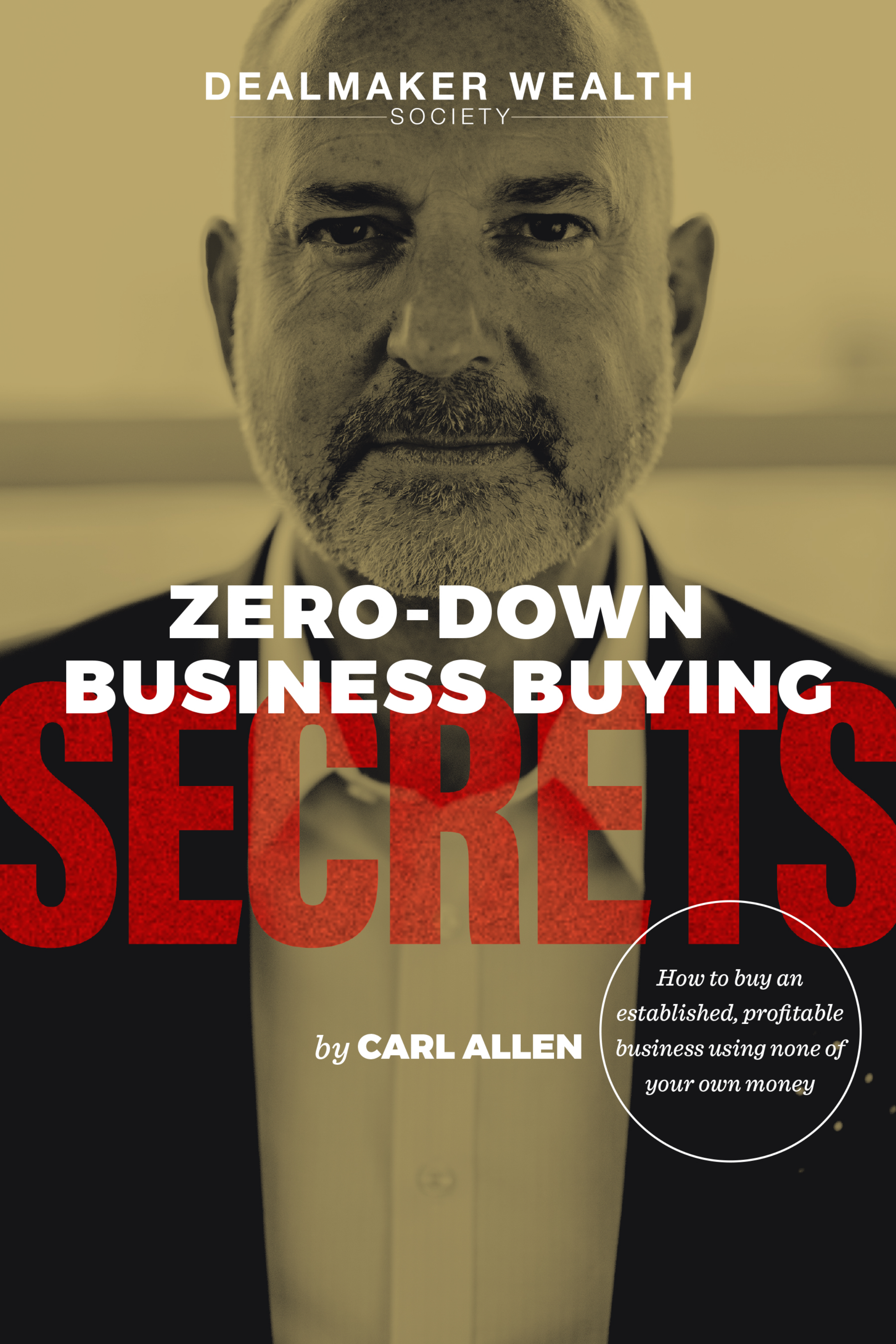

DEALMAKER WEALTH
SOCIETY

ZERO-DOWN BUSINESS BUYING SECRETS

How to buy an established, profitable business using none of your own money

by **CARL ALLEN**

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The process of acquiring a business is a complicated matter that requires rigorous and competent legal, commercial and financial due diligence. This book is for information and educational purposes only and not intended as a substitute for such legal, commercial and/or financial advice. As each individual purchaser and target acquisition are, by nature, very different, you are strongly advised to seek the services of qualified, competent professionals prior to engaging in the acquisition of any business. This book describes the due diligence process and what specific advice you will require linked to your individual circumstances.

