The 5 Step Process That Can Take
You to Financial Freedom

Business Magic:

How to Buy Companies Using None of Your Own Money

Guy Bartlett

The UK's No1 Business Buyers' Coach

Business Magic: How to Buy Companies Using None of Your Own Money

The 7 Step Process That Can Take You to Financial Freedom

This is a book for people who may have thought about buying a business but don't know where to start. Or for people who already own a business and want to learn how to grow ***exponentially*** through acquisitions rather than slogging through growth from scratch. This is for everyone who'd like to "Turbo Charge" their entrepreneurial life.

Guy Bartlett

See page 57 of this book to access your FREE bonus materials

Business Magic: How to Buy Companies Using None of Your Own Money

"It's the most fun you can have with your clothes on!"

Guy Bartlett

Cover design and illustration by
Dave Brogden

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First published in 2014

Revised 2018

In Memory of

Denys Bartlett who always believed in me
and encouraged me to achieve more,

and Jean Bartlett,
who always said I should write a book...

Thank you!

"I read Guy's book with great enthusiasm, as I did business the hard way for more than 20 years before learning the art of acquisitions. Guy is spot on with his down to earth, no nonsense approach, which will save readers learning some very expensive lessons the hard way. Each seller has a different reason to sell and Guy explains how to educate the seller to understand the real market value of their business, so that there is a true win-win, fulfilling each other's underlying motivations. It took me years of hard work and some very expensive courses to learn what Guy has included in his book."

Glenn Richards, Managing Director of Supplies Direct Ltd, Peterborough, UK. www.suppliesdirect.co.uk

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Acknowledgements

I think the single most important lesson I have learnt in my entrepreneurial life so far is that business is a team sport. There is no way that you will succeed without the support and backing of a team of people around you, ranging from business partners (if you have them), staff and mentors and advisers you'll meet along the way.

Indeed, I would not have written this book without the encouragement and enthusiasm of my colleagues and friends. So I need to thank Matthew White for convincing me I could do this and for his hours of dedicated translation of my ideas and notes into a text that makes sense.

My biggest thanks go to Simon Zutshi, the UK's premier property investment educator and founder of the Property Investors Network. Simon, you've done more than any other to open my eyes to my own personal development and you've consistently encouraged me to believe in better. I would urge anyone reading this book to do themselves a big favour to learn more about residual income from Simon at www.pinmeeting.co.uk.

I must thank my team at the Trust Group. Thanks for working so hard to make a difference in what we do for our clients. Dr Colin Winsper, our Chairman, has been a great supporter and adviser, thank you.

I have also been lucky to meet some very successful businessmen along the way who have either mentored or coached me directly or from whom I've received some expert and timely advice, freely given and very much appreciated; the truly inspiring Tony Barnes, a world expert in Kaizen, Dan Pena who opened my eyes to the possibilities, Ruediger Olschowy a German VC who showed me the rules of the VC game, Marcus de Maria who helped me understand my "why", Mark Mills who's an inspiring "Northern" entrepreneur whose jokes take some beating, Simon Chaplin who's "Socks Up Simon" programme provides great insight and tools for systemising your business, Terry Gormley for teaching me "The Will to Act", Jeremy Harbour whose eponymous Harbour Club is well worth experiencing and lastly Nigel Botterill the founder of the Entrepreneur's Circle, whose energy and insights are truly inspiring. All of these people are my "hidden" team whose knowledge, insights and encouragement have helped stay on the entrepreneurial road which can be quite rocky at times!

I also want to acknowledge and thank the business partners I have had in the past who have hurt me and stolen from me because, without them, I would never have learnt so much about my own strengths and weaknesses or experienced the mistakes I have made that have made me stronger. It's definitely true that we learn more from our mistakes and I have made plenty of those!

Finally, to say a massive thanks to my beautiful wife Joanna and our gorgeous daughter whose support has been amazing. You are my reason why and you fill my life with joy.

Introduction

Congratulations on downloading this book. It could just be the first step for you on an amazing new journey in your life.... but only if you read it and take action on what you read! It's said that on average only 10% of books actually get read so I hope you prove to be better than average for your own sake.

This book is designed for ordinary men and women who may have had a long cherished desire to build a business or change career. You may be in employment but want to be running your own show. You may have your own business but you're wondering how to take it to the next level (which is where I was when I first understood the techniques and principles I share with you in this book). Or you may be a property investor looking to acquire a business as an asset.

This book is designed to open your eyes to amazing opportunities and fire up your imagination and desire to achieve far more in a shorter space of time than you ever thought possible. Or if you already have the ambition but just need some tools to help you make the progress you desire, this book will help you on your way.

You will find over the following pages the explanation of how you can build a business purely through acquisition as opposed to the slog of organic growth. The aim is threefold; to make money when you acquire an asset or assets, then derive income from those assets while you hold them and then create much greater wealth when you dispose of those assets.

This is the single fastest way to develop a business – a company, even a group of companies – by buying them instead of taking the traditional route of building a business through organic growth.

Organic growth is taking a business idea, starting the company, recruiting people, losing people, winning clients, losing clients, making money, losing money... doing all the hard work of the entrepreneur.

I'm not talking about that. I'm talking about buying a solid, cash-flowing business from another entrepreneur or business owner who has done all that; giving them a price they are happy with; and doing it without using any of your own cash. You may also find opportunities to acquire "distressed" businesses, in other words companies that are facing problems that may be financial or operational or both.

This is being a Turbo Charged Entrepreneur. And this is what I'm going to show you how to do too.

Now I mentioned taking action – this is one of the crucial elements that sets successful people apart from those that merely hope for or dream about success. I know from personal experience that all too often it's easy to get excited and motivated but to allow the momentum to fall away until you realise time has slid by and nothing has changed. So, I challenge you to use this book as a framework to work out a serious plan to accelerate your wealth – write in the margins, make notes, use the resources we provide as back up (see page 57) – and truly immerse yourself in the opportunities I describe in the following pages. It's the most fun you can have with your clothes on!

Chapter 1 - Understanding the market for Business Acquisitions

I finished the first version of this book in the late summer of 2014, when it was generally accepted that we had been through the toughest business conditions of the new century and possibly the toughest in eighty years or so. In any business cycle, even in the best of times, it's always tricky to run a successful owner managed business. There are so many challenges facing most typical business owners who lack the resources that large corporates enjoy, especially access to finance to help them grow effectively – the classic "chicken and egg" conundrum.

Conversely, it remains the case that many multi-national and national businesses are sitting on enormous cash reserves and have very strong balance sheets. In some cases, they exceed the GDP of entire nations!

For most of the new century, the world has been unbalanced economically – it's the new reality. Many of the Eurozone economies remain teetering on insolvency and their banks are being supported through the printing of money to create the illusion of liquidity. The financial crisis that the Euro Zone faces may no longer be on the front pages of the media but it's still there with the potential to cause another economic meltdown. The "high street" banks are still incredibly reluctant to lend to businesses to provide true working capital or if they are, the conditions are hugely onerous, stifling the very entrepreneurial lifeblood each country needs.

Most of Europe's countries still have public sectors that remain bloated and exceeding, in some cases, more than 50% of GDP – yet these people have the best pensions, earliest retirement ages and best working conditions of all the working population. The organisations that make up the Public Sector do not understand or contribute to wealth creation for nations. Instead of embracing the need for the kind of entrepreneurial spirit of the 18th and 19th centuries that made Europe the wealthiest area of the globe, we have become lost in a "benefits" culture and public sectors that regards regulation and taxation as more important than educating and supporting individuals properly to create wealth and drive opportunity for others. The greatest British entrepreneurs of modern times – Sir Richard Branson, Sir Martin Sorrell, Sir Alan Sugar as examples – have all taken huge risks and worked incredibly hard to create global businesses and employ large numbers of people from scratch – yet still they are often vilified by the media as somehow money grabbing and out to exploit their workforces.

Whilst this sad culture has developed here, elsewhere in the world, the BRIC countries (Brazil, Russia, India and China) have been busy embracing the capitalist culture and encouraging the entrepreneurial spirit in a massive way. Despite the well-publicised difficulties that China faces they are still generating growth that is more than 7 times that of the best European countries!

So, whilst I believe we do have a tough environment in which any business owner has to operate in the UK, we still have many upsides; we have a relatively stable political climate which means our regulations (whether good or bad) do not change without plenty of warning most of the time. We have a safe (ish) banking environment and we have a generally sound legal framework (that's not to say that you shouldn't avoid any kind of litigation like the plague!). The process of setting up a business in the UK is still surprisingly straightforward and easily accessed, although the process of dealing with Her Majesty's Revenue & Customs thereafter is predictably a pain in the proverbial!

3 Reasons to Invest in a Business Now

There are three main reasons for investing in business right now.

Firstly, owning a profitable business is one of the key planks that lead to financial freedom. As Brad Sugars defines it; "a business is a profitable, commercial entity that works without me". So if you can acquire just such an entity (and improve it) then you have a massive head start in achieving financial freedom for you and your family, and the resources to help other people you wish to help in this life. You see, I believe this element is vital to your approach and philosophy; if you are poor, you can't help others and you would be amazed at how much wealth is given away by multi millionaires – why?...because they can! They recognise that having taken care of their needs and those of their family, there is so much more good they can do that governments never get round to despite all the political rhetoric.

Secondly, precisely because of the uncertainty in the world and the tough conditions we face, anyone who succeeds in business now will be hugely successful when economic growth returns to any meaningful degree in the West – as it will at some stage, even if the economic models have shifted in the meantime.

Thirdly, as I mentioned earlier, many large businesses are sitting on strong balance sheets but so too are quite a number of small, owner managed companies. But do you think that many of them will be just plain fed up, tired, worn out or even made ill by the stress of running a business? Absolutely. Yet because they are not a public company their shares are not liquid. In other words, there is no ready market for selling those shares unlike holdings in a plc that they can just sell on any given day. So they need you as a buyer in order to exit this business that is now a millstone. In addition, there are the businesses that are in distress that could succeed given the right management tools and processes.

The "Seasons" for Business

I believe it's vital that you understand the Seasons for the business cycle. We all know and understand the seasons of every year; Winter turns to Spring, then to Summer, then Autumn follows before Winter returns. Businesses operate on exactly the same cycles so you need to focus your mindset and activities around those cycles. Right now, do you think we might be emerging from Winter into Spring? We've slowly moved from nothing growing (especially the Eurozone) to signs of green shoots. The business environment remains uncertain yet if we have sown our winter crops properly, they will grow even in the harshest conditions. And when the spring fully arrives, if we sow again, by the summer our wheat will be tall in the fields and in the autumn we will harvest the full fruits of our labours.

