Jaime: Welcome to Eventual Millionaire. I am Jaime Masters, and, today, on the show, we have Mark Mills. You can check him out at mark.co.uk, and he sold 100 million-pound annual revenue company and has had 3 exits himself. Thank you so much for coming on the show today.

Mark: Thank you for having me, Jaime.

Jaime: I love working with and chatting with people that have done exits because I don't think people talk about it. We're all building to sell, supposedly, but when it actually comes time to sell, I feel like people get beat up a lot. So, can you talk about your experience with your companies and being able to sell, especially the first one?

Mark: Absolutely. I think one of the interesting things is that the process really has to start when you start the business, when you think about it, because, if you are looking to build a business to sell it, then, really, from day one, you should start to think with the exit in mind. And if you do that, then your preparedness will make it a lot easier as you go through the process of building your business and then, subsequently, exiting it. So, I think that the thing that I would give as a piece of advice is to start with the end in mind.

So, even if you're in your business now and you're thinking about the exit, start to think what that looks like, and start to think – and not in a negative way, but of about things that may impact the exit negatively. So, be ruthlessly honest with yourself, is what I always say to people, about the things that due diligence might uncover or a potential acquirer might not be as keen on as you would like.

Jaime: See, it's funny because it always seems so far away to people, especially at the start of the business. They're just trying to get it up and going. It always feels like it's later. So, what are some of those things that you, as a business owner, don't wanna look at that really will probably come up in exit? Give me some examples.

Mark: I think, mainly, it's to do with contracts and terms with customers and suppliers. That's kinda the thing that always binds people because, as you go along, and you make agreements, and you do things, sometimes, on a handshake, almost, or on a sort of outdated contract, or you amend the terms of trading but you don't amend the documentation, this is all gonna come back later. So, I say to people, "You have to really go through those levels of detail." Think, "With that big customer, we signed them up five years ago.

The terms don't really suit what we now do for them." So, having that conversation earlier in an exit process rather than later is definitely the right thing to do because, if you get towards the end and you start trying to have those conversations, that's when people can really hold a gun to your head, if they're customer, and negotiate price and things like that. So, you've really gotta do it sort of in a big way. You've decided to exit, but you're actually pre the documentation **[inaudible] [00:02:44]** due diligence, and then you're in locks of time, basically.

Jaime: I feel like there's a million of those type things that we don't – it's just sort of, as you're going through your business, that just happens, and you kind of almost forget about it. Is there a checklist? Is there anything that just has a list for your due diligence documents, beforehand, that owners can look at before they're even ready to go down that path?

Mark: Yeah. I mean, most lawyers or solicitors, as we call them, will have a sort of standard due diligence list, which, to be fair, across the world, is pretty standard and tends to cover all the salient points. So, in starting an exit process anyway, if you've built your business, I would be talking to the lawyers and solicitors pretty early on anyway and, really, going around, as we all do, getting different sort of quotations of how much it's gonna cost you because they can all charge, can't they? Attorneys, in particular. So, going around those guys and saying, "Look, can you give me a list of the things that you think are gonna come or you know, from your experience?"

So, really, you can get a lot of this information for free, but it's **[inaudible]** to have that list when you're starting your business, not just when you're thinking of exiting, because there's lots in there that actually – if you think about running your business, as you know you're going to exit it from day one, you kind of run it better anyway, in my opinion, because you're sort of on speed. It's like turbo charge because you never make a decision that won't be exit-focused.

Jaime: You're preparing, in advance, and, therefore, you're being proactive about absolutely everything instead of reactive later, which, again, is more energy in the end. But it's funny because, when you're running your business, it seems like there's always not enough time and not enough money, so it's tough to go, "Okay, I know I need to be doing some of this stuff," and I think the people listening are probably assuming that it's gonna take a ridiculous amount more time or more money or more resources or whatever it is to do those lists. Do you really think that it will?

Mark: No, no, because it's just a different way of doing the same thing. So, it's a bit like, if you have board meetings every month, if your company's of a certain size, you're gonna have to write a board paper anyway. If you write the board paper in the vein of, you're going to exit, it doesn't take anymore effort. If you think about the best way of dealing with your customers – it's not a great way to deal with your customers on terms that are outdated with documentations lagging behind. So, really, it's a good business sense, to actually get your documentation right anyway. Same with your supply chain.

So, actually, it's no more effort. It's just a sort of refinement of what you're doing, really, challenging and being ruthless honest with yourself about whether, in actual fact, those terms and conditions are in the right price or we're holding over on a lease and, really, we should've signed a new one and just that sort of thing that anybody watching's probably gonna think, "I've got some of those." We all have. **[Inaudible – crosstalk] [00:05:38]** –

Jaime: That's it, yeah. We're always like, "Eh, I don't wanna look under the bed." That's where we shove all the stuff.