In addition, the information contained in this book is accurate to the best of the author's knowledge at the time of printing. While every attempt has been made to verify the information provided herein, neither the publisher, author nor their affiliates or partners, assume any responsibility for errors, inaccuracies or omissions, and specifically disclaims any implied warranties or merchantability or fitness for any particular purpose and shall in no event be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

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FOREWORD

Former Wall Street mergers and acquisitions veteran reveals…

How to Buy an Established, ***Profitable*** Business Using ***None of Your Own Money***… Even if You're a Busy, Full-Time Employee with No Business Experience

What do Howard Schultz, Sam Walton, and Warren Buffet all have in common? Besides being some of the most successful businessmen in U.S. history, not a single one made their fortunes playing the startup game. Instead, they all took a much safer route.

Before Sam Walton ever opened his first Wal-Mart location, he started out buying up Ben Franklin "five and dime" stores. Warren Buffet didn't build his fortune by starting businesses. He bought them instead. And Howard Schultz didn't start Starbucks in his garage. He bought the company and grew it into a multi-billion-dollar fortune.

If you're looking for a fast, low-risk, and proven method for getting rich the easy way, I'm urging you to stop gambling your money on penny stocks and cryptocurrencies, forget about flipping houses, and please stop "side hustling" your way to the poor house.

Because if it were that easy to pick winning stocks, find great property, or build a business from the ground up and make a huge exit, everyone would be doing it, right?

Spoiler alert: none of those things are easy. So stop taking unnecessary risks and do what the rich do instead:

Buy a business that's already profitable, collect cash while other people grow it for you, then sell it for a huge 7-figure or 8-figure payday in a few years' time.

Oh, and before you ask, no, you DON'T need to be rich already to buy a high-quality, cash flowing business that can run without you.

If you know how to use the little-known financial strategies I talk about in this book, you can buy a profitable small business generating $500,000 to $10 million in annual sales… and you can do it without using ANY of your own personal savings or personally guaranteeing any loans. That means you are literally taking ZERO personal risk for potentially unlimited upside.

Now, I'm not going to insult your intelligence and suggest you're going to pull this off without doing any work. But here's what I can promise you. Once you read this book, you'll have a solid understanding of how these no-money-down deals work and how to get started.

And keep in mind, some of the things I'm about to share with you may sound impossible at first, but if you're willing to keep an open mind, what you learn in the coming pages could very well change your life.

Before we go any further, though, a couple quick disclaimers.

1. **This is NOT a "get rich quick" scheme…**
   Or "do nothing, get paid." Buying, growing, and selling businesses requires REAL effort… But I've never seen any other wealth creation method that works this fast and this reliably.

2. **You are NOT going to hear about this strategy anywhere else…**
   Not from your financial advisor. Not from any formal education you've ever had. And definitely not from random people on the internet who have no clue what they're talking about.

   Because the rich would rather you don't know how this strategy works. But I've already made my fortune using this strategy, and I want to share it with people like you so you can have the same opportunity I did.

3. **Neither MY results nor my student's results are typical.**
   Most people who learn the strategy I'm about to reveal here today DO NOT get results for one simple reason. They don't take action. And the reason why more people aren't doing this is because they refuse to believe it can work. So they refuse to even try it.

   When looking at my most successful students, most had no prior experience buying or selling businesses before meeting me. Or for that matter, any prior experience as a business owner at all.

   But they understood that buying, growing, and selling businesses is a skill. And like any skill, it's something you get better at with practice.

   Most importantly though, they were willing to get outside of their comfort zone, challenge themselves to try something new. And instead of quitting when things got hard (like most people do). They decided to persist until they succeeded.

But before I tell you more about this little-known investment strategy — and how it can help you get rich faster than you ever thought possible — I want to make sure you're the kind of person I can actually help.

DOES THIS SOUND LIKE YOU?

Do you ever lie awake at night, worried about how much you have saved for retirement… and know if you don't do something RIGHT NOW, it might be too late?

Are you sick and tired of working to grow someone else's business… and you feel ready to be your own boss and own your own company?

Are you done with all the bullshit "make money online" promises from fake gurus on the internet… and are looking for a way to own a real company that can stand the test of time?

Are you tired of seeing other people who aren't as smart as you making way more money than you do, working way less hard… all because they own their own business…

And you have no idea how they're doing it?

Do you feel like it's your destiny to achieve something bigger with your life?

And you know the only way to get the freedom you need to pursue your passion in life is to own your own business… but you just can't seem to figure out how to get from where you are now to becoming a successful small business owner?

Well, let me tell you something important. NONE of the things you think are holding you back from getting there are real.

The real problem? You believe the lies you've been told your entire life about the way money, finance, and business works. And today, I'm going to show you a glimpse of what could be possible for you if you're willing to keep an open mind.

HI, I'M CARL ALLEN

I'm an entrepreneur, investor and corporate dealmaker with more than 26 years of business-buying experience.

