do to build value in their business?

Tom Bronson (40m 23s):

And only one? No, only one. Well,

Nolan Duck (40m 30s):

I guess, you know, after you know where you're going and what your business is, the one thing that's most important in my mind is having the right people along, along with you, knowing where you're going and who's going with you is, is key. And building that, to me, that's what makes a huge difference. Having the right people around you makes a huge difference. One of the things that, that I like to do is talk through and, you know, there's a lot of different ways you can use a disc, You can use a, I mean all kinds of different tools. I'm, I'm certified in several of them and making sure that you have the right people in the right seat in your company.

Nolan Duck (41m 17s):

Okay. And they

Tom Bronson (41m 18s):

Are, you are sneaking in more things. You know, the one thing is surround

Nolan Duck (41m 22s):

Yourself, but the one thing is having the right people with you, but having the right people in the right seat, it goes with it.

Tom Bronson (41m 28s):

So that's, no, I'm giving you a hard time. I have to

Nolan Duck (41m 32s):

Be too hard. But that's, that's what's most important to me.

Tom Bronson (41m 36s):

I, I completely agree. And by the way, if you wanna learn a lot about assessments, we did a whole series recently to our listeners on, on all the different types of assessments and, and I got a real education on how to use them. And so yes, I agree. Get the right people, surround yourself with the right people, not only at the time of exit, but make sure you have the right people internally. I think that is a

Nolan Duck (42m 2s):

Right. That's internal folks. Yeah.

Tom Bronson (42m 3s):

Well, just because you gave a good answer, there doesn't gonna, isn't gonna mean that I'm gonna let you off the hook. I have to have the answer to our bonus question, which is, Oh, what personality trait has gotten you into the most trouble over the years?

Nolan Duck (42m 18s):

I'm too nice. Oh, you're

Tom Bronson (42m 21s):

Too nice.

Nolan Duck (42m 24s):

Well, oh, I'm, my personality trait, I guess the one that's hurt me the most is, is I, I really do bend over backwards to, to help people. And sometimes that isn't appreciated. Oh, yeah. Recognized. But that's gotten me in the most trouble sometimes because I'm, I'm, I'm trying to be a pleaser, which is not what I have to do. I've, I've realized that I'm not, I don't need to be a people pleaser in this business. And I've made some adjustments to my approach that I'm still nice, but I'm, I'm firm in my behavior.

Tom Bronson (43m 6s):

You are very nice. You are very nice. Well, and I'll tell you what, you and I have a little bit of that same, we, I, I trust everybody that I meet the first time I meet them Right. Until they prove themselves untrustworthy. And once they do that, it's over. They

Nolan Duck (43m 22s):

I agree. Never. That's, that's kind of where I'm coming from, is that

Tom Bronson (43m 27s):

Yeah. I, I have anybody who's broken my trust has never been able to repair it. And it's, you know, it's just my personality when

Nolan Duck (43m 36s):

I, Well, we forgive 'em, we just don't, don't

Tom Bronson (43m 39s):

Trust them. Yeah. I forgive 'em, but I never trust them again. Right. And so, very interesting. And of course, you know me, I am not a people pleaser, so

Nolan Duck (43m 49s):

I'm, you're,

Tom Bronson (43m 50s):

I'm gonna give the unvarnished truth every time.

Nolan Duck (43m 54s):

Oh, well, I, I have learned to do that. Yeah.

Tom Bronson (43m 57s):

So how can our, how can our viewers and listeners get in touch with you and how can they find your book?

Nolan Duck (44m 3s):

Okay, the easiest way to find my book is just to go to my website, dbgadvisors.com. And there's on the website a place where you can, can basically order the book. And I send that to you free of charge. I pay the postage, the whole nine yards. And just, I, I have that. I feel like it's something that I can give to business owners that will help them get to where they, they need to go. And that's really what motivates me to begin with, is I wanna help the help people. And that I hope that people will not hesitate to, to, to order it. That's the easiest way to do that.

Tom Bronson (44m 44s):

Awesome. Awesome. Well, Nolan, this has been a fun conversation

Nolan Duck (44m 49s):

It has

Tom Bronson (44m 49s):

For being our guest today.

Nolan Duck (44m 51s):

I'm so, so glad we could do this. Grateful for the opportunity. Thank you so much, Tom.

Tom Bronson (44m 55s):

Awesome. You can find Nolan Duck at dbgadvisors.com, So like Duck Business Group maybe, I don't know what that, that's it. But dbgadvisors.com or on LinkedIn. And of course you can always reach out to me and I will be happy to make a warm introduction. 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 and prepare it for exit. So be sure to tune in each week and follow us wherever you found this podcast. That way you'll be notified every week when we drop a new episode. So until next time, I'm Tom Bronson reminding you to learn as much about exit planning as you can by reading great books like this one written by [cprs](http://www.cprs.com) while you maximize business value.

Announcer (45m 51s):

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partners.com.

Tom Bronson (46m 37s):

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