Mark: **[Inaudible – crosstalk]** –

Jaime: Yeah, and to be able to take it out's tough.

Mark: And it's just a guarantee. That's what comes back and takes lots of time, in the end; invariably, is price detrimental and takes a disproportionate amount of time, which, therefore, costs you more, as well. So, it's like a double whammy. It's gonna cost you more. You're gonna get less for it, and you've got more work. So, hey, get prepared and get those things on the table now.

Jaime: Let's say we actually do have some of those chunks. It is an interesting thing. I would love for you to walk me through the whole process. I have a client going through this right now, and it does seem like there's a lot of little loopholes along the way, or the length of time that it takes is just ridiculous, and I don't think a lot of people even understand what the full process is. Can you sort of walk me through so, that way, everybody can understand?

Mark: Sure. So, I would say the process begins with you make the decision that you've got a good reason for wanting to exit. So, one of the things that doesn't tend to work, in my experience – if somebody just decides sort of unilaterally, I want to sell, and there's no actual reason other than just the money – because that's kinda the worst reason because, if you put yourself in the shoes of the buyer, which I'll tell people to do a lot, then they're not really gonna be that enthusiastic about buying a company from somebody that just wants out and just wants the money. I'm gonna take the money and run. That's not a good basis for an acquirer to buy your business.

So, if you've come to your epiphany of, I've worked very hard, I've worked for a long time, or it's a size where I can't manage the growth further or whatever, whatever, then you've got a genuine starting point as a reason for exiting. So, then, really, the process starts with getting internally prepared. So, you can't go, at this point, and see your attorneys, lawyers, solicitors, and accounts or corporate finance guys, but I would say it's doing that root and branch, as we've mentioned already, on contracts, etc. – employment contracts, building leases, customer supply arrangements – all of that good stuff – banking arrangement, etc.

Doing a real housekeeping process, looking through things like strategy documents, if you've written any. When you've had strategy days with your team, what came true? How good are you at execution? Looking at what your accounts say and whether there are areas of your accounts where you're just leaking some cash, which, actually, you're gonna get a multiple for, so isn't worth it. And so, go through that process and then start talking to the best advisors you can possibly find who may charge you more than the ones you currently have. But in the end, they'll be worth the money many times over.

And then the thing that I tend to do this – and I'll try and make this answer not too long because, obviously, it can be. But it's to, basically, write a presentation on your business, which the acquirer can use to sell your business to internal parties and, possibly, external parties on their side of the fence. So, they literally take your presentation, say, "Wow, I can just kinda copy and paste the top, put my name on the bottom, and go and sit with my board and explain this to them it's so well formulated, and it's such a great fit." And if you've got that level of presentation – sorry.

Jaime: No, that's what I want. I wanna dive deep into that level of presentation because I think that's a piece that's missing a lot. It's like, “Hey, my business is for sale. Who wants it?” And it’s like there’s a whole bunch that goes into it. So, what goes into that presentation?

Mark: So, really, it’s probably three elements. So, it’s where you’ve been, where you’re at, and where you’re doing and a level of detail though. So, I would start off by the usual, introducing the team, what the company is, etc., but then talk about where that all came from, so the why. Why are we in business? Well, we started it because we thought there was a market for these. We started making them. We realized we had to move it aside a little bit, as we typically do. We had a plan B, and we ended up making those. This is our addressable market. This is what our customers love about us. This is how we’ve got defense in it.

So, things like barriers to entry, defensibility, big and good stuff because you’re gonna be explaining your business to somebody that’s in a position to acquire it, has probably got the capital. So, it’s not good if you give everything away or say, “Look how easy it is.” So, you’ve gotta keep some of the secret sauce there. And then you’ve got, really, where could this go? And one of the main sort of – it’s not a trick, but a tip, I’ve found, that really helps owners who wanna exit is to really explain and be honest about the under-a-bigger-umbrella company. Your business could go further because it’s possible that your skill set isn’t there to take it on to the next level and the next level.

And that’s not nothing negative about anybody. We’re all different, aren’t we? So, I think, if you’ve got that explanation, if you say, “Look, if this were a part of a bigger entity and have more resources and sales and marketing, production could drive cost down, better market penetration –,” sorry, get the words out – “overseas markets, etc.,” and you’ve got that big brother company that could buy you, then that could go on. So, I think that’s the main thing, really, the acquirer’s interested in because the current and the past is kind of very interesting, but what’s in it for me? What am I gonna get if I buy this business?

Jaime: That makes perfect logical sense. And it’s funny because, if somebody’s actually creating this, they’re probably gonna notice, “Oh, crap, there isn’t a barrier to entry, really. Oh, no, what about – how can we –,” because, when we build businesses, sometimes they’re not all perfect, so you’re like, “Oh, maybe we should work on that a little bit more.”