I've bought (and sold) more than 300 businesses, both for myself and multi billion-dollar companies on Wall Street.

In total, I've closed more than $52 billion — yes, BILLION with a B — worth of deals.

These days, I'm either the owner of — or an investor in — nine profitable small businesses in various locations all over the world. I spent absolutely NONE of my own money to buy them. And it takes less than 10 hours per week of my time to manage my entire portfolio of businesses.

But my passion and purpose in life is to help others…

Which is why I decided to start teaching others the art and science of dealmaking.

I've never seen a better opportunity to create massive wealth — and freedom — in such a short period of time. And it's a joy to see my students achieve their dreams of becoming a business owner faster and easier than they ever thought possible.

So if that's what you're interested in learning how to do, you're in the right place.

As I said earlier, I spent the last 26 years of my life mastering the art and science of deal-making.

When most people see me today, they see a happy-go-lucky Brit who appears to "have it all": lots of money, loads of free time and a portfolio of nine easy-to-manage businesses that gush cash flow.

But it wasn't always like this. In fact, 10 years ago it was the exact opposite. Even though most people would've considered me "rich" because I earned around $300,000 per year, but…

I was dying a slow death on the inside.

From the moment I opened my eyes in the morning, I felt pressure, stress, and anxiety all day long.

And no matter how much money I made, what awards I won for my performance at work, or how "cool" people thought I was because of the jet-setting corporate lifestyle I had… none of it fixed the unbearable pain I felt.

The only thing that gave me any sort of temporary relief was alcohol, cigarettes and gambling.

And at my worst, I was drinking more than 10 drinks per day, smoking 40 cigarettes per day and gambled away an amount of money that still makes me sick.

I was fat, unhappy and smelled terrible from the poison I was feeding my body. My body was breaking down from junk food, lack of sleep and zero exercise.

But the biggest thing breaking down was my marriage. I worked so much I barely saw my wife. And she was, after all, the entire reason I was working so hard — so I could provide a better life for the two of us.

But instead, she started resenting me because I was never home. And when I was, I was so stressed out from work… we couldn't even enjoy each other's company. Oh, and in case it's not obvious, I wasn't exactly having much sex, either.

It was pretty clear we were headed straight for divorce. But then something happened that changed my life forever…

I almost missed the birth of my son.

You see, I was in Moscow closing a huge deal for Hewlett-Packard when my wife called from England. She was going to give birth sometime in the next five hours… and I panicked!

Luckily my boss had his private jet on standby. And thanks to that, I made it to the delivery room literally five minutes before my son was born.

As I stood there, cradling my newborn son in my arms, I decided at that moment I was done. It didn't matter how much money I was making if I didn't have time to enjoy it with the people I care about most: my wife and newborn son. So a few hours later — with no real plan on how I was going to replace my income — I called my boss and quit.

Luckily for me, I happened to have a particular skill set I knew I could fall back on. Over the past 16 years, I'd closed billions of dollars' worth of deals for my clients on Wall Street… both buying and selling businesses. But that didn't make it any less terrifying to go out on my own and "hunt for myself," so to speak.

So after a few weeks of spending time with my wife and newborn son and rekindling my marriage, I decided to roll up my sleeves, hunt for some deals and make some money.

Within a few weeks, I found a great business for sale and convinced the owner to hire me to broker the deal.

Long story short… I thought I was going to help them sell the business to someone else… but instead, I wound up buying it myself without using a penny of my own money.

But there was one problem: I didn't want to RUN the business day to day. I just wanted to kick back, spend time with my family and pocket some extra cash each month.

So I gave three of the employees equity in the business and they ran it for me.

That was the moment I went from a miserable, overworked employee… to a wealthy business owner and investor…

And it all happened in just a few short months.

It took me ALMOST missing the birth of my son to make these powerful shifts in my life. But thank goodness I did, because thanks to my new life path…

I made my first million dollars in just 18 months after quitting my full time job.

Now, I'll admit I had an unfair advantage most people don't start out with: more than a decade of experience as a corporate deal maker. But over the past three years alone, I've shared my proprietary 10-step business buying system with more than 1,500 people.

I'll tell you more about it at the end of this book, but in a nutshell…

My business buying system is specifically designed to help everyday people buy a profitable small business without using any of their personal savings, and without taking out any personal loans.

Anyway, as soon as I started coaching and mentoring others, I noticed some of my students were getting AMAZING results in a very short period of time.

They had what I refer to as...

"THE BIG THREE": INCOME, LIFESTYLE, AND IMPACT

They had the income they wanted…

Some of them were happy earning six figures per year, and several were even making six figures per month!

They had the lifestyle they wanted…

Which means they had the freedom to do whatever they wanted, whenever they wanted...