So if you do this correctly now when the next winter arrives, your store will be full and you will winter very well instead of feeling the cold and being hungry.

How Do Businesses Increase in Value?

Broadly speaking, businesses divide into the following groups:

- Start ups that last between 1 and 5 years before failing.

- Start ups that grow and prosper beyond the first 5 years but that remain "lifestyle" companies. These are businesses where the majority of the profits are paid in dividends and other legitimate benefits to the owners and their family. Perfectly acceptable but with one flaw; when it comes time to sell them (assuming there is no-one in the second generation to take on the business), there is not much real value other than goodwill.

- Start ups that grow and prosper, return a good lifestyle for the owner but where a part of the profits are regularly ploughed back in to invest in tangible assets (for example property, long term contracts where key staff are recruited, equipment and systems to make the business as automated as possible at driving profit) and in the retention of healthy cash balances.

When it comes to selling, the latter type is obviously the most likely to garner a good value in a sale. Ironically, these are also the best types of business for us to target to acquire. This is because we need assets present in the target companies to be able to leverage the best deals. More of that later.

The 7 Rules for Selecting Targets

So these are my 7 rules for choosing the types of companies in which to invest.

1. **Sales or turnover in excess of £500k pa.** It's preferable to focus on and target companies with sales of over £1m if possible (but when you're starting this may prove harder to find). You will find that more than £1m provides a level of critical mass and cash flow that will help the whole acquisition process considerably and make funding easier too.

2. **Positive cash flow, not assets.** It's crucial for vendor financed deals that your target companies produce positive cash flow every month, i.e. where sales revenue is higher than the cost of sales (although not necessarily overheads as this can be an area for savings and efficiencies if the figures are tight at the outset).

3. **Ideally 10% or higher net margin.** You are going to need cash from the target business to complete your deals and for that you need a

measure of cash to cover your finance costs. At 10% net you will have a reasonable chance of covering your acquisition costs and making cash for yourself. Only if the volume of sales is higher can you afford to look at lower net margins where the volume of cash moving through the business makes up for lower margins.

4. **Ongoing and sustainable contracts.** The best value deals (for both the buyer and the vendor) are where the target company has regular income from contracted sales. Examples of these will include some types of software companies or contract cleaning companies. Essentially, unless there's a problem with service levels the clients will just carry on with the service provided which gives long term, predictable income from which you can develop "upsell".

5. **2nd tier management.** Many companies I have come across have good management teams who, in many cases, actually run the day-to-day operations yet surprisingly to me, they do not want to become the business owners. The good news for us entrepreneurs is that most people just want to be employees! But you need to look hard at the qualities of those people, how efficient they are, and how well they might adapt to a change in ownership. It's also absolutely essential to identify any critical staff, ensure they have good contracts and also that you can discuss any impending sale with them before the deal is done to make sure they will stay and be happy. If a vendor prevents that, be highly suspicious or walk away.

6. **Tired businesses.** You are also looking for "tired" businesses where the vendor is reaching retirement and it shows or maybe where they are ill and need a release from the shackles. This may sound harsh but it's not. Remember, we are always looking for ethical deals and if you help someone get out from a business that no longer excites them or wears them out or makes them ill from stress then you are the answer to their prayers and you do not have to exploit anyone to realise a good deal on both sides.

7. **Opportunity and a good deal.** You are looking for businesses that have capacity to grow sales without adding to cost ("squeeze the pips"). And most importantly, remember doing deals is mostly about kissing lots of frogs. You have the upper hand in the negotiations because you

can always find another deal whereas the vendor only has one shot at the sale. Never fall in love with the deal but remain focused on the value not the sentiment. Like your vendor by all means (if the business doesn't echo your own ideals and ethics it won't fit well in your stable) but never be concerned about walking away if necessary.

Risks of Investing

There are, without doubt, significant risks to investing and buying/acquiring businesses is no different. However, successful entrepreneurs weigh up the risks and calculate carefully their options.... and then usually just plough ahead anyway! In truth, whilst I don't recommend reckless indulgence, if you worry too much about risk you probably should stick to a job and traditional career – and I don't mean that in any derogatory way whatsoever. Some of the world's most successful business people have often been employees (for example Jack Welch). Being a business owner will stress you, will test your resolve, will put strain on your family relationships, will definitely stress your bank balance and, unless you are exceptionally strong minded, will also test your emotional resources.

You will be asked to provide personal guarantees to your bankers and funders, in some cases unlimited. You will face the dilemma at some stage – I guarantee – of whether to pay yourself or your staff and suppliers when money is tight.

Investments can go wrong too and if they do, rarely result in calm rational debate and agreement between parties without resorting to lawyers and courts. As I said earlier, my advice which is based on very expensive experience is to avoid litigation like the plague but to do so you need to ensure you have written agreements capable of enforcement before you sign any kind of deal, be it an acquisition or a shareholders' agreement. We give advice later in the book on this issue.

The other key risk is a simple one; the companies you acquire can perform badly after the sale. They can consume a disproportionate amount of your time and you really don't want to have to close any of them or sell them back, something I also have personal experience of – avoid my mistakes!

But risk in life is never a reason not to do something. The Wright brothers wouldn't have flown, Amelia Eckhart wouldn't have crossed the Atlantic, Scott wouldn't have sought the South Pole, Hilary wouldn't have climbed Everest and Branson wouldn't have risked jail over VAT if they all hadn't been willing to "have a go". All their setbacks spurred them on to achieve their super successes and carve their names into the history books as a result.

Chapter 2 - Successful business investing is just like successful property investing

The biggest error most entrepreneurs make is to approach businesses with the mindset of an employee. That is, they approach a business thinking about the work the business does. They see a picture of themselves as one of workers doing that work (perhaps the Key worker doing that work).

I don't. That's why, in 6 months, I bought £2.7 million's worth of business without using any of my own money. And it's also why I spend every day looking at ways to remove myself from the day-to-day decision-making in my business and focus instead on working on the development of my business.

Compared to the average business owner, my view of companies is more like a property investor.

When a property investor buys an investment property to rent, they aren't seeing themselves in the picture as the homeowner, but as the owner of an investment.

And while many property investors make the mistake of self-managing their properties, all the wealthy investors I know have hired managers to look after the tenants... to run the property business.

So too with running companies. I have managers to run my businesses.

And the property investment analogy doesn't stop there.

A successful property investor knows the sole reason to make an investment is for the money returned. How skilled they are at creating win-win value determines how much of that money they have returned: money upfront, money monthly and money on exit.

And it's that clarity of aim you'll need to be able to replicate my successes in your entrepreneurial life.

To take you back to the property example - you and I both know that there are ways in which motivated vendors of properties will often do a deal where a property is on the market for, say, £100,000 but due to circumstances they'll do a deal at maybe £60-70,000. There are property specific ways to buy that discounted property without an up-front deposit from you. And when you understand the tricks and the tools to do that, well then, it's an exciting business to be in.

There are business buying techniques and tools that work in a similar manner, making this just as exciting.

Unfortunately here is where we leave the property analogy. Except in special circumstances, you'll make most of your money in property by buying cheaply (e.g. Below Market Value) and enjoying capital growth driven by the supply and demand principles of the market. Whereas in business there are many ways to give the vendor a price they are happy with and still require no cash from you.

I'm now going to show you how I do that.

Chapter 3 - You should be investing in businesses as a key part of your personal wealth strategy

Why should people be investing in businesses? Let's get that covered now.

Well for me the answer is really very simple. If, as I said earlier, you are one of those people who have successfully setup and run a business for some time then you'll probably understand that business should be a residual income generator for you.

If you're in the earlier stages, I would say that you really should be thinking about business along those lines. You want to create a system, a series of business processes that generates cash for you even when you're sleeping.

Ultimately, being a business owner is about owning an asset, or a series of assets, that produce dependable, repeat profits.

So consider the example of some of the most successful businessmen in the world and in the UK. All of them, without exception, own and run operations that have successful teams looking after those businesses and in many cases the owner becomes the figurehead. That's really the key element to it.

A lot of people think of smaller businesses and business owners and often misunderstand that they are really people that just own a job. For example, the person that runs the corner shop or the person that runs a plumbing business… those people are still very much the key to the business doing its work and so effectively they just own their job.

What I'm talking about is ultimately having developed your businesses to the point where, as a friend of mine often says, you "work ON the business and not IN it."

Here's the transcript of a mentoring call I had with one of my students. I was able to help him see this business buying process in a new light.

Andrew: OK, so if I'm to buy an IT based business, then I need to find a bigger market than just, say for instance, a type of software company. I've been writing down a list of possible potentials.

Guy: What struck me about your email, Matthew, was it was quite focused on the service, the thing that that niche group would deliver.

Andrew: Yeah.

Guy: The way to look at this acquisition process is you're less concerned about the thing of the business, and more of the outcome of the conglomerate you're looking to create, if that makes sense.

Andrew: It's opening up awareness but I'm not sure I have it fully.

Guy: Think of it this way; the goal is to have, say, a group of companies turning over £30 million. I'm not actually that bothered whether they're plumbing, civil engineering, building maintenance; there could be five building maintenance companies, there could be one of each, there could be three plumbers – it could be any combination that achieves the goal if that makes sense.

Andrew: Is there a common customer or something that unites them or is it just literally random?

Guy: In this example, they're all talking to the same overall customer group like commercial property owners and managers and operators. They're all selling in to the same top-end market but it doesn't matter. I'm not too concerned that I have a neat deck of cards if that makes sense.

Andrew: Yes it does.

Guy: Because if I get to £30 million, £20 million or £10 million that will give me sufficient momentum in size and scope to then be able to look at niching. It's hard to do niching until you've got scope and size.

Andrew: So you're saying buy a big tree and prune it to make it a bonsai later.

Guy: Yes or better buy a big tree, grow an acorn from the tree then the acorn becomes your specialist tree.

Andrew: Ah, OK.

Guy: So different ways of looking at it. Once you've got cash flow you can do a lot but without cash flow life is always more difficult and you're always juggling the balls. Don't get me wrong, big companies can crash and burn as well – they run out of cash or they don't do things properly but the reality is Cash is King. I know it's a cliché but it's absolutely the case. People go on about how turnover is vanity and profit is sanity and whilst that is true, you must have a volume of cash to make progress.