Mark: Exactly. Exactly. That housekeeping of, well, what do we have in our armory? Where are we a bit weak, etc.? And then the other big tip, which I have to mention because, again, I'll mention it, probably, a couple of times is that you've really gotta think about anything that could possibly put the buyer off. And if there is something – because, again, we haven't built perfect businesses – perhaps, better to get it out on the table in the presentation rather than –

Jaime: Great.

Mark: - later on because, otherwise, you're gonna waste a lot of time.

Jaime: So, no, I was just saying, so, you're just upfront and completely honest. These are some of the issues we might run into so, that way, they've got the lay of the land in advance.

Mark: Definitely. And there's no perfect world because, if you sign up a customer on a new five-year agreement and then decide to exit – and you may have a business that you could run for another five years, so, why would you sell? Similarly, if it's the fourth year of a fifth-year contract, the buyer's probably gonna say, "Well, what if they don't renew the contract?"

So, you're better off just figuring out what the good and the bad is and then just putting it out there. It's gonna be reflected, in the end, in the price anyway. So, obviously, you're gonna accentuate the positive, and you're gonna do everything you can to mitigate any downside, but still not perfect, so you still gotta get everything out on the table, in my opinion, early on.

Jaime: So, that's funny. When you say everything, I'm like, "Well, what if they find that their good and their bad are definitely skewed and not totally even?" Then, they gotta clean up some stuff on the back end before they actually go out and give that proposal to anyone, right?

Mark: Yeah. And the main reason that you don't have success in trying to sell a company, in my opinion, is because the person buying it is worried that, if they do the transaction with you, they're going to look stupid afterwards. So, that's the main driver. It's not the finances or anything else. It's literally a pride thing, that somebody turns to them in a bar, six months after, and says, "Really? You bought that customer? What a disaster." That is not a good sign. So, everything you do in the presentation is about, basically, mitigating that. So, if there is something bad in there, they can say to their board, colleagues, friends – whatever, "Yeah, yeah, we knew about that at the beginning. That was factored into price." So, there's no **[inaudible – crosstalk] [00:13:43]** –

Jaime: They feel better about themselves. Isn't it funny? It's all about self-image. Even at that level, it still matters.

Mark: Absolutely, absolutely. Guys and girls have lost jobs for making bad acquisitions. It's not a career and handsome move if you get it wrong, is it?

Jaime: Definitely. So, once you have that presentation, what's that next step?

Mark: So, really, I would say that it's a sort of bridge of a step because it's not, at the same time, exactly, but do your own research. So, the guys and girls you talk to, again, who advise you, the attorneys and the corporate finance, they'll come up with potential barriers, but it's invariably you that knows the market for your business best. But what I would say is, push the envelope a bit in terms of most people immediately think that they're sort of direct competitor is probably the best bet. I actually don't think that's the best version of events. I prefer what I call a thinking person's transaction where you've done a bit of work around it yourself.

You've read the news, and you've looked at strategy documents, which big companies tend to put online. And also, think about, strategically, which are the types of business that do acquisitions? A lot of listed companies are under pressure to do acquisitions because they can't get the organic growth they like. And they'll pay a premium, and they're good buyers because they've normally got a process to do it.

So, if you've researched your market in sort of peripheral areas, then, when you've got that presentation ready, you can talk to your team of advisors and colleagues and say, "Look, these 15-20 people that could be suitable, plus the usual suspects – the competition, etc. – but actually, we've got some more interesting ones." And then, with the presentation, you can tailor that slightly to make it more relevant to each of those acquirers, which invariably drives the price up.

Jaime: Okay, is that the best way? They should go out and prospect themselves to try and find who's a really good strategy and then approach them, or should they be doing it themselves?

Mark: Well, no, no, no. Right, so, a bit of a trick – it's a good question – is you never really approach anybody until you've been approached. So, what you need is a catalyst. So, you've made the decision, as we talked about earlier, that this is a good time to exit. What you then need is somebody to come and sort of show some interest, and it doesn't have to be a lot. But once you've got that interest, you can genuinely and honestly say to people, "We've had some interests. We've decided to run a process." So, it's not like we though we're gonna sell. We happen to be thinking, a little bit, and we were getting ready, but we've not got this catalyst.

At that point, I don't think the business owners are the best people to approach anybody. That's when a middle party – so, your advisor's a good idea because, during a process of exiting, somebody has to be the good cop. Somebody has to be the bad cop. And you, as the owner, wanna be the good cop because you're going to have a relationship with the company afterwards, one way or another.

So, a bad cop is – you can put them in place at the beginning. They can play the good cop to start with, but they're gonna be the bad cop if you need to say anything or deliver any bad news or whatever. So, I think the intermediary's the best person to make the approach, albeit you may have given them the ammunition or the names even.

Jaime: See, I love this, and when I get pushback from owners, though, is that they take, usually, a very large percentage, or it's one of those things where they're like, "Ah, but I feel like I could do it myself." But you really explained that having the good cop/bad cop, it's hard to be the same person. What do you say, though, about them trying to save that capital?