And most importantly, they were having the impact they wanted…

The work they were doing was actually changing people's lives for the better.

So, I started studying these people and improving my training program based on what I found…

And the results my students started to get were incredible.

Many former stressed-out employees are now proud business owners who have taken control of their time and their life…

People like Jonathan B., who exclaims...

> *"Working with Carl is amazing.*
>
> *His ability to cut through the noise of acquiring a business is masterful! I have enjoyed learning from him and adding businesses to my portfolio by three businesses in 2018 alone. 2019 is going to be even better!"*

Louis S. reports…

> *"I first came into contact with Carl in 2016 when I purchased the Business Buying Accelerator program. Today I am the proud owner of a thriving health care company that carries out 8,000 care appointments each month, and I am once again brushing up my knowledge on the accelerator in preparation for my next acquisition."*

And Phil W., who writes…

> *"Carl is the real deal! If you are interested in acquiring businesses, why not mentor under someone that has been there and done that — time and time again! I went through his training courses and used him as my mentor. This gave me great confidence to go out and acquire one business (with nothing down) and to start up a series of new businesses."*

George R. of Sumter, South Carolina, who said…

> *"I just closed a $1 million-a-year home health care business with NO money down."*

These people couldn't be happier!

Why am I telling you this?

Because today, through this book, I want to give YOU the foundation you need to get started on the path to acquiring your very first business using none of your own money…

So you can finally have true freedom and fulfillment like my students above.

This eBook is an introductory guide on how to acquire a business without using any of your own cash. It's designed to provide you with an excellent grounding in what it takes to buy a business by using my psychology and targeting strategies, which will help you find a business to purchase with up to $10 million in sales revenues and to own that business for free in 14 weeks or less.

Does that sound too good to be true? It's not. What I'm going to share with you will both shock and inspire you and it will most definitely change your life and the way you respect your time and value moving forward. You will finally see how you can be the single driver of your own wealth creation.

This book is divided into four key sections:

1. **You and Me**
2. **Seller Psychology and Business Acquisition Mechanics**
3. **My 10-Step Business Acquisition Process**
4. **Next Steps**

Section 1, as the title suggests, is all about you and me. I will tell you about my background, my key skills, why I have produced this material, and what you can do with it. More importantly, however, we will talk about you — your focuses and/or your frustrations.

In **Section 2**, we will focus on two major topics. The first topic is probably one of the most important aspects of my system. It goes deep into seller psychology and why some people will be prepared to literally give you their business. It sounds crazy, I know, but in this section you will really get why this is a reality and why almost 50% of sellers don't really care about money.

Also in **Section 2,** we will look at business acquisition mechanics. For those of you who don't really know how it works, I will keep it nice and simple, comparing it to buying and selling a house. The two are actually very similar in many ways.

In **Section 3**, I will explain the 10-step process of buying a business and I will walk you through the various steps, beginning with understanding what type of business you want to effectively inherit (location, size, type, what type of role/involvement, country, sector, etc.) and ending with how to originate hundreds of opportunities very easily. I will show you how to analyze the opportunities you originate quickly and simply and how to structure the actual deal. I will discuss speed in due diligence and how you can encourage multiple professionals to assist you — also for free![1]

Finally, in **Section 4** I will tell you about my flagship business buying program and how you can enroll in it.

Ready to get started? Let's dive right in…

1. *I'm not talking about your uncle who may be an accountant. I am talking about professional advisors in finance and law who can do some of the heavy lifting without you having to pay them.*

SECTION 1:
YOU AND ME

ME

So who am I?

I have spent my entire career as a dealmaker, both buying and selling businesses for investment banks, private equity investors, large corporate companies like Hewlett Packard (HP), and also for a few selected private clients and myself.

However, I haven't just been a dealmaker. I have also been involved in hundreds of start-ups by helping to create them, fund them, grow them, and groom them for sale.

A lot of what I have learned over the past twenty-six years has come from large businesses and substantial deals, but I have found that the process is identical whether you are buying a company for $4.5 billion (which I have done) or you are buying a local business for $50,000 (which I have also done).

Over the years, the most exciting thing I have learned about business is how to buy a business without spending any of your own money, or even spending any money at all. Very life-changing stuff!

As of today, I have done more than three hundred deals in twenty-six years. That doesn't sound like a lot, but it is far above the average of a twenty-six-year dealmaker. If you met your local business broker, he or she would have done a lot more in that time, but the majority would be small, local "mom and pop" businesses worth $100,000 or less.

In the UK we would call these "fish and chip shops" or "newsagents" (and 7-11 in the US or Australia), but you can probably relate to what a small, local, family-owned business would look like depending upon where you live.