Andrew: Yeah, I've thought about that a few times in this process.

Guy: You do have to watch the bottom line, but what you've got to bear in mind is to look at examples like Tesco. Tesco makes a net of somewhere between 3-5% in a good year but do you think they're bothered when their profit is whatever it is – £13 billion? It's the volume. It always is and always will be the volume with many of those kinds of businesses.

It's the same in construction. If you look at Ray O'Rourke who bought Laing's, which was an old traditional building and construction business – Laing O'Rourke is probably now the market leader in the UK. He did that by buying contracts in the market he was in, i.e. through pricing with ridiculously low margins. He wasn't bothered by the margin. What he was bothered about was the volume because when you've got volume you've always got options. You can squeeze your supply chain for another 1-5%. You can push your margins up when you've got volume because people will want to do business with you. It's just a reality.

I suffer my largest customer because there's always the possibility of a big volume of business with them. If it wasn't for that there's no way I'd put up with the hassle that we have to put up with from them as a big company. No chance if it was a small client. That's the strength of the big company. There's always someone who will do work for them. That's how they survive fundamentally.

The goal is to get yourself to a size where people say, "Oh, I want to do work for them". Then once you've got that momentum, you've got clients that want you to work for them and you've got suppliers who want to work for you. You can make money in the middle.

Andrew: Interesting. *{Guy: I could see the lightbulb was starting to turn on}*

Guy: Once you're doing that it becomes easiest to turn your attention on finessing. Notice what Martin Sorrell of WPP has done. He grew a shell company, WPP, by acquisitions starting with buying J. Walter Thompson.

J. Walter Thompson wasn't a particularly successful advertising agency but it was massive. It had Ford and lots of other blue chip clients; that's why he bought it and then he bought Ogilvy and Mather, exactly the same scenario. They were slightly lumbering giants, past their best, et cetera et cetera but boy oh boy did they have some big spend going through their accounts. He didn't go and buy "Fred Jones Advertising Agency in Covent Garden". He went and bought the biggest he could get his hands on. If you look at what he's bought since then, it includes dozens and dozens of niche players.

Andrew: Oh really?

Guy: Yeah.

Andrew: So getting funding to buy the big ones, allowed him to get the cash flow to get the ones he really wants... the ones that have the ability, the talent, and the people.

Guy: And each player will always make more money; or they should. If you've got a truly niche company you should be making 30-40-50% profit otherwise why be in the niche? It's the big boys where you get the volume. You get lower margins but you get the volume. So if you've got the big stuff and then you're marking up the small stuff with the higher margins, then overall that's how you achieve group margin and a group multiple that makes you attractive either to float or to sell.

Andrew: So in that case then IT is very fragmented; the market of companies is huge. I'm aware of many elements; from people who host data centres through to consultancy companies like the one I'm working in, through to a variety of intellectual property holders who've written software. Those are just three major niches. You're saying don't even worry about it. If it involves something to do with computers just grab it into the conglomerate?

Guy: Just buy it.

Andrew: OK. And should the targets have a consistent customer, like only law firms or only accountants. Or rather, all business to business customers vs consumers – is that what you mean? Or do you mean, just go for anything that has a customer in the square mile of Canary Wharf?

Guy: I mean, if it's got on-going contracts and on-going relationships that tie in those customers – they're the ones that are gold dust. It's the same with contract cleaning. If you can bag those, you know that your contract lifecycle is going to be whatever – I don't know what it is in software – probably three years or something like that.

Andrew: Data centre hosting is 3-5 years. Software is quite often a year.

Guy: Well if you can get data centres then good. I used to run a business building and hosting customer databases and it was a bloody good business. I've often pondered whether to get back into it. So it's actually on our list of possible targets because I understand it and in a way it's kind of a facility service. That was good money, really good money. We used to do all the data capture and build the databases, provide all the reporting, etc. It's really just a bunch of computers and some clever people, but the margins were great. If you've got some experience with that or you've got maybe a service company like your consultancy that provides IT backup for bigger companies than they're worth having a look at as well.

The thing is when you've got that kind of stuff:

a) You're selling to a commercial market, which means it's much more attractive to funders and

b) It's contract based so there are easy, identifiable proofs of delivery within the contract, service level agreements and the like.

That's absolutely key to get funded so you can raise money out of the debtor book through our principal funding arrangements.

About the process of buying

I guess I would say the process is simple but it's not necessarily easy. There are simple, straightforward steps that you need to have in place but it's not necessarily easy to do. Because like anything that involves human behaviour, there are so many things that you wouldn't expect to happen. That's why my mantra these days is to expect the unexpected.

The methods of buying businesses will work whether you're expanding the business that you currently have or whether you're starting out in buying your first of many. What companies to target is clear: go for the industries that you have a passion for or the industries for instance that you already have significant knowledge in.

Potentially that leads itself towards the trap of being the guy running the business. My advice for somebody that has this contradiction in mind is the adage, 'Start with the end in mind.'

Like any good business operation, it's always a good thing to have a plan. I'm not a big advocate of huge, long-winded business plans that turn out page after page of statistics and detail because, ultimately, those kinds of documents just send up gathering dust. What I'm talking about is a very clear vision, a set of goals and a statement of what it is you're looking to achieve.

Then you can build that from there. For example, other visions and goals that I might have are, *'Three years from now, on x date, we expect to have a small group of companies with combined turnovers of an original 30 million pounds driving in their profit of 10% and we're working in the commercial property sector.'*

So in a nutshell we've categorized what it is we're <u>aiming for</u>, what is our <u>goal in monetary</u> terms and also <u>dates</u>.

That's our business plan.

That's the fundamental building block; that's the end in mind, if you like. Then we can work back from there.

In order for that to happen we need to have all the key elements in place and chief amongst those is working out what kind of people you need in your team to enable you to do that, because ultimately business is a team sport. I wouldn't be able to do what I do without having the right team around me. Believe me, in the past I've made some horrendous mistakes by not having the right people around me. It's such a key fundamental learning point but I learned it the hard way and I want to help people to avoid making the same mistakes that I've made where possible.

Why don't more people invest in businesses?

When I'm speaking in public, I often ask "Hands up those people that have a job. Now hands up those people that have a business and wish they had a job?"

I ask because it's not easy being an entrepreneur. It's hard, hard work and there are many times – I've been there as well – where you think, "Oh, why am I doing this?" You start looking at the job pages, you look at the job description and you think, "I can do that. That cannot be as difficult as this!"

Remember the reason that we want to be entrepreneurs. We want to have our own business that fulfils our dreams. And as always one of the biggest goals is (or should be) to achieve freedom – financial freedom and personal freedom.

I also think what we as business acquirers do is hard for people to understand. How we buy is counterintuitive.

In our society we are brought up to believe that rather like buying a house, you've got to have a big deposit and you've got to save up for the deposit. You then have to go find the property, you've got to negotiate on it, you've got to put that deposit down and then you're going to spend the next 15-25 years paying it off.

So for me to say, "I can buy companies for no money" makes people think, "Wow, how is that possible?" It's not something that you hear about on a day-to-day basis. You'll never read about it in the newspapers and to meet someone doing it is very rare. It challenges the norm; it challenges conventional thinking and that's one of the things I love about it.

What is the exit strategy?

"What is your exit strategy?" is an interesting question. Many entrepreneurs consider this question (and many business owners ask it differently, asking "Why am I doing this?"). I think it comes back to what I was saying before about starting with the end in mind.

There are quite a few people I've met along the way, some great entrepreneurs that I've had the privilege of talking to and sharing business experience with. Some of those people are very clear that they setup the company and groomed it from day one to be a PLC.

Taking that as an example, if you say that I'm going to create this business to be a business that's going to be floated, then there are some key issues that you need to understand about how you get your cash out of a PLC company. It's not as straightforward as simply selling your shares because inevitably, if you're going to float, you'll be tied into that company for a given period of time. Equally, a PLC can go up or down in value as well, so there are elements on both sides that you might want to consider.

It is possible to build your company to a point where it becomes a competitive thorn in the side of bigger competitors who may then want to buy you out. Again, grooming it knowing that it's ultimately going to be sold would be key if that is your desire.

The third option, of course, is to do what many people do. If you take, for instance, Richard Branson or Alan Sugar – they've built their businesses and they are still very active and still hands on in most companies. They have no intention of selling or moving on. The life of those companies has gone through lots of different phases along the way. Richard Branson's Virgin was public for a while and he bought it back. Alan Sugar has done a similar thing: bits of his businesses he's sold and other bits he's kept. Meanwhile he's stayed at the helm into his 70s. Sir John Moores was the executive Chairman of Littlewoods until the age of 92! He died at the age of 97 leaving an estate worth £1.7 billion.

So it's wrong to think of a business as being one particular entity you decide on when you start, because you can't always tell how it's going to pan out. What you can have is a very clear set of goals and a vision as to how you want that business to look. Like most things in life it will then evolve.

The big 'Why?'

Going back to the first question – why would you invest in businesses? Ultimately, if you get it right, the answer is because they'll give you a fantastic lifestyle.

When I was struggling with goals – as I guess other people do when they first start to look at goal setting – I got my head around the idea of goals and visions but there always seemed to be something missing.

Then one day I sat in the audience doing some personal development and the man on stage said you could have all the goals in the world but if you don't understand the 'why', you'll never achieve the level of motivation needed and take the level of action that you need to succeed if you don't know why. And your 'why' has to be about more than just you, it has to do with defining your purpose in life. Unless your purpose, your 'why' is external, you will self-sabotage yourself at some stage.

That was a really quite powerful and simple lesson that hit me.

I guess I went away with the personal question, "OK, what exactly is my 'why'?"

I can now say my 'why' is three things. Firstly it's personal satisfaction; I don't think there's any point in denying that. Secondly it's creating a certain lifestyle for my family, and me and creating a legacy for my family such that I'll never have to worry about the future for my daughter. Lastly, there's also a big element now that I've realized, which is I want to pass on my experience and my learning and my knowledge to other people and in particular young people. The second and third are both external.

One of my goals is to sponsor a foundation where we can help young people to get on to the entrepreneurial ladder earlier in their lives. I've just turned 50 and I wish I had been taught some of the things that I know now 20 years ago. My life would have been immeasurably different.

Those are my 'whys'. Everyone will have different 'whys' but they are really clear when you get them right.

Visualisation technique; The "80 Be, Do and Have"

Take a large piece of paper (ideally A2 or bigger) in landscape. Starting in the top right hand corner, write down the date of your 80th birthday.