Mark: Well, if you get the right ones, in theory, you should get more for your business anyway. So, therefore, it's completely self-funding. If you get ones that are not that good, then it's just, effectively, a cost to you. So, I always say to people, that's why you need the best possible advisor you can get. Go for the big guys who might be out of your league, but sell them the story. And then, actually, it's beholden on all business owners. If I were you, Jaime, I'd be saying, "Right back at you. You need to negotiate better then," because you can negotiate with these guys. They'll start off with the rat rate. But you know what? If you make it really interesting –

no matter what, if you demonstrate that you're gonna write a lot of the presentation and you're gonna deliver it in such a way, they'll be thinking, "This is a slam dunk. This is just gonna sail through. We can do it for less than normal because it's gonna be less work on us than it ordinarily would." So, it's just negotiation, isn't it?

Jaime: I really appreciate that. There's a great book called *Never Split the Difference* that's all about negotiation, which I highly recommend also. I don't know. Have you read that one?

Mark: I've read it. I've read it, and I gave it to about 20 people as Christmas **[audio cuts out] [00:18:22]**.

Jaime: See? Good. I'm glad you agree.

Mark: Absolutely. It's got some great phraseology in there.

Jaime: Totally.

Mark: And it's funny because, about the day after I was reading it, I was dealing with a lawyer on something, and it was like they want 20, he wants 2, and he says, "We're gonna meet somewhere in the middle," and I was like, "No, no, no. I'm gonna send you a book."

Jaime: One of my clients saved $150,000.00 just from reading the book right before the final negotiation. I was like, "It's worth its weight in gold, people."

Mark: Absolutely.

Jaime: Ah, I love it. How do you determine if they're a good advisor though? I feel like everybody gets referrals, and you really try and get a good one, and then sometimes it still can be hit or miss.

Mark: Yeah. But hey, Jamie, I saw – and one of the owners that I sold the business with me taught me – he basically went into this meeting and said to me, beforehand, I'm gonna test them on my business. So, we'd had all the preamble in the meetings, and he said, "Okay, you tell me, then, about my business, the good and the bad, what you like, what we should do, what we shouldn't do, what the detail on this is," and he literally grilled them for about 90 minutes, and, at the end, went, "Yeah, you're the guys for me." And we tried it with another couple, and, after five minutes, it was a waste of time because they didn't listen. So, we knew these guys were gonna be great.

Jaime: That makes sense.

Mark: So, set your own test. You would do it with a supplier or whatever – a normal supplier. They're a supplier **[inaudible] [00:19:43]** the service, which is selling your company.

Jaime: Okay, so, I wanna dive deeper into that, too, because a lot of the owners that I work with really care about their team and if they're gonna be on for transition and if they're not, and those things, I feel like, start to get really sticky on who they're actually gonna choose for a buyer, especially if they really have a close-knit team and they don't wanna be broken up for parts or whatever they're looking to do. So, how do you really check on that, in advance, when you're going after specific buyers?

Mark: So, I suppose, just as a side point, you've gotta be really brutally honest with your own team, that not everybody's gonna end up there, in the long run, after you've sold your business because that's just the truth, so you might as well – and most people understand that. But in terms of the buyers, I think that the – you, as a seller, have to do your own due diligence. So, it's not unreasonable to ask buyers to give you or the business owners, to whom they've promised the same things about – continuity of employment, etc. – and talk to those guys.

If they put up resistance, I would say, "Hey, hey, why are you barking at this? Because this is just me making a call to somebody that you've already done a deal with." The other thing is that – what was I gonna say? Oh, sorry. It was a point about the team. It'll come back to me. Anyway, yeah, no, so, do the buyer due diligence piece of asking what has happened in the past. Who can I talk to about this?

Jaime: Is there a list for that, too? Because I feel like it could be a myriad of different things, also.

Mark: Yeah. I mean, really, it's just about, what did it look like after the event? Most transactions involve some form of earnout, which is basically for the company to try and wed you into the transaction in the longer term. And a good barometer of the sort of kind of buyer that you're gonna be dealing with is whether they actually pay earnouts out because it's been done, reasonably, to start with, and, therefore, it's gonna all go through. And if you talk to somebody that they've already bought the company from, they say, "Yeah, it as all very fair. They paid the earnout. It was great."

Then, that's a good starting point, isn't it?

Jaime: What if they don't have that information in the back – do you know what I mean? What if this is the company's first deal and you're just guessing? Do you just not go with them because there's no record?

Mark: Yeah, I wouldn't. No, I wouldn't sell to them. And the point I was gonna make, which now I've remembered, is that most the transactions I've done haven't gone to the highest bidder, in case terms. They've tended to go to the one below that the owner has said, "I feel much more comfortable that these guys are gonna look after my team," because they're not so much worried about themselves because you're gonna exit fully, anyway, but actually, these are the people that my team would work best with.