In my earlier years as an investment banker, most of my deals were large — greater than $100 million — and most were related to technology, telecom, engineering, or high-end manufacturing. As I have gotten older, I have gravitated toward smaller deals and have concentrated mostly on the buying side in virtually every business sector you can imagine. The process is identical, regardless of business type, size, and location (although there are some nuances in emerging countries).

The largest deal I have ever worked on was HP's $4.5 billion acquisition of Mercury Interactive.[2] Obviously, we will not be buying $4.5 billion businesses together, but it's a fantastic example of why large businesses buy smaller business for synergies, for sales leverage, and for the acquisition of complete control of a key market niche (and the use of that niche to sell lots of other products).

In a later section, I will discuss one of my most recent deals, in which I picked up a fantastic $1.5 million dollar revenue business for free and got someone else to run it for me. That deal really crystallizes what this system is all about and how straightforward the process is, provided you know how to use it, which is what I'm going to teach you.

I want to give you a quick overview of what countries and sectors my career has taken me to. The majority of deals I have completed have been in the USA (where I lived for a while), the UK, Australia, and Western Europe.

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2. I actually case study this deal in my flagship training program, Dealmaker CEO (see Section 4 for more details).

I could also tell you some really interesting stories about my dealings in Russia, China, India, and north Africa. In fact, there are not many business sectors where I haven't done a deal. And although things like law and taxes are different country-to-country (I will show you how to nail that wherever you are), the process is identical wherever you may be.[3]

In learning about me, you are also learning how I do business. Essentially, I have a targeted system. We will get into the psychology and typical deal sizes later; however, here are the three types of sellers I typically buy from:

1. OWNER MANAGERS

Here I'm targeting tired, frustrated owner managers of established businesses — businesses with strong traditions in which the owner has no succession plan, has made his or her money over the years, and wants to sell up. The seller cares more about the longevity of the business, protecting employees, brand, culture, heritage, and their customers than cash. He or she wants to turn the business over to someone who takes these things into account. I call it a "trusted pair of hands" because that's what you will become to these people.

2. LARGE COMPANIES

Another fantastic way to get free businesses is to target small carve outs from very large companies. For example, a multi-billion-dollar company that owns one or more small subsidiary companies (under $10 million in revenue).

These make great deals because when the parent company undergoes large corporate issues such as financial slowdown, share price slump, profit warnings, etc., or when it changes its board members, CEO, or other key managers, or changes strategic direction, it often focuses on its few

3. Admittedly, China does have some nuances. Many businesses in China are partially state-owned. There is also a Chinese term, "Guanxi," that roughly translates as "connections; relationships." The Chinese people only want to do business with people whom they have trusted relationships. These two nuances are not impediments. You just have to find a business that is not state-owned and then establish trust with the owner. I know it is possible because I have done it several times, using the process shared in this eBook.

large core businesses and lets go of the smaller subsidiaries that are no longer a core part of the strategy. These are the businesses we target. It's similar in nature to giving away an old coat to the local charity store in that what is surplus to your requirements will make a fantastic item for someone else, who will not believe their luck.

Trust and the "safe pair of hands" mantra are also very important in acquiring a corporate spin-off. A business I picked up several years ago had several staff members who had worked in the business since before I was born (1970). A larger company buying it would have eliminated some of these people, but because I wasn't going to do that, as I was seen as a safe pair of hands and therefore was chosen above a larger company to be the new owner.

3. PRIVATE EQUITY OR OTHER INVESTMENT FIRMS OR INDIVIDUALS

Another great way to pick up a free business is to take it from an investment portfolio. Investors work in the game of overall returns, either to themselves or to the people that pledge them the money. In a typical investment portfolio of private businesses (not talking about the stock market here), you only need one or two businesses out of every ten invested in to drive big financial returns for your fund and its investors.

For example, look at Google, Facebook, and Twitter. Venture capital and private equity invested in these companies for a few million dollars and these generated hundreds, if not thousands, of times the money back. If you have just made an absolute killing on a deal like that and then want to make many more investments, how much do you care about the eight or nine other businesses you invested in that are not making you a high return?

Because there isn't the same energy, pace, and dedication in these businesses, the investor-owner may not want to spend time on them, so the owner gives them up to have time for new investments. That is when you pick them up for yourself, for free, and I will show you how to do it.

As inspiration, I would like to share with you a recent deal of mine, and my future plans for it.

This is a business I took over in 2018. The owner's husband started the business from scratch in the 1980s, and it did well until his death a few years ago. Once he passed, his wife became responsible for the business. Unfortunately, sales started declining without the husband there to help. That's when I stepped in. I offered the widow a deal in which I would take over the business without using any of my personal cash. I made a down payment to her, which came from the business' assets, and we agreed the rest of the purchase price would be paid out of the future profits of the business. (I'll explain how this works in more detail later.)