*Underneath, write "Be", "Do" and "Have" with big gaps between them. With a mix of coloured pens write and draw what you project yourself to be, do and have at the age of 80. Make ALL the possibilities as BIG as possible. This is **your** perfect picture, no-one else's.*

It doesn't matter to me or anyone else whether you plan to have a £multi-million fortune tucked away or live in a shack on a beach so long as you have a clear visual.

Then go to the left on the sheet and write the date of your birthday that falls a quarter of the time left between your 80th and today. To make the numbers easy, if you are 40 now, you will go back to your 70th birthday. Do the same (Be, Do, Have) but this time working out what you need by then in order to hit the visualisation expressed at 80. You would have to be well on your way by then!

Then go to the left again and the date a further quarter back (using our example the date of your 60th birthday). Same again...Be, Do and Have. This time, focus on where you would have to be to hit the 70th date targets.

Then go to the left again and the date a further quarter back (ie your 50th birthday). Again, focus on what you would need to be, do and have to hit your targets for 60 years old.

*Lastly, go back a quarter between now and that last quarter (an eighth overall). This will be your immediate goals. I can almost **guarantee** that what you find now will mean you could achieve a whole lot more by 80 or retire earlier than you thought! If not, get in touch!*

Chapter 4 - You can buy businesses with none of your own money

Remembering that I have said you can buy businesses without cash, I'm going to share with you what I've done personally and it's something that anyone reading this book can do with the right tools and the right knowledge.

I have grown businesses, started and developed by acquisition, without cash (other than living expenses).

How many people do you think would be interested if I said they could do that without needing large amounts of cash to do so? Surprisingly at first, not many people, because it is simply too alien to them. Once they understand the system then they often become immensely fired up.

The secret really is all about understanding two key areas:

Option 1 – how to leverage the value in a business

At their heart, the principles of acquiring companies without cash are really based on what's called vendor-financed deals or leverage. I'm sure everyone's heard of leverage in the news. In principle there's nothing wrong with it if it's done in the right way.

The way to think of it is this: most small businesses, owner managed businesses, are in reality a lifestyle company. They are setup and run by the owners to fund their lifestyle. There's absolutely nothing wrong with that at all. The vast majority of small owner managed businesses spend their entire lives in that state.

The issue, of course, for the owner manager comes at the end of that lifecycle, whatever that life cycle is – whether it's retirement, whether it's that they get completely fed up with the daily struggle of trying to run a business, or they become ill, or they get divorced – there are a million reasons why people reach a point where they need to move on. Then comes the problem for the owner because a lifestyle company isn't publically traded. You get into all sorts of issues about how to value that business and how to sell it.

Therefore I look for highly motivated vendors – people who have a really good, burning need to sell their business. There's often nothing wrong with the company but if you need to sell something that isn't publically available then there is rarely a liquid or easily accessed market.

What we do is look at the assets the company has generated over the course of time – it could be cash in the bank, it may be property, certainly the debtor book, the volume of the customers it has, and then the contracts. We look to create a package where can extract the value of that, in which we go back to the vendor and negotiate. We look for ways of returning sufficient working capital to the business for it to move forward. We also look at things like the quality of the second tier management or the quality of the people that are there in the business that the vendor's going to leave behind.

If those key ingredients stack up then we have a way of using the assets and the quality of the business that's been built up by the vendor to pay for the deal. So the vendor extracts their cash in the most tax efficient way and we acquire a business without needing significant amounts of money.

Effectively, I am using the money in the business – whether that's from debtor books or whether that's from cash or other methods – to pay the vendor to buy the business. In a sense I am paying them with their money.

Option 2 – acquiring a "distressed" business

This is the alternative method where there is still a highly motivated vendor but more because the business is in some kind of trouble. This could stem from poor management, or unexpected losses leading to cash flow problems, or sudden loss of contracts or key staff... any number of situations can apply.

With the right kind of financial engineering and restructuring methods using insolvency and company law procedures, a business with an otherwise bright future can be rescued and the vendor given the opportunity to walk away or take part in a reinvigorated business.

It is interesting when you talk to business owners. Quite often you'll see a business advertised and the broker or the accountant will have a rundown of how they value the business and a starting point for negotiation. It's very interesting the number of times that the vendor will try to remove the cash element in the deal, the cash that's in the business. Of course, if it's a limited company like most are, the cash actually belongs to the company. You have to understand the psychological/emotional connection between the business owner and the business's cash whilst gentle pointing out the facts. Not surprisingly this happens more with cash than any other assets the company might hold.

What we point out to people is they will only pay 10% in tax rate when they sell their shares worth up to £10million. Therefore, the cash, which is an asset of the company, is far better off and far more tax efficient for you than if you take the cash out as a dividend or by some other means. The tax rate for many of the vendors we meet is at 42.5% so if we help them to pay only 10% how happy do you think that might make them feel? So you have to go through an interesting process of sometimes educating, sometimes cajoling a vendor as to the more attractive, effective way of using the assets that are in the business. The ethical win-win part is that helping them get the lower tax rate allows you the ability to buy a great deal without your cash.

What are the business's assets?

By that I'm talking about what we look at when we consider a business as a target of acquisition. We're looking at a number of things. We're asking does it have cash? Does it have assets (and by assets we're talking about both tangible assets like property or equipment without a mortgage, and other assets like a really strong debtor book – money that it is owed by its customer base?). Is their customer base solid or is it lots of unknown organizations that may or may not pay their bills?

An example company – one we looked at recently – had quite a lot of cash and owned the property they operated from. It had a strong debtor book and a good history of consistent payments. It had on-going contracts with its best customers. That's a really perfect company to go for because you can leverage the value of those assets and use the assets in the business to create the cash that you're ultimately going to use to buy the business off the vendors.

Be warned – vendors of companies like that have a strong emotional attachment to the cash and may still believe you should put cash in first!

Non-traditional assets that also work

On the other hand, if those kinds of assets are not available the other great opportunity is the deferred program.

So let's say the business has been going for some time, we looked at one where the company had been going for 25 years but had no real assets. It was what we call a lifestyle company… it had given the owner a good lifestyle and they had reached the point where they needed to retire.

They didn't really have any assets that we could leverage so in those situations we say, "You want to leave. You want to get something for what you've created but the only real value the business has is goodwill."

So what we'll do there is offer a deal where we pay the vendor over a deferred period so we acquire the company, take control and then use the company to generate the cash that we will use to pay them out. It's as simple as that.

Simple but non-standard financing methods

Vendor-financed deals are great because we do not need to have a pile of cash to buy the shares. This is where the vendor selling the business becomes our bank lending us the money to buy the business. We pay them an interest payment and at some time in the future we pay off the capital.

Confidential invoice discounting vs factoring

Confidential invoice discounting applies where the customers of your company don't know you're factoring. You borrow against the debtor book but it's not collected by the finance company. Having sold the value of the debt to the funder,when the bill is paid by the customer the money is paid into, effectively, an escrow account; a number two account to your name that the funder controls so the client isn't aware that you're using funding. Factoring is where you sell the debt to the finance company which in turn collects the cash from your company's customers directly.

We normally use some form of invoice finance in arranging the purchase of our target companies where we are approaching the deal from the Option 1 approach.

When doing the due diligence your most important question is establishing the quality and value of the trade debtor book (what your target company is owed). You use that figure to go to the funder and borrow against that, having the money made available for the purchase.

You'll get funded on the outstanding debt at the moment of purchase so let's say at any one time you're running a ledger of £5 million for argument's sake. You'll find funding somewhere between 60-90% of that £5 million so you can have an advance draw down on that ledger. This is called accelerating your receipts.

Instead of waiting for that cash to come in eventually, you draw down the cash immediately from the funder. You use that cash to buy the assets of the business or to buy the business together with the cash they hold in the bank.

So, for example we looked at a company in 2010 which had £400k cash, they had property worth £500k and they had a debtor book of some £250k so we could therefore raise around about £700,000 comfortably for the initial payment and still have plenty of working capital.

That's the cash and a debtor book of say £188k – round figures – and a property worth £500k (that gives £350k mortgaged) – so you've got nearly £1 million to play with.

The offer became £1.1m for the business with £700k paid on the day, leaving plenty of working capital in the business to pay wages, taxes, et cetera and then the business was cash generative as well. Then as we make sales we bring the cash forward as well. So the balance is the "deferred" portion paid over the next 24 months.

Bringing in the cash early means that the day you issue the invoice you get 70% or 75% so you are cash flow positive from day one rather than having to wait for the cash to come in from standard terms of maybe 30 to 60 plus days.

Remember, it's still confidential invoicing and not factoring. Any established business with a track record has no need to do factoring. The vendor selling the business will be less concerned because the customers also never know. With factoring though, it's immediately obvious to customers and can set off alarm bells where none are needed.

Besides, it's cheaper to use confidential invoicing because you're only paying for the borrowing. You're maintaining your own cash management systems and your own accounting systems.

Of course, your financial reporting has to be robust for them to lend.

In other words you have got to have good, reliable systems and the lender's got to be confident that it will stay solid. You will not pay as much because you're not paying for factoring's cash collection service, which invariably is poor simply because the funder is not as close to your customers as you are – never give up management of your ledger!

Secondly, the benefit is that the clients are not aware that you're doing that as well. There's still a bit of a stigma to factoring and invoice discounting.

With factoring, you don't want them to think "One minute we have a normal relationship… Now these new boys have come in and suddenly they're invoice financing. Does that mean they're in trouble?" It just keeps everything below the radar.

The bankers that can do this are part of the power team I talk about.

Personal fees – a bonus for you

By the way, in almost all of these deals we were able to generate a fee for our own company out of the deal so we earned cash in our pockets at the point of completion, which is our reward for organising the deal. That can confuse people new to the process. However, since my group is buying the company, any work I do to help the transaction can be paid as a fee. This fee can be any amount you choose within the limits of the business and your expenses as well.

Chapter 5 - There are plenty of motivated sellers who will sell you their business

I have been asked how I spot people who are willing to sell their businesses for less than it's worth. Firstly, it's not so much that they're selling for less than the business is worth. It's more a question of reaching an accommodation with the vendor, and any business is only worth what someone is willing to pay.

Buying businesses with my system is about both sides understanding that there is a reasonable, fair price which is a proper representation of the deal.

Take it back to the analogy of a house. Everybody that sells a house is going to hope for and aim for the highest possible price. They're going to look at houses in their neighbourhood that have sold at the top of the market and that's going to be their starting point. Maybe the decor isn't so good. Maybe the windows need replacing. Maybe the reality of the property is just not as attractive as it could be.