So, I think that the buyer due diligence is nothing out of – you're not being sort of pretentious by asking to talk to people – or awkward. You're right. This is people's livelihoods. You wanna make sure you look after them. And as owners, we've all probably got to know our teams and like them and probably become friends with them, so you won't wanna leave them hanging out to dry, would you?

Jaime: I appreciate you saying that. I'm really glad that it's not, overall, that we just care about the money. We actually care about the people. I think that's awesome. Tell me a little bit more about this timeline, though, because especially trying to get bids from other companies and timelines – what are we talking about for timeline process, and how can we get bids in similar times and know that we can make a good decision? Because I know people have waited even longer trying to get somebody else, and then they – it's just becoming too long of a process.

Mark: No, no. You've gotta get competitive tension, and, if nothing else, you've got to work a timeframe. So, one of the things that when I talk to owners and kind of depresses them at the beginning is when I talk to them about the timeframe. So, in my opinion – it can be done in less time, but in my opinion, the internal preparation cleansing – you name it – housekeeping is probably gonna take you 6 to 12 months, in truth. Everyone wants to do it quicker, but the truth is, because you've got customer, suppliers – excuse me – staff, whatever, you're probably gonna have that amount of time. The actual transaction from when you are absolutely prepared – presentation written, ready to go, advisors assembled – really, you should be able to execute that in six months, at the most. In fact, if it's dragging on longer than that, you're gonna get into issues over when your yearend isn't doing more accounts or however it falls. But the point of the six months is you have to build in what I call drop-dead dates wherein, if this hasn't happed by then, you're out of the process because we've given you enough time.

And if this hasn't happened, and if you haven't reconfirmed – so, along the way, if somebody's made you an offer, they've gotta reconfirm it every, probably, fortnight to keep in the ranks. And we are working to timeframe. So, it's quite useful – I say to business owners, "Say we're starting on February one," and I say, "Right, so, we should be out in, say, July. Why don't you book a holiday now for, say, the 25th of July –,"

Jaime: That's awesome.

Mark: - "for 3 weeks on the other side of the world. This isn't a mini break." So, it has to be done. And they're always a bit nervous, I'm telling you, if you've got the actual backstop date, it's amazing how much it focuses a timeframe.

Jaime: Oh, my gosh. I tell my clients to do that, in their own business, just to get their systems and processes and everything ready before they go on vacation because it really does. It makes them laser focused and almost demanding in what they're actually going to do themselves, but also of their team. They actually get so much more done, and they get to take a vacation. Come on. This is not bad.

Mark: And so, what I say to my children, all the time, work as though it's the day before you're going on holiday. It always works. You get more done.

Jaime: You get a million times more done. It's so funny. I tell my clients to take at least a quarterly little chunk of a break. A, we all need way more breaks than we take as owners anyway. But also, the week before is a million times more potent. And so, I love that you do that, too. So, I'm assuming it usually works for you. That's why you have them do it. But when they get up to that point, is it working 24 hours a day beforehand or – you know what I mean? Trying to get everything raring and ready to go.

Mark: Well, yeah, you know what? I think the whole preparedness piece is the bit that really serves you well at the end because you're not gonna get all that, we've gotta redraft all the documents through the night thing. So, when I first started out doing this – well, pretty much when I exited my own company – most those deals were done on three-day benders of working through – and you just fall into bed at some time, which you couldn't even remember what day of the week it was sorta thing, and I didn't really think that was very efficient. I could definitely feel **[inaudible – crosstalk] [00:26:45]** –

Jaime: Good. My brain doesn't work after a little while. I guess that's not good.

Mark: **[Audio cuts out]** something's a big sign that probably weren't the best version of events. So, what I decided was the preparedness thing means – and most of the deals, now, are done in much more socialable hours. So, you kinda turn up at the lawyers at 10:00 in the morning, and, by 3:00, you're all done, but it's because you've done all the work upfront, really. So, it does get more intensive towards the end. And also, you've gotta keep your business running because one of the main things I say to people is, "Whatever happens throughout the process, your business has to go in an upward trajectory." That is the golden rule. So, you can't say, "Well, of course, it went backwards because –," that just doesn't happen. So, you do get busier as it goes along, I admit.

Jaime: Well, and it's really tough, especially if you're like, "Oh, I still need the business to go –," and you're looking over here, and, yet, you're selling the business, so your focus is over here, and it –

Mark: **[Audio cuts out]**.

Jaime: Yeah, that's not good. Do you have any tips for that?

Mark: Well, yeah. I mean, delegation. So, the thing about the housekeeping piece and getting all the systems in order, within that is to figure out who you can push more towards to give you more time to execute the actual transaction. And again, it's a bit of a ruthlessness with yourself because, if you've got people around you working with you who you cannot effectively delegate to, you've gotta question them because the process is gonna show that up because they're gonna due diligence.