She was overjoyed to give me the business because under my ownership it will flourish, and because without me taking it over, sales would likely have continued to decline until the business failed. And considering the emotional attachment she has to the business and its employees, it's very important to her to see them continue to grow and prosper.

Since I took over the business, it has been growing quickly. I put a new CEO in place and gave him some of the equity to manage the team and run the business day-to-day. The former owner even stayed on as well in a part-time role, helping with some of the sales relationships.

Since I didn't pay anything for the business personally, I was happy to give away some of the equity in exchange for only having to check in on the business once a week while the management team grows the business for me. You don't have to do the same, of course, but I would recommend it if you don't plan on being there a lot. Let the team drive your equity value and wealth creation.

Moving forward, I'm 100% confident that the team and I, based on the growth plan we created, will be able to double the revenue and quadruple the profit of this business in less than two years, then sell it for a multi-million-dollar payday.

You too can do this. Let's talk about you.

YOU

You are reading this book, so obviously you have some interest in purchasing a business. First, you must make some decisions.

One of the most important things to decide is if you actually want to run the business you acquire full-time, thereby working full-time. I don't work full-time in any of my businesses for obvious reasons: I'm always looking for new deals and therefore on the road a lot; I would prefer to retain the management teams in the businesses I acquire and/or hire new ones and often cut them in on the equity or give them big incentives.

Why? Because the management team will drive my equity and wealth creation without me having to go in there every day. If you want a full-time role in a business, that's fine. You will probably go into your first business full-time for a period anyway, then perhaps back off and let your team run it if you so wish. You may want to acquire five businesses and spend one day a week in each or even consolidate them together — more on that later.

Another consideration is your own skill set. What are your strengths and weaknesses? For example, if you are a frustrated consultant at the moment, you will most probably have a particular skill set and you may want to find a business that lacks your particular expertise so that you can make instant improvements to better the business, sales, profits, and so on.

If you have a key skill, definitely use it: sales, marketing, HR, legal, financial, supply chain operational — whatever.

The industry sector is also an important consideration. You may feel more comfortable acquiring a business in the sector linked to your experience, such as manufacturing, pharma, tech, engineering, retail, distribution, professional services, whatever.

You may, however, want to go into a market without any relevant experience, as the actual job of running a business is unrelated to what it does. That's where your team comes in, as well as the operational model you establish (if it doesn't already have one).

Location is also something to consider. You may want a business that you run yourself, or that you can check in on daily. In that case, the business you acquire must be near your current home or you must be willing to move. On the other hand, you may simply want to check in on your business once a week or once a month, in which case your business does not have to be as close to your permanent home.

There are also other reasons a person might see location as an important consideration. For example, I have taught people to acquire businesses as a way of immigrating to another country. If you want to emigrate from the UK to Australia, it can take two years and the criteria are strict. If your specific job isn't on a focus list of the government and the state you want to live in, it is almost impossible to emigrate.

But what if I told you that you can buy a business in Australia, or pretty much any country, in fourteen weeks and then, as the owner, you can immigrate much, much faster? Great, right?

You should also consider whether you want to acquire an established business versus a business in its earlier stages. I have found older, more established businesses are typically much easier to acquire due to heritage reasons, however, the system also works well in earlier stage businesses, for example in technology, pharma, professional services, and so on.

You should also think about which marketing channels are either more relevant to your experience or simply what floats your boat. Do you want to be involved in a direct business that may, for example, sell directly to a business or a consumer? Do you want something in the online space? Do you want a wholesale/distribution business that has supplier partners?

And finally, you must figure out your end game. This acquisition process is all about making at least $1 million in a maximum of three years, but do you want to acquire a business and then run it? Do you want to be a scalper and acquire, then resell, the business in a matter of months for a quick profit? You may want to consolidate several of the opportunities I help you find to create a much larger organization that will either give you more income or a bigger sale opportunity to a larger business. I will later go into the fantastic synergies that are available when you consolidate one or more businesses into an existing one.

What do you want your end game to be? You must know the answer to this going into the purchase.

WHAT ARE YOU?

While this book can help anyone, there are three particular types of people that I want to single out:

- Frustrated managers
- Entrepreneurs with a start-up idea
- Existing owner managers

Frustrated Managers

One of the largest groups of individuals I really want to help is what I term, "frustrated managers." I know so many managers in large businesses who are chained to their desks, working 50-80 hours a week just to make the owners or shareholders rich. Some managers genuinely want to do that and good luck to them. However, many more are frustrated, angry, and resentful and feel like their life and personal wealth creation is in other people's hands. There is only one person that should be in control of your personal wealth creation: YOU! Isn't it better to put all your energy, time, and skills into your own business?