It's similar with a business really. The people will start out with the hope and the aspiration of achieving the top price and your job as the buyer is to guide them and get them comfortable with the idea of the deal you bring to them. Such that they realize and they accept that it's not the case that you're trying to beat them down but actually you're educating them that this is the best deal that they're going to get.

Many companies go on the market, particularly through brokers who will start off saying, "Yeah, Mr. X, your business is worth £1.2 million. List it with us and you'll get that much" and in reality it's probably nearer to £600,000. We have good relationships with business brokers but unfortunately our experience is that they almost always create unrealistic expectations in the minds of the vendors.

So you've got to get people from their artificially high expectation to the reality of what the market will pay, what you're willing to pay and what your backers are likely to be comfortable with as well.

There's a fine art to massaging the expectations and building the relationship with the vendors.

The other thing to bear in mind, of course, is what we try to do is to reinforce or give people the comfort of knowing that we're not out to destroy the business that maybe they've run for 20-30 years. People invest a lot of emotional capital in their business; it's their baby and they don't like the idea that someone will asset strip it – even though they want to get their money out.

It is often a values conflict where sometimes the seller is more worried about the business being OK after they leave than the money. They will wonder if you are going to look after it. Are you going to nurture it after they're gone? Will you look after the staff they hired and have worked with for years? There are a number of key elements that come into play in terms of getting the best fit out of a deal. For the seller, it is rarely just about the money.

How many leads?

When looking for possible purchases, you need to be looking in an industry that you know about or are passionate about, but also one at least in the hundreds and ideally in the thousands of possible leads.

Like all prospecting, it is a numbers game.

Without that many it is a problem. To acquire businesses with my system you need to have a sufficiently widespread motivated target audience. The best motivations are the classic ones of retirement, ill health and change in personal circumstances – these are the classic reasons. They create the right kind of motivated seller. By definition, there needs to be quite a big universe of prospective companies for those circumstances to apply in sufficient numbers. Needing 1 or 2 thousand leads pretty much leaves out niches.

The other thing you got to be aware of as well is you really need a growing market. You want to be buying into businesses that have the opportunity for growth. The problem with a niche is that if, for instance, you find that the niche businesses are up for sale in any kind of quantity you then got to ask yourself, why? Is that market dying? Is it changing? Are people bailing out because it's disappearing down the tubes? Are massive competitors about to kill their advantage? You don't want to end up buying 50% into a market that's dying.

How much renovation is needed?

I don't seek to turn around a business, or to do major work restructuring it (unless we are approaching the deal from Option 2, i.e. distressed companies). I do aim, however, to install robust business processes and we always look at whether we can improve sales and marketing or leave that to a subsequent new owner if we are selling on in due course. This is almost always the weakest part of any business and the one that can most readily be tackled without vast cost, working with our partners. If it were a property, I am not looking to buy something where the roof needs to be completely replaced or the foundations re-laid. What we're looking for is probably something where a lick of paint, fresh carpets and a better presentation is going to improve the prospects of that business.

Second tier management

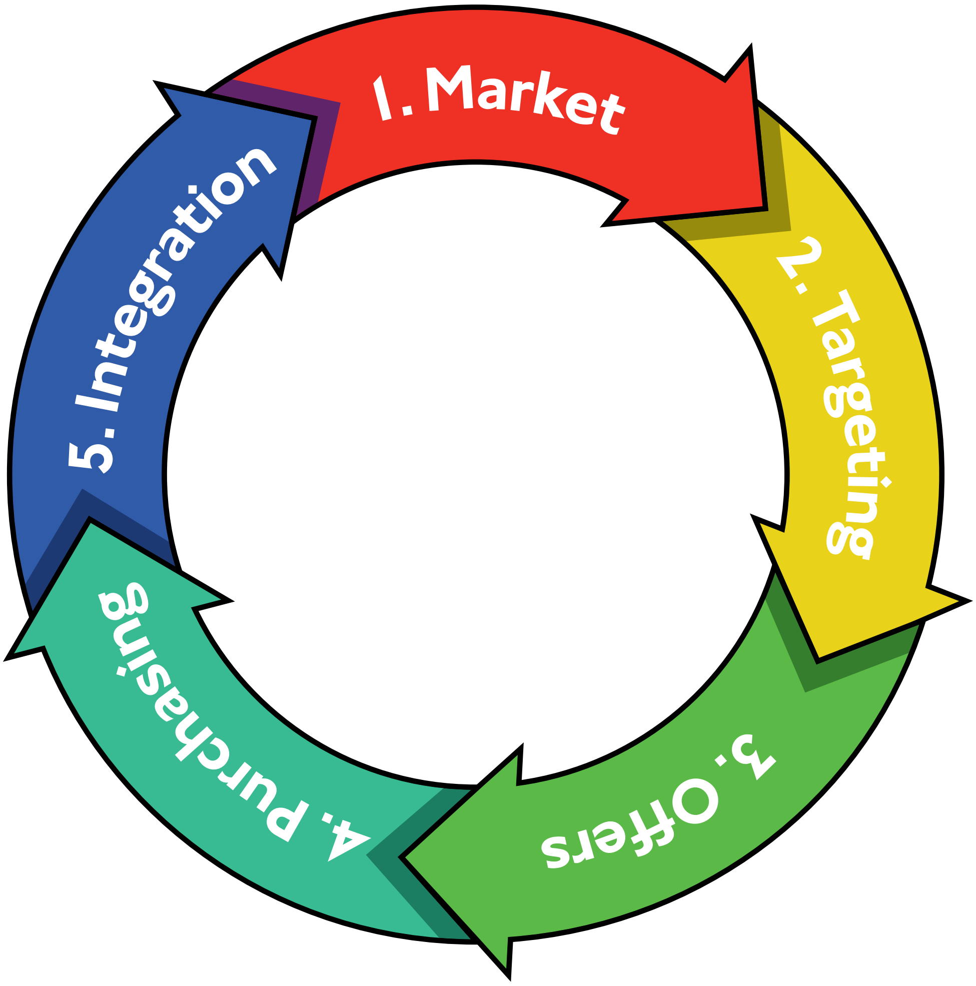
In the ideal businesses, second tier management are effectively the people that work for the owner. They can run the business for maybe a month or three without them, but after that it will start to suffer, perhaps through lack of direction or leadership or simply drive and energy. They need to be semi-autonomous.

These are typically the people that don't want to own a business or be directors but they're happy to run the day-to-day. They are always going to want someone to provide the leadership, and ultimately, the risk capital – the responsibility for ensuring the business is funded and their wages get paid at the end of every month.

It may seem strange to you and I (as people who aspire to something bigger and better) but the vast majority of people are not comfortable with the responsibility of business ownership. They are locked in the belief system that you have a job until you're 65 and then you retire and you die a few years later. That's their mindset.

So it is the existence and quality of the second tier management that I am looking for in any business I investigate to buy.

Chapter 6 - The 5 steps to buying good businesses without your own money



- Step 1 – Choose your **MARKET**
  - A fragmented, mainly owner managed industry
  - A market you know about or have a passion for
  - A growth sector

- Step 2 – **TARGETING**
  - Brokers
  - Direct marketing
  - Networking (influencers)
  - Outsourcing

- Step 3 – Analysis and **OFFERS**
- Step 4 – Sale & **PURCHASE** Agreement
- Step 5 – Post Acquisition **INTEGRATION**

7 golden rules for investing

1. Always buy below market value from motivated sellers, wherever possible.
2. Buy for cash flow.
3. Buy a business with growth opportunity – locate many good deals and turn them into great deals using everything you're about to learn.
4. Buy owner managed companies in fragmented industries.
5. Invest for the short or medium term with the end in mind – I teach my mentoring students how to exit by a private sale or an IPO. This will give them a cash buffer.
6. Don't run the business yourself - put an excellent manager in place and have a team to run it for you.
7. Fund using someone else's money.

Basic questions to ask a vendor

The basic questions you want answered up front are:

What's its turnover?

What's its margin?

What contracts does it have?

What sort of client base has it got?

How long has it been trading?

Next, I will want to see 3-5 years' accounts. I'm not interested in start-ups as they are too high risk. I want to see the accounts filed at Companies House and their current management accounts.

I am targeting a turnover of £½ million to circa £6 million. The reason for that is threefold. One, it's a size that we can cope with and absorb realistically. Two, this size fits the funding model and three; we'll be able to convince vendors that our approach is viable.

Be warned – some of the companies in the £3-6 million bracket may well have a finance director or possibly an outsourced accountant (who won't have an entrepreneurial bone in his body) who is probably going to ask lots of questions which may worry the vendor but make the adviser seem terribly clever. In my experience, these characters are part of the "Deal Prevention Police". They become obsessed with questions about the deal or the financing and lose sight of the point of the deal in terms of releasing the vendor and giving them more cash than they will ever have as an owner. Remember, most owners' exit strategy is a 6" pine box (in other words, they have no real idea about how to craft an effective exit)!

Buying turnover

One of the problems with what we do is it's very much against conventional thinking. Even at my level of thinking I've had vendors who think that you're going to come along with a bag of cash and say, "Thanks very much. Here's a big bag of money. Thanks for all you've done. You can disappear to a tropical island and I'll take over your business without any fears about the transition and whether I'll get my investment back."

They're completely unrealistic in their expectations.

Imagine yourself as a high net worth individual having earned your money the hard way and you had a lot of cash safe in the bank (not that you would as most would be tied into investments); why would you give that money away to somebody whose business you really know next to nothing about? You'd be looking at their accounts and hoping that they're telling the truth, when the reality is they're going to tell you everything that's good about the business and gloss over what's bad about it.

So the bigger it gets, the more complicated that process is going to be. If you think about it – the first company I bought was producing sales of £1.7 million and the guy asked no questions. He was just desperate to do a deal. I came in, I helped him restructure, I helped him refinance, I tidied up his business and I gave him a future. He had reached a point beyond his level of capability so it was the perfect deal from that point of view.

Now imagine if I bought three companies like that and I did that in six months so £1.7m x 3 is roughly £5 million. Let's say, conservatively, we're throwing out a net cash figure of 5% - you just made yourself £250,000. So what do you want to do with £250,000 (after judicious investment in the businesses)? If you simply took a nice dividend and then sold them for a further six figure sum, in return for say 9 months' work you could earn in the region of £250k after the tax is paid. How many jobs will pay you that much in 9 months?