Not just you, but your team. And therefore, this is a good time to sort that issue out with that person because A.) You can't give them any of your work and B.) They're not gonna get through the process. So, in all honesty, that's the key, I think.

Jaime: That creates a one wheel off-kilter when you're going there. If you have to fire somebody, especially somebody that's important in that process – because couldn't that affect your revenue? Is it better to fire them than to limp along a little while and hope that we've got our revenue still going up?

Mark: I'm more in the firing them camp. That's just my way. But no, I think, generally, because you're doing it ahead of time rather **[inaudible – crosstalk] [00:28:59]** –

Jaime: Ah, okay. This is at the beginning stage. Okay, that makes more sense. Okay, so, not close to the end.

Mark: No. Yeah, because that doesn't look good, does it?

Jaime: Yeah, that's what I was gonna say. I was like, "That doesn't seem like that would be good either." Okay. Okay, that's your whole point, though, about being super honest on the upfront because you already went through and figured out all the pieces that there would be a problem with, whether that be an employee or anything else.

Mark: Exactly. You just gotta be really ruthlessly honest with yourself. And that's the thing about then being brutally honest with the people and saying, "I'm gonna have to talk to some of the team about this because I won't be able to do it without them anyway." But actually, if you're not gonna make it through – if I pick a bad, that's gonna be really good with people, etc., they're just gonna do the same with you anyway because I should've done it. You need to be somewhere else because this isn't gonna work out. Or, if we change these things, maybe it can. Great.

Jaime: What advice do you have for somebody that's going through this process at the beginning – like you said, the first 6 to 12 months where you're uncovering this stuff – and they uncover a whole bunch of problems? Because that's what, sometimes, happens – or things that they – people they need to fire or whatever it is. But then there are inpatient business owners, like a lot of them are, and they just wanna continue with the process anyway, so they keep going, but they don't fix all those things. Do you have any advice for them on, potentially, not doing it or being a little more patient?

Mark: Yeah. Still yourself and do it. That's the hard work. So, in the book I've written, I talk a lot about the bit in the middle. So, when you start in business, it's all fun, and we're gonna set the world on fire.

The bit in the middle is a bit more difficult, and then the end bit's great fun, as well, the sort of 11:00 on a Sunday night when you're filling out your tax forms or something. It's not the fun and sexy piece. So, it falls into that category of just the grind that you've gotta get through as a business owner. So, sometimes, you still have to do your normal day and then tack on a couple of hours at the end to get through those bits of the process. But you're gonna be glad, in the end, because the thing is, you're probably not gonna get through a successful sale if you haven't done that.

Or if you do, you won't be happy with it anyway because you won't get the value that you know where you have created. So, it all gets very frustrating at the end, on all sides, and then doesn't tend to work. And that's actually why most deals, statistically, fall over, because it's not prepared enough. And actually, most of my living has been carved, for the last 10 years, by people who've tried it and it's not worked and then come in and say –

Jaime: They're like, "Please."

Mark: Beginning me, "Please, can you –," and I have to say, "Right, well, we just need to sort of start from the beginning." And when they try and skate over things or skid around things, say, "No, no, that's the problem, isn't it? Because you've got to get this tough stuff done." It's not the nicest stuff, but you've gotta get it done.

Jaime: Well, that's why it's kinda good to have somebody that you can lean on during that process because, no offense, it's hard to make yourself go out of your comfort zone or do stuff that you really hate doing, to do extra hours away from your family, knowing that in advance. It's just hard when you don't have anybody else to be able to chat with or push you like you need to be pushed at that time.

Mark: Exactly. I think a great example – and he's now a great friend, the guy whose company I sold. And after six months of me really working hard with him – and it was in much better shape. We'd solved a lot of people issues. He turned around to me, he said, "I need to talk to you." I said, "Why is that?" And he said, "I don't think I want to sell." And I said, "Well, there's only two words for that," and it was along the lines of get lost, but it was a bit sterner. So, I said to him, "The thing is, because I've been here with you doing all this for six months, that's great, and you're in a great place. But if I go, within six months, they're going to be back where you were when you hated your business, hence wanting to sell," and he was like, "You're right. Forget I said that."

Jaime: I love owners.

Mark: You've done all that – I said to him, "I'm like your coach, and, if I go, you will not keep going to the gym every day." It's not gonna help him. We all know this.

Jaime: Exactly. We all need it. It is kinda funny though. You get their juice back. So, they finally get excited about their business because they're making waves and movement.

Mark: It's so weird because they stood – that unearthing bit, which can be negative, actually normally yields some nuggets, as well, and they're like, "Oh, I remember, now, why I did this, and I love that bit," and you're sort of like, "Yeah, well, don't worry. We'll get more value for it because of that." So, it's all good. But it's funny how people's mentality changes through the process.