The situation is the same for consultants. Even if you enjoy a healthy daily rate of $500 or more, why devote yourself to someone else's business, driving sales, profit, operational efficiency, or whatever the area of your consulting skill? Imagine that the business you are currently working on and all your efforts were driving YOUR wealth creation versus that of the CLIENT. Isn't that a better use of your time, energy, skills, and experience?

Or you may be out of work and looking for a new job. Why go back to the rat race? Why not take over a great business and manage it yourself?

I want to share some really interesting data with you to reinforce these concepts. I love using market data to reinforce a key point that I'm trying to make and this does so perfectly.

RESIDENT MILLIONAIRE EARNERS

COUNTRIES	TAX RETURNS	>1 MILLION EARNINGS (LOCAL CURRENCY)	PERCENT
USA (SOURCE: IRS)	140,000,000	235,413	0.2%
UK (SOURCE: HMRC)	29,000,000	16,000	0.1%
AUSTRALIA (SOURCE: AUSTRALIA BUREAU OF STATISTICS)	11,600,000	98,040	0.2%

According to the tax authorities of the UK, USA, and Australia, only 0.2% or less of everyone working in the USA, UK, and Australia earn more than a million dollars/pounds/dollars per year.4 Isn't that staggering? If you acquired and then sold just one business in the next three years, you would be in the 0.2% bracket very comfortably. I am not joking, here. This

4. See IRS (USA), HMRC (UK) and Australia Bureau of Statistics.

is very, very possible if you follow my specific rules of acquiring a business and know how to manage and grow it, or have a team there to do it for you. I can guide you through the selling process in the future and help you position it for absolute top dollar when the time is right.

Entrepreneurs with a Start-up Idea

Another group of individuals I want to help are entrepreneurs looking to create a start-up around a specific theme or idea who either have no cash to pursue it, or who are overwhelmed by the risks involved. Starting a new venture from scratch is arguably one of the riskiest things you can do in your life. The success rate is extremely low; less than 5% make it to ten years. Additionally, you will not have any of the following when you create a start-up:

- **Employees**. You will need to hire them and, as you can guess, it is much harder recruiting someone for a start-up than for a more secure business, as they will know the risks are so high.
- **Premises**. It's really hard to get a lease on a new office when you start-up. Unless you are going to work from home initially, a landlord will want a large deposit or even 6-12 months' rent up front. Yes, you can hire a temporary serviced office but it doesn't look good to your customers. This just spells risky.
- **Products**. Unless you find a very generous supplier, you will not get any terms on your first batch of products to resell, or if you are self-manufacturing, you will have to pay pro-forma (up front) for your raw materials — not to mention trying to get a lease on plant and machinery.

Add all this up, and you can see that it's going to be very difficult to generate sales revenue and cash flow to keep you going, including paying yourself. Let's look at what entrepreneurs earn in their first year.

As always, I do research from my network to prove or disprove a point of view I have. In this case, I was really shocked. Nearly a third of the entrepreneurs I contacted (more than 2,000) earned nothing in their first year.[5]

That's pretty rough. Unless you have savings or a partner who is making lots of cash for all your family, it isn't going to be possible for most to go a full year without any income. Another 53% earned less than $50,000 in their first year.[6]

Again, that's not a lot of money, especially when the tax guys have taken their slice and you have made your home, car, and other payments. Forget school fees, shopping, or anything semi-luxurious. It's hard to live on $50,000 a year these days in a developed nation, yet 80% earn $50,000 or less in year one. There are exceptions, of course, but these make up a small minority.

Michael Gerber, founder of E-Myth Worldwide[7] and author of several great books on the subject will tell you that only 4% of start-ups are still alive after 10 years.[8] Eighty percent fail in the first five years alone.[9] With all the reasons I mentioned above and the lack of real income initially, it's really no wonder.

ENTREPRENEUR SALARIES YEAR 1

RANGE	PERCENT
$0	28%
$0-$25,000	11%
$25,000-$50,000	42%
$50,000-$78,700 (AVERAGE LEAVING THEIR JOBS)	8%
$78,700-$100,000	7%
$100,000 AND HIGHER	4%

Source: Carl Allen survey of 2016 start-up business owners in 2013

However, this really shocked me. Despite the massive risks and very low success rate, nearly seven million businesses are started each year in the USA alone.[10] Can you believe that? It's absolutely staggering.

5. Allen, Carl. Survey of 2106 Start Up Business Owners (2013).
6. Id.
7. Gerber, Michael E. The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It (1990).
8. Refers to the US. See Id.
9. Gerber, Michael E. The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It (1990).
10. Yahoo Small Business Advisor. https//smallbusiness.yahoo.com/advisor/ (2014).