Seriously, that's it. Don't worry about starting with targeting a bigger company with a £5 million turnover when you can generate that kind of money. However, once got yourself a £5 million revenue business and you start to approach companies of a similar size they're going to take you seriously. So it becomes easier and easier to bag the bigger deals and you gain momentum.

And there are a lot more smaller companies than there are bigger companies by definition - small as in half a million to two million. It's just the nature of the SME market.

Making margin

Margin performance depends on the market you are in. Clearly different types of companies will achieve different margins. Traditionally, construction companies and large retailers will struggle to achieve much between 3-5% net. However, when we ran database management services we made a double digit net profit. It just depends on the market you choose but it an important element for you to consider.

I think the key issue is that your target industry is making a net in excess of 5% in order to get a return for you after deal costs. As you bolt the companies together you should be able to improve the margin through efficiency savings. You only need one accountant to do all your accounts.

You only need one accounts department to do all the financial accounts recording and reporting (depending on how it's set up and where the companies are). Slowly but surely you can drive those sorts of efficiencies.

Tied to margin and turnover are the quantity and the quality of the contracts.

Are they annual rolling contracts?

Are they renewable?

Are they subject to regular price reviews, regular tendering?

Is it closed tender?

Is it open tender?

If you lose the contract do you TUPE the employees?

If you lose the contract are you left with staff or can you get rid of the staff at the same time?

What is the yield value of the contracts? Meaning, if they are with a bunch of one year old companies then the value of those contracts is less. If the contract is only 3 years as opposed to 15 it is also less.

An example to help set your expectations

Hopefully this is where it starts to get interesting.

If you were to start a business (as opposed to buy a business) and you had three different expectations as to the size of turnover you might achieve in each of the first three years, let's see what that might look like (I know there are lots of different expectations or "comfort zones" of people reading this, hence the three examples).

Let's take three examples of sales revenue you might aspire to in your business.

Example sales	Year 1	Year 2	Year 3	10% net profit after tax
Company A	£100,000	£200,000	£240,000	£19,200
Company B	£250,000	£500,000	£600,000	£48,000
Company C	£1,000,000	£2,000,000	£2,400,000	£192,000

If we were to achieve 100% growth in sales in year 1 then you can see your numbers would be quite satisfactory. That is quite a nice return and a lot of small businesses can achieve that with a lot of hard work and luck.

What happens, though in reality is that it becomes much harder to sustain high growth rates, perhaps only 20%. But even so, that would still be quite satisfactory.

Here's where it gets interesting. When you look at the 3-year profit figures – by the time you take out all working capital and expenses and not to mention toil, sweat, trouble, worries, sleepless nights, et cetera – you're likely to think, "Hmm, was it really worth it?" With an impressive 20% again for the 3rd year the end results for the three companies are now quite encouraging – but don't forget all the hours and hours of time and stress used up to achieve those figures over three years.

Instead, how about something like this?

Acquisitions	**Year 1**	**Year 2**	**Year 3**	**10% net profit after tax**
Company A	£500,000			£40,000
Company B	£2,000,000			£160,000
Company C		£2,500,000		£200,000
Company D		£2,500,000		£200,000
Company E			£3,000,000	£240,000
Company F			£3,000,000	£240,000
Total revenues and cash			£13.5m	£1.08m net cash

I think you'll agree that net cash of just over £1m is more appealing than £192k for the same amount of time spent.

Now it's true to say that it's likely that quite a lot of that cash may be spent in paying to vendors the deferred elements of the deals that you do but it's still likely that you will have more cash for yourself than in the first, traditional, model. Even if you only pay yourself wages in that period (which is perfectly ok), you will then enjoy the benefit of that cash after you have cleared the deferred portions. Now that is exciting!

Ask yourself, how would you feel if instead of those three years of hard toil starting from scratch, in six months you were to go from, say, £0 to £2.7 million turnover? And in the process bag £90,000 post-tax cash off those deals, as well as the income from the ongoing business. Would that be preferable? That is what I achieved with my then business partner in our first two deals.

Chapter 7 - You should buy businesses ethically for a WIN-WIN solution

I have a strong element of ethics involved in how I buy and run businesses. I do this for personal and pragmatic reasons.

My own personal viewpoint is I don't want to do a deal where the other side feels beaten up at the end of it.

One of the first deals I ever did was actually a negotiation on behalf of my then boss. I still recall vividly how we were sat in the offices of our lawyers ready to sign the sale and purchase agreement and the other side suddenly announced they wanted 75% of the shares not 50% or the deal was off! Of course, by then, my boss had mentally spent his money, had committed to all sorts of plans and next steps and was deeply into the deal. So he signed. But immediately it created bad feeling and I believe it set up the deal to fail in the long run.

This doesn't work if you have a strategy of trying to get one over on the other guy. I don't believe that's the way forward.

Acting ethically can sometimes leave a bit of money on the table but ultimately if the deal is done correctly, you'll still win handsomely out of it. You don't need to try to be that cut throat, ruthless businessman that's fictionalised in a lot of films. There is no need to be like that.

On the other hand, I am not saying say that you have to be soft, weak or unrealistic. You certainly have to be willing to ask for the price and conditions you want and to walk away from deals that don't work for you. At the same time you don't have to set out to stiff people. It's far better to have, I think, a happy outcome and a happy relationship with the vendors.

In our case many of them stay within the business in one form or another, either working in the business or as a consultant for a period of time. So it really doesn't make sense to have them feeling that you got one over on them. That's not the way forward.

For instance, the critical thing and the ethical approach that we have is to find the best solution for me because I want to make money, but also a good solution for the vendor as well. It's not about me beating up the vendor and getting the cheapest possible price. For several vendors we have worked with, I have helped them to retire.

It is worth remembering that buying in this manner is a people business. A lot of it is about the relationship that you form with the vendor and how well you get on with them and how confident they are about you. A lot of it is being done on trust so it's a two way street. You can offer some vendors a great offer and for whatever reason they will not accept.

You also have to be careful as the buyer that you're not being sold a pup.

I've made that mistake. I did a deal, I bought the company, and I paid the vendor £350,000 on the day and that was basically enough cash for him to complete the development of his property abroad and that frankly was all he was interested in. After the deal the business started to tank. I also made a big mistake in the due diligence in not checking the longevity of one of the key contracts – another painful lesson along the way!

Quite often we're looking to acquire companies where we keep the vendor onboard, if nothing else for a consultancy period, because they know the clients. It's slightly different with something like contract cleaning where really the business owner is not as close to the clients as the people delivering the service on the ground so if the cleaners are good, that's all the client or customer is concerned about. Does the cleaner show up on time? Do they do a good job? They don't really ask who the ultimate owner of the business is.

In a sense building maintenance is the same. If you've got a team of operatives going out fixing things – so long as those people turn up on time and do the job well – that's all people want.

So in certain circumstances it's not as important whether the vendor stays or not. Like I said before, it's the second tier management that counts most. If the second tier management in reality run the business then you're better off getting rid of the owner because they'll just be in the way (and you will want to introduce your own culture and values to the business over time).

But in other circumstances you need them around.

Every deal is different. The process is the same but the way that you close the deal and the relationship you have with the vendor; that's unique each time.

There are certain things that you can and should do to make sure that it's done effectively and properly and that as much as possible it is a win-win. You have to approach each one almost as a fresh deal but just using the same techniques effectively.

Chapter 8 - How to make personal cash flow from your acquisitions

By now you might be curious about how we get cash out of the companies. First of all, what makes a good business investment here?

As I said before, we look at the assets that are in the business. We look at the profitability. We look at growth prospects and we look at the cash flow. Cash is king.

Does the business generate good amounts of cash?

What working capital does it still require post deal?

If it's generating the kind of cash that we're looking for then we have a tool that tells me how much cash I can personally take out of the deal.

We always bring in our structure when buying. By doing so, we charge a fee back to the company we are buying through the holding company buying it. There is always a cost of the deal that we factor when buying. When I do the number crunching to work out whether the deal works and if so what numbers are going to fall out of it – there's always an element to it which is a charged fee. That's basically paying me for my time and giving me a personal income.

Remember, I am buying an asset; when you buy you are acquiring an asset but also whenever possible, you should always be looking to pay yourself out of the deal as well.

Chapter 9 - To make the best investments you need to know what you are doing

I have been asked how I deal with risk.

Like any investment or business decision, you have to weigh up and calculate risk. If you do the planning and you work out the numbers and you look at the quality of the company that you're potentially buying then there are a number of key steps I will take to de-risk the deal.

It is easier for me take you through how to de-risk it in person but suffice it to say risk can and should be broken down into elements. Some examples to illustrate how you should look at risk:

- If you buy a distressed business company for £1, your risk is very limited indeed. If your rescue doesn't work and the business folds (which it would have done anyway) then your risk is £1 (unless you introduce debt which should be carefully structured and protected anyway).

- If you use invoice finance then you should be covered either by the quality of the debtor book (i.e. the customers) and possibly trade insurance to cover the debt in the event of default.

- If you have to close a business you run the risk of reputational damage and possibly legal costs (again the latter should be negligible if at all). Reputational risk is a subjective matter in truth – clients rarely care about insolvency so long as their goods and services are still provided and suppliers will often be very flexible and accommodating and take the long term view of trade. Banks are the most hypocritical in their stance to failure, given their history since 2007 but these days there are many more funders out in the market place more interested in the quality of the deal than history.

Do not be put off by "risk".

To assist you with understanding this a little further, here are some case studies of completed deals, where the risk is assessed on the merits of each case.

Case Study – electrical contractor

How did I find them? Business broker.

Reason for sale? The owner was overwhelmed with problems, including bad debt and especially trying to collect money owed.

Acquisition method. We used invoice finance to access the considerable cash tied up in the debtor book which was released to us via dividend after a 100% share purchase. The vendor received a six figure sum on the day of completion then deferred payments based on his forecast of sales. We improved paper processes and contractual documents, completed the renovation of a property owned by the company and moved the team to a better location. Additional working capital was raised through a commercial mortgage on the now completed property.

Where is it now? We sold the business back to the vendor because he wasn't achieving the sales figures promised, having stayed on primarily in that role.

Benefits and lessons learned: It was my second deal and very enjoyable. To acquire decent revenues for no money in of my own was exciting and we were able to achieve income from the deal also. We acquired tangible assets and improved them. The main disappointment was that we didn't keep the vendor focused on sales – he received a large chunk of money and took his eye off the ball. So we exited with a further payment and left him with a much-improved business to take forward.

Case Study – electrical contractor

How did I find them? Referral.

Reason for sale? The owners had tried to sell the business but the deal had failed. The two owners had fallen out and one had gone to Spain. The remaining owner was losing business (recession and poor management).

Acquisition method. This was a distressed purchase for £1 and the vendors paid off their own overdraft with the bank. We purchased the shares having completed within 3 weeks. We introduced invoice finance to access the cash tied up in the debtor book which was used to increase production and improve cash flow overall, allowing some large contracts to proceed. One of the owners stayed on with a service contract to handle sales and some client relationships. The business started to make profits and all creditors were paid up within seven months.

Where is it now? We found out that the owner who stayed was the liability to the business (a lesson in more careful due diligence in who to talk to during the process). After the initial successful period, sales fell back dramatically and it was liquidated having ensured the funder was paid out.

Benefits and lessons learnt: It was a great experience in acquiring a distressed business and like the example below, we learnt much (all in roughly the same 18 months) about the nature of people and teams. The risk was completely minimised throughout.

Case Study – heating & plumbing

How did I find them? Business broker.

Reason for sale? There were two owners, one of whom was desperate to retire and the other did not want to be the sole owner.

Acquisition method. The business had a strong balance sheet and over £1m in cash. We agreed a sale value in the region of £1.2m and used a procedure whereby the assets of the company were leveraged to our Special Purpose Vehicle (SPV) company to pay out over £800k on the day of completion to acquire the shares. The balance of cash was then paid monthly as a deferred payment. Our goal was to integrate this business with electrical services but it became apparent that the remaining owner who was now on a service contract did not share the vision.

Where is it now? We sold the business to investors with the approval of the former owners.

Benefits and lessons learnt: We received good income from the period of ownership and importantly could leverage the trading history to generate additional contracts. We also learnt lots more about the challenges of integration. We could have sold the business earlier for a higher sum or we could have changed the management team earlier to improve results.

Chapter 10 - You don't have to do everything on your own

I have mentioned a couple of times that you don't have to do this on your own. In fact, I go so far as saying you are crazy to do it all on your own.

Who then is in my team?

Well, taking it from the top – one of the important elements I think you need is to have a **business mentor**, someone who's been there and done it and got the experience. I'm very lucky; I have a great guy – Dr. Colin Winsper. He's my Chairman. Colin has a great track record in mergers and acquisitions for PLC companies. In his time he's worked with and advised lots of smaller, owner managed businesses and he advises me on the strategy that we have for the company as a whole.

In addition to that I have a great **lawyer**, a professional who's got great commercial experience. He's very straightforward, very focused on the commerciality and not on the legalese and certainly does not engage in "one-upmanship" or point scoring with the lawyers for the vendor (and that's crucial to avoid).

I have great relationships with **financial backers** that we use where we need to leverage deals.

I also have another adviser, what I call **a grey beard**, a fantastic guy who's one of the world's leaders in Kaizen, the Japanese word for Continuous Improvement.

So it's important to surround yourself with non-exec professionals who can double check the process and make sure that you're on the straight and narrow.

Then in addition, of course, you have your **accountant**. We have a very good commercial accountant who is always willing and able to run over my numbers to double-check my calculations and advise on tax issues as well.

It's always great to spend as much time as you can identifying and mixing with people with whom you can share experiences.

I've gone out of my way to find people that have been involved in deals whose knowledge will allow me to sharpen myself. This one particular guy who I met set up a number of companies but also explained his approach in such a way that I got some great insights talking to him. You'd be surprised the number of people who are willing to share their experience with you as well. Once you start to ask and once you start to look around, very often these great people will be quite happy to share that knowledge and experience with you. This is invaluable.

Personal Development

When I first started I was very focused on the process and the methodology but I think, more than anything, as time goes by, you realize that 80% of what you do is about mindset.

The process itself is easy to follow but if you have the right mindset then you can achieve a hell of a lot more. The mindset part is really a function of how much personal development, how much time and effort and money you put there to put into the learning from a whole range of different people with different experiences that can share lots of golden nuggets along the way.

I've certainly spent time and money doing just that. I've had a series of coaches. I started my coaching experience with Robert Kiyosaki of *Rich Dad, Poor Dad* fame, that led me to Simon Zutshi, who's a great proponent of personal development and someone I admire considerably. I've also been part of a Mastermind group with Nigel Botterill, one of the UK's top entrepreneurs.

I currently work one-to-one with Terry Gormley, the Mind Shaper, and as well as being my coach Terry has now come on board as a key part of the Business Buyers Club team. This means our members get to benefit from his unique ability to transform the way you think, transforming your results in the process.

An important person to mention is a business coach and I very strongly urge people now embarking on this particular process to make sure that they've got a **business coach**. Simply, at the very basic level, to look over the structure in the organization that someone might be putting into place.

If you haven't done that before then the business coach will help you to put the processes together that will ensure you can work on the business and not in it. That's critical to long-term success.

Just to reiterate that even though I have done this before with my previous businesses and even though I have been quite successful at this I still have a business coach for myself.

Chapter 11 - How to learn more about successful business investing

I've been surprised how many people have asked me questions about what we do and for advice on how they might do the same. Ultimately, that's why I ended up writing this book, because so many felt I should share my experiences.

So I have created a number of ways in which I can share my experience and knowledge.

Firstly, we run a series of Discovery Days where we give you an introduction to how to buy businesses. You will be able to come away with enough basic knowledge to start down the path yourself.

Secondly, we run three separate programmes to enable you to learn my system for buying businesses in much greater depth:

1. The Business Buying Blueprint

   The Business Buying Blueprint is an online course for serious entrepreneurs who are looking to buy their next company in the next 6 – 12 months. Working through the course modules in your own time, you'll have all the information and resources you need to acquire your next business and maximise the value from your acquisition.

2. The Intensive Programme

   This revamped 3-Day Programme is about much more than learning the "theory" behind acquiring businesses. As well as covering the full 7-step blueprint for buying businesses - the complete strategy that helps you acquire a company as an asset AND explains the process to follow once you've made your acquisition – you have the opportunity to start the business-buying process while you're with us.

3. The Elite Programme

   This is our exclusive, invitation only 12-month programme. I work with a small group of entrepreneurs each year, who get my dedicated time and focus at our monthly mastermind meetings and via regular calls and one-to-one support. The goal is 100% success with myself and the team aiming to help everyone on this programme get a deal under their belt within 12 months.

All three of the above programmes aim to enable you to complete your first deal within six months, though you can work as quickly or slowly as you like.

On all of our programmes you get everything you need to know to find and acquire businesses.

You'll also learn how to handle the critical post-deal phase, and we'll ensure you're able to create a plan to develop and grow your new acquisition.

I'll introduce you to my power team of specialist advisors, and you'll get all of the business modelling and valuation tools plus the legal documentation you'll need for the acquisition process.

On top of all of this, all of our programmes include input from our mindset coach Terry Gormley, who works with entrepreneurs, business owners and top sports people to help them change their thoughts and behaviours, and ultimately help them take action. It's the piece of the puzzle that's missing from other courses – you have to be able to go away and put your newfound knowledge into practice.

Our goal is to enable you to achieve your biggest business ambitions faster than you ever dreamed possible.

So if you're fed up of slow, organic business growth and want to turbo charge your entrepreneurial life, or you're ready to look at a different way of investing in assets, The Business Buyers Club can guide you towards the lifestyle you want.

Whichever one of our programmes you're on, there will be hard work involved, and you'll need to be self-motivated and driven, but the rewards will be worth it.

For more information about our programmes visit our website at www.thebusinessbuyersclub.co.uk

Chapter 12 - A few final words

I think it is worth me talking about failure – or, as some people prefer "feedback"! How it can happen using this system and how to avoid it happening to you.

The two biggest mistakes I've made were:

1) I've had more than one wrong business partner. I now take the view that you don't need a business partner at all. But if you do work with a partner, make sure you share a similar mindset and values as much as possible. It's often said that you become the sum of the five to ten people you spend the most time with. So if you spend a lot of time with people who don't have ambition or aren't flexible, forward thinking people or don't exhibit the traits of loyalty, commitment and honesty or don't have a capacity and desire to learn new things – YOU are doomed to get dragged down to their level. YOU have been WARNED!

But if you do have a business partner you have got to, ***got to***, make sure that you have two crucial elements:

1. Write down your shared vision for what you want to achieve and what that means to each of you personally. Then each of you sign it, so you can return to it and keep is as signpost to your goals.

2. Produce a written shareholder's agreement. This is a legal document that determines what happens to the shares and the business in the event that you decide to go your separate ways. This may seem odd when you're starting out, when you're good friends and can't conceive of anything going wrong. Trust me – it can and it invariably will and this document will keep you sane and save you a lot of money! This is because human beings, with all their natural frailties and failings, will come to a point where inevitably their paths will diverge. Without a clear means to separate – without arguments and without bitterness – it is a huge potential problem you will have made for yourself without an agreement in writing (a bit like a pre-nuptial).

2) The other biggest mistake was not having the right management team and investing in the wrong people around me. Probably more importantly,

the root of the problem was me thinking that I was a great business manager and getting involved in trying to run the companies that I bought. We ended up selling those companies again because, ultimately, I'm not a particularly good business manager. I'm very much a creative person and the key to anyone with that kind of personality profile is to have a good team around you. You can then begin to pass over the day-to-day operations. That's one of the biggest mistakes that anyone doing this can make.

Another reason why running it yourself is a mistake is that you have to gain momentum in this buying process. You won't get momentum if you get yourself drawn in the day-to-day operations. The key to super success with this whole idea of acquisition is to keep going. It's to get the next deal and the next deal. Doing it this way is a lot of fun and the way you're going to achieve the kind of entrepreneurial wealth, freedom and great lifestyle that this is all about.

Getting personalised help

I have been asked what it is that makes me different from the average business owner: what is it that I am doing differently?

The key word is "Persistence". You have to have endurance and stamina and be prepared to keep going, even when setbacks occur, for example deals collapsing on the day of completion.

It took me a while to understand what it is that I do differently, because I guess despite the success we had in the early days, I have made a lot of mistakes as well.

To achieve what we've done in the last year in particular, we've had to go back to basics. We had to focus on developing a team that will run the Business Buyers Club for me on a day-to-day basis to free up my time, to get clear on my aims and to focus on what I really enjoy, which is acquisitions and teaching other motivated business owners to complete their own acquisitions using none of their own money.

I have observed the process I describe as simple but it's not necessarily easy. There are simple, straightforward steps that you need to have in place but it's not necessarily easy to do because like anything that involves human behaviour, there are so many things that you wouldn't expect to happen that will happen along the way.

By now, I can probably tell within 15 minutes of talking to someone about their opportunity whether or not they're on the right lines to be considering an acquisition.

It's likely you don't have the skills or experience to be able to assess your own potential opportunities in 15 minutes, which is why we've developed tools to help people assess deals and create cash flow forecasts.

Chapter 13 - Tools for The Business Buyers Club

I use a number of tools to help me quickly and easily find, analyse and buy companies. These are simple and powerful tools. I provide them to members of the Club to give them practical help to buy companies like I do.

The two core tools I use myself are:

Deal Analysis: a simple spreadsheet that gets to the heart of the financial performance and trends of a target business. Taken from up to five years' published accounts, I can quickly and easily see the key trends of that business. Using this tool, I've seen trends where sales averages were dropping whilst gross profit margins were improving but their own accountant hadn't told them that!

So I can determine the "enterprise value" (the price I'm willing to pay) quickly and easily. This is great news if you are not schooled in traditional accounting standards.

Deal Forecast: this a more complex analysis tool that allows me to plug in the target business numbers and generate a twelve month forecast that essentially tells me whether the deal will crash or flow.

Essentially you can use this tool to find out whether you should consider making an offer, or whether the deal doesn't stack up.

All of the tools are easy to use and allow us to figure out values, length of deferred periods, deal structures and so on. We use these to arrange finance and also calculate initial payments, legal and management fees and, importantly, how much I can pay myself from the deal for making it all happen...

The tools are very simple because I don't like complexity in analysis. Probably the most complicated is the financial model that we use but, again, it's very simple to use if you have even a basic knowledge of spreadsheets. It's important to master these techniques so you can understand very quickly what the numbers are telling you and what your opportunity is.

We also provide tried and tested legal documents and other deal related materials such as a Due Diligence questionnaire, which have cost me tens of thousands of pounds but which are shared with you if you join one of our programmes.

If that interests you, get in touch via www.thebusinessbuyersclub.co.uk or email theteam@thebusinessbuyersclub.co.uk.

I sincerely hope you have enjoyed reading this book and that his inspired you to go ahead and complete your first acquisition. Remember “Action” is the key. General MacArthur said during WW2:

“Make a Plan. Execute it Violently. Do it Today.”

Please do contact the Business Buyers Club team with any questions on how to get started or for help.

Additional Resources

You can also access additional resources on my YouTube channel, covering much of what I’ve outlined in this book. There’s a full library of videos available to you, but these are the ones I think you’ll find most useful:

Cash for life

You’ve probably heard the phrase ‘financial freedom’ but what does it really mean and why should you aspire to it? Solidify your ‘why’ – your reason for setting off on this journey – and it will help you persevere no matter what life and business throws at you.

https://youtu.be/JNRqbBoUHZM

Start ups versus buying a business

You might have considered starting a business or growing your existing one. In this video I look at the pros and cons of start-ups versus buying an existing business.

https://youtu.be/0i5I6dHEV2o

And my blog here explores the same issue:

http://www.thebusinessbuyersclub.co.uk/why-starting-a-business-from-scratch-is-completely-and-utterly-insane/

The no cash down principal

It's probably the question I'm asked the most – how do you buy businesses without having up front capital? I answer this extensively in the book but it's an unfamiliar concept to many people and worth going over again.

https://youtu.be/kiUKQ8PxvhA

Finding a business to buy

Where are the motivated vendors I've talked about and how can you find them? I can't say it often enough – your vendor must be highly motivated to sell; otherwise your deal will fall over.

https://youtu.be/RkhNjXZ40WE

The Business Buyers Club

If you'd like to know more about The Business Buyers Club and how I work with members, take a trip through Manchester with me as I explain why I'm helping others to buy businesses.

https://youtu.be/aF0ofnIfxUk

You can find out more about The Business Buyers Club on our website, on Facebook or on my YouTube channel. Here are all the links:

Subscribe to my YouTube channel:

https://www.youtube.com/channel/UCYX_UC2kCPNN8hX4Bnv54Qw/?sub_confirmation=1

For more information visit

http://www.thebusinessbuyersclub.co.uk

Find us on Facebook at

http://www.facebook.com/thebusinessbuyersclub

Something to inspire you further...

As you'll know if you've read this book cover to cover, one of my business heroes and probably the first person to spike my interest in how companies expand through acquisitions is **Sir Martin Sorrell**. You may or may not have heard of him, but he has been a true giant of the British business world for several decades and is still going strong.

Despite being ousted from WPP plc (the media group he founded) in the first half of 2018, he quickly resumed his business buying activities. Whatever you think about the allegations that led to him leaving WPP – and we may never know whether or not they are true - it's impossible to deny that he has the mindset you need to succeed, no matter what setbacks you encounter along the way.

Have a look at these links, as they will help you to begin to think in the right way.

http://www.wpp.com/wpp/about/whoweare/history/ The story here starts in 1985 but actually, began before that when Martin Sorrell was the Finance Director of Saatchi & Saatchi. For that period, go here:

http://howdidtheydoit.net/business-2/sir-martin-sorrell-ceo-wpp/

If you'd like to learn more, read this: http://www.ft.com/cms/s/2/0a9a6cae-c832-11e4-8fe2-00144feab7de.html

It's often said that "modelling" is a great way to learn through emulation. Whilst you may have no desire to create an empire as big and diverse as WPP, you can learn a lot from the thinking and mindset.

https://en.wikipedia.org/wiki/Martin_Sorrell

https://en.wikipedia.org/wiki/WPP_plc

Book Recommendations – Your "business-buying reading list"

Billionaire in Training – Brad Sugars

I don't work Fridays – Martin Norbury

Rocket Fuel – Gino Wickman and Mark Winters

Good to Great – Jim Collins

Legacy – James Kerr

Difference – Bernadette Jiwa

The Four Agreements – Don Miguel Ruiz

How to Get in Touch:

You can contact the Business Buyers Club team via the website:

www.thebusinessbuyersclub.co.uk

Or directly via email to:

theteam@thebusinessbuyersclub.co.uk

Or through social media:

www.facebook.com/thebusinessbuyersclub

About the author

Guy Bartlett is an award winning marketer, a self-taught entrepreneur and serial acquirer of businesses. He's advised many of the UK's top retailers including Sainsbury's, JD Sports and Iceland Foods, set up multi-million £ businesses from scratch and been at the sharp end of technological developments in various industries.

Guy has also featured as a business adviser on BBC2 and he has appeared as an investor on TV in "The Money Pit" – a crowdfunding version of Dragon's Den hosted by Jason Manford.

His own business-buying journey began back in 1995 when a comment from his former boss sowed the seed of an idea of one day becoming a business owner rather than a well-paid employee. In 2000, Guy took the opportunity to become a 50% shareholder in the business for which he was the Managing Director. The business generated over £6m in fees over 6 years and managed tens of millions of pounds worth of marketing programmes for some of the UK's top companies.

Unfortunately, Guy did not have a shareholder's agreement in place and ended up being forced out of the business he'd built up. But it was the catalyst needed for him to start acquiring businesses.

Having acquired 8 businesses himself, generating around £14m in revenues, Guy founded The Business Buyers Club in 2014 to pass on his hard won knowledge and experience. His goal is to provide "real life" advice and training to entrepreneurs and business owners who are looking to improve their businesses and grow through acquisition, as well as supporting employees and property investors who are keen to buy businesses as assets. Key to the success of this is that the Business Buyers Club offers members ongoing help and support to enable them to pursue their goals.

Alongside his business activities, Guy has enjoyed a parallel military career, having joined the Army at the age of 18 and received the Queen's Commission at the Royal Military Academy, Sandhurst in 1986. He has extensive leadership experience gained from service with Military Logistics and Engineering, the Infantry, the Royal Marines Reserve and UK Special Forces. He is an active and keen sportsman, still playing and refereeing the odd game of rugby, leading circuit training sessions, competing in occasional triathlons and guiding hill walks as a qualified Mountain Leader.

About the Business Buyers Club

The Business Buyers Club runs three separate programmes for ambitious business owners in the UK looking to expand through acquisition.

The three programmes are:

1. The Business Buying Blueprint – our online video course that you can work through at your own pace

2. The Intensive Programme – our 3-Day course designed to help you get started on your business-buying journey straight away.

3. The Elite Programme – our exclusive "invitation only" programme delivered over 12 months, with monthly meetings and ongoing support.

All of our programmes enable you to learn the "7 Step Business Buying Blueprint" – a tried and tested system that can take you from nothing to owning your own business in less than six months.

You'll learn how to plan the types of business you want to target, and how to source, negotiate and acquire businesses, all without using any of your own personal capital. You'll also hear about the deals that Guy and his members are working on – both completed deals and deals in progress.

If you're an experienced entrepreneur and you're ready to press fast forward on your journey to financial freedom, The Business Buyers Club was created for you.

To find out more, please go to page 57 of this book where there are links for you so that you can begin watching our FREE resources, order the books we recommend, and read up on one of our business heroes.

Guy Bartlett is an award winning marketer, a self taught entrepreneur and serial acquirer of businesses. He's advised many of the UK's top retailers including Sainsbury's, JD Sports and Iceland Food, set up multi-million £ businesses from scratch and been at the sharp end of technological developments in various industries.

In ***Business Magic: How to Buy Companies Using None of Your Own Money***, Guy shows you the 7 step process that can literally take you from nothing to owning your own business in less than six months. He shows you how to plan your type of business, source, negotiate and acquire businesses (all without cash) and shares real case studies on deals he has completed.

Guy founded The Business Buyer's Club in 2014, an exclusive programme for ambitious business owners in the UK looking to expand through acquisition. He has appeared as an investor on TV in "The Money Pit" hosted by Jason Manford, a crowd funding version The Dragon's Den.

"I read Guy's book with great enthusiasm, as I did business the hard way for more than 20 years before learning the art of acquisitions. Guy is spot on with his down to earth, no nonsense approach, which will save readers learning some very expensive lessons the hard way. Each seller has a different reason to sell and Guy explains how to educate the seller to understand the real market value of their business, so that there is a true win-win, fulfilling each other's underlying motivations. It took me years of hard work and some very expensive courses to learn what Guy has included in his book."

Glenn Richards, Managing Director of Supplies Direct Ltd, Peterborough, UK.