Jaime: Totally.

Mark: And then afterwards, sometimes, they're bereft. I sold one for a lady, and I phoned her the next day, and I spoke to her husband, and he said, "To be honest, Mark, it feels like – we were so attached to the business. It feels like we sold one of the children," and I said, "To be honest, you wouldn't have got as much for one of the kids," which, fortunately, he laughed at. But she spent the evening sitting in bed with baked beans on toast crying her eyes out because she sold the business. She got a huge amount of money – a huge amount of money.

Jaime: Wow.

Mark: And to be fair, I said to her, "Just check your bank balance," and she did, and she said, "I feel a lot better."

Jaime: It is funny, though, how attached we get, especially if you grow it from nothing into something. It's wrapped up in your identity when it comes to that, too.

Mark: That's the main point. Absolutely, Jaime. It defines them because it's like Tom Smith of Burton Fasteners or whatever – and if you lose that bit off the end, they don't know where they're at. It's like, where's my place in society? Because you're somebody that's now not in a business. You're sort of an employee, though you might be well off. What are you doing with your time? And, honestly, it's a little bit weird.

Jaime: How did you deal with it? Because you've done it quite a few times, and it does – people ask you, what do you do? And you're like, "Uh, nothing right now," but then you say, "I'm an unemployed person."

Mark: **[Audio cuts out] [00:34:46]** other day, I had a call with one of my old CFOs, and he said, "What are you doing?" And I said, "Well, pretty quiet this week, but it is the first week back, really, so I'm just sort of getting ready." But, yeah, no, I think the way you deal with it is, again, in that process period – I spend a lot of time talking to owners about what the aftermath looks like, the good and the bad. So, you're gonna have some loss of identity, but you're gonna have a lot of money. You're gonna get some weird and wonderful requests for some of your money, and they're gonna come from left field, and there's all this stuff, and they're like, "No, no, no. That won't happen to me." And I'm like, "Trust me."

So, I go through a lot of this stuff, and I always state an example I've got, which is a guy in our local town that used to work with me, every weekend, **[inaudible] [00:35:26]** come over with his wife and kids and chat with me and my wife, and, when I exited my business and he didn't work for me anymore, he just walked past on the other side of the street and waved. And my wife said, "Gosh, he has literally – for the past six or seven years, we've spoken to him literally every week or every other week," and I said, "Yeah, but I'm, now, just some guy he used to work for. That's it. I can't give him a pay rise or a new car." See what I mean? So, your importance is just not **[inaudible – crosstalk]** –

Jaime: So, he doesn't care.

Mark: He doesn't care. You're just a guy he used to work for, like another guy he used to work for. So, if you get your mind around that – and I knew that had happened because I sold my other previous business, so I knew. So, I'm pretty relaxed at it. But I must admit, with owners, without that importance and relevance to people and power over people, in fact, it can be quite a hard thing to come to terms with. But the more you talk about it, as in on this video, the more people sorta go, "Oh, yeah, okay, I can see that." There's some good things –

Jaime: Well, and even when it comes – yeah, I was just gonna say, even when it comes to people asking for money, this is always where everybody goes, “Well, not my network. They care about me and not about whatever it is.” Can you give me some examples of that, too? Because I think it’s shocking, actually.

Mark: Oh, yeah. But I mean, look, without naming names, I probably haven’t done a deal yet where, afterwards, I’ve told them enough times, this is what’s gonna happen, no one believes me. I got a call last Christmas, and the guy said, “You know you said that we’d get the weird and wonderful calls?” I was like, “Yeah, yeah.” He said, “Well, I’ve got a relative who, apparently –,” this is a true story. I struggle to tell this. Who’s gonna die unless I pay for him to go to rehab.

I was like, “Right, okay. But if you hadn’t sold the business and you couldn’t afford it, what would happen?” And he was like, “Oh, yeah, that’s a good point.” I said, “Just say that.” I said, “And by the way, if you pay it, you’ll be paying it for the rest of your life.” Another one with a gambling debt of about half a million dollars nobody knew about, and the debt had been sold to some really dodgy people, and it was – I mean, honestly, and the –

Jaime: Wow.

Mark: These are really professional business people who’ve built great companies that have got a great network, and these people tend to come from left field, and you think, “Well, what about that?’

Jaime: I’ve gotten a lot of random letters. Oh, my goodness. Emails. All sorts of random things just because I know all the millionaires, and it’s funny. The things people ask for are very interesting. But it is a funny thing because you just assume, “Oh, well, it’s not gonna happen to me.” So, quick question though. When you look at – is it always a win-win? I feel like, whenever people sell businesses, it never really – it’s always a gray area. Everyone’s like, “We want win-win, but we always get sort of a gray area instead.”

Mark: Yeah. They need to read *Never Split the Difference*, don’t they? But, yeah, I think – do you mean in terms of sort of their psychology afterwards?

Jaime: Well, all of it. So, because they get beat up so much – and maybe if you, like you’re saying, do the due diligence upfront so we don’t get beat up so much. But they get beat up so much along the way it’s like ping pong, and then they start going, “Uh, I’ll just take whatever." You know what I mean? Or I'll just try and get as much as I can, but they hate getting beat up so much, and they probably never read *Never Split the Difference*. So, it just doesn't feel like exactly what they want because entrepreneurs also want as much as humanly possible that they can get, typically.

Mark: Agreed. So, the thing about this is that, again, it's a good thing to have good advisors around you, on your side because – for example, the way I help people sell their businesses, my interests are 100% aligned with them. The more they get, the more I get, etc.

The problem with most of the advisors, the attorneys, the corporate finance people is that it's disproportionately not incentivizing for them if you get, say, another million dollars or $10 million. They might get another $100,000.00 or $200,000.00, and they're saying, "Well, if we're getting a figure of $4 million anyway – if it's not gonna go through and we're not gonna get anything, I'd rather get $4 million than you get – not get $4.2 million and get $4 million."

So, the thing is, if you've done that preparedness and you've got the right people standing behind you, you probably come out of it better. But I actually agree with you. I think most transactions, people can wait. The buyers know that, if they keep beating you up along the way, you will eventually acquiesce in the process or drop, etc. So, you've gotta go into it, really, with a steely determination.

On that point, what I always say to owners is, I only ever sell a business for people who don't actually have to sell because you can then always walk away. If you're in a position where you have to sell, this is just gonna go downwards, basically. So, get it into a shape where you make your money, and you say, "You know what, if it doesn't go through, I'll just do another year or two." But actually, the fact that you've got the attitude means it's more likely to go through anyway.

Jaime: Definitely, and it makes perfect sense, then, if they actual vacation so, that way, we've got a timeline already set. So, we only have to be resilient for a short period of time, and then, if it doesn't work out, then you have an exit strategy on that, too. Yeah. Okay.

Mark: Absolutely.

Jaime: That makes perfect sense. Oh, I love this. Tell us about your book.

What's the name of your book so everybody can grab it, too?

Mark: It's called *Making Your Mark*. It's a bit corny, but it's really **[audio cuts out] [00:40:52]** the name. Eventual Millionaire's a lot better.

Jaime: I liked it. I like corny. Don't even. That's awesome. They can pick it up on Amazon, I'm assuming?

Mark: Yeah. Yeah, yeah, yeah.

Jaime: Awesome.

Mark: It's on Amazon. Sorry.

Jaime: I know we have to start wrapping up really soon. No, no. It's all good. We have to start wrapping up, so I have to ask the last question. I wanna ask you a million more questions. Maybe I'll have you back on the show again. But what's one action listeners can take, this week, to help move them forward towards their goal of a million?

Mark: Okay, it's pretty simple, but it's very effective, I hope. So, it's basically – and I'll do it for the screen – draw two lines on a piece of paper. And in the four areas, you put customers, suppliers, team, and other stakeholders, and you list out any problem areas and basically draw it as though as if – if it's really aligned, it's gonna be a square, but it never is because it's like, oh, we've got a big problem over there. We've got a bit of a problem over here. And work on how you can get that back to being a square within, say, the next two weeks. So, just go and tackle all those bits.

So, what happens is, if you've got a supply problem, it'll be affecting your customers. If your customers aren't paying, it'll be affecting your bank. If your building's got a leaking roof, it'll be affecting your staff. So, you basically gotta figure out the little elements within that and do everything you can to keep bringing it back. And if you do that every week, and, certainly, every board meeting, those four key areas, work on consistently. When you look back, the times when the business is the most fun, the most profitable, runs the best is when it's a square. So, you've gotta work consciously on keeping it a square all the time, and that will definitely drive you towards making a million.

Jaime: I love it, and you, hopefully, have more fun in the process, too, because you won't have so many problems that you're dealing with and skewed. I absolutely love that. Where can we find more about you? Are you online? Are you on social media? Anything like that?

Mark: Yeah, sure. I do a bit on LinkedIn. Not so much on Facebook, bit on Twitter. But I'm gonna do more blogging on my own website, the mark.co.uk. So, sure. But I'm always happy to answer questions. If people wanna ping me an email, then I'll just reply, sometimes, in a different time zone as we all are, but I'll get back to them with some thoughts and ideas, if they want. So, feel free to contact me.

Jaime: That's amazing. Thank you very much for that. I really appreciate it. And thank you so much for taking the time. I so appreciate it. I hope you have a fantastic day.

Mark: Thank you, Jaime. I've really enjoyed it, too. So, thank you very much.

Jaime: Thank you.

[End of Audio]

Duration: 44 minutes