That's almost 19,000 per day or 2,500 per hour (based on a typical working day) — this amounts to one nearly every second of every working day. It's not as high outside of the USA, but still significant. Almost 1% of the population starts a business in Europe every year.[11]

One way to de-risk your start-up experience is to buy a franchise, but they can be really, really expensive. Some franchises start at $10,000 or so, and the average is $25,000 in the USA. However, a McDonald's franchise will set you back at least $300,000 for the license alone and you still have to do the full set-up, which all-in can ultimately cost more than $1 million dollars. Why on earth would you do that when it's so much easier, far less risky, and zero cost to you to acquire an established business?

Even if you have a very specific product you want to invent or a new, innovative service you want to create and deliver to customers, seek to acquire a business related to that new initiative and innovate from within.

A good friend of mine approached me for advice in 2012, as he had patented a new fuel injection system for high performance motorcycles, the ones that race. He was going to create a start-up and needed $100,000 in capital to find a manufacturing unit to lease, acquire plant, machinery, and staff, and all the thousands of other things you need to do when you start-up.

INTERESTING FACTS: ENTREPRENEUR

7%	Of start-up businesses make a profit in the first 12 months
28%	Of entrepreneurs building a start-up make zero salary in the first 12 months
58%	Of entrepreneurs interviewed closed the business within the first 12 months (versus 80% in the first 5 years)
89%	Of entrepreneurs earn less than they did in the job they left to start up a new business (average of $68,600 per year)
26%	Of entrepreneurs suffered marital break-ups as a result of starting a new business
18%	Of entrepreneurs suffered health problems within the first 12 months

Source: Carl Allen survey of 2016 start-up business owners in 2013

11. European Venture Capitalist Association. www.evca.eu (2014).

I told him he was crazy, yet his idea was fantastic. I showed him my zero-cash acquisition system in its development and I mentored him through an eighteen-week journey to acquire a business in a similar field that would allow him to innovate from within. He acquired a $5 million dollar (sales revenue) engineering business for free and the deal structure gave him $130,000 of spare cash on completion, so he used most of that to upgrade all of his machinery so he could continue to run his new business and create the new product. He started shipping in 2013 and his biggest customer approached him just a year later to acquire the business.

A few more data points to wrap this up. Back to my survey: only 7% of the approximately 2,100 business owners/entrepreneurs I interviewed made a profit in the first 12 months, while 26% suffered a marital break-up and 18% became sick as a direct result of building a start-up.[12]

Geez. Why then so many attempts to do it? Beats the hell out of me; it really does.

I know we used Michael Gerber's data point of 80% crashing within 5 years, however, it's a quick downward curve. In my sample, more than 50% crashed in the first year and the primary reason was that the entrepreneur was planning on earning at least the same amount of money as before they made the jump from a secure job — an average of almost $69,000 per year.[13]

Existing Owner Managers

The third primary group of people I want to help is existing owner managers of businesses. It's becoming much harder to grow a business organically, especially if you are in a price competitive market. Marketing experts will tell you it costs nine times as much to recruit a new customer than to sell to an existing one. We can always sell more to our customers, even if we have to joint venture with someone else to bring those products in.

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12. Allen, Carl. Survey of 2106 Start Up Business Owners (2013).
13. Id.

However, I am sure you will all agree that acquiring a bolt on business for free, either in a similar or complementary market, is the fastest and least risky way to turbo-charge sales. Bolting on other businesses also increases profit and value. Let me show you.

Here's a hypothetical but realistic example based on actual bolt-on acquisitions I've done in the past. Let's say "Company 1" has revenues of $2.7 million and that "Company 2", the company we want to acquire, has revenues of $4.1 million. The synergy is called the up-sell or cross-sell. Because these businesses are complimentary to each other, meaning both companies can sell their products to the other company's customers, we can add roughly $1.8 million in new sales by selling products from both businesses across each other.

The realistic profit increase in this example is $800,000, and this comes from several areas — economies of scale on buying in bulk from common suppliers, one business can supply the other, so you see a double capture of margin and the combined entity enjoys the full sell-through margin from manufacture to sale.

In one bolt-on acquisition I did, the two owners of the larger (target) business wanted to retire, so I was able to save their annual costs. And since the business premises were within twenty miles of each other, I could consolidate operations into one site and thus save on rent, utility costs, and a host of other costs involved in running two sites.

HOW ACQUISITIONS CREATE VALUE

FINANCIALS, $USD MILLIONS	YOUR CURRENT BUSINESS	TARGET	SYNERGIES	TOTAL
SALES	2.7	4.1	1.8	8.6
OPERATING PROFIT	0.2	0.5	0.8	1.5
VALUATION AT 5X OPERATING PROFIT	1.0[a]	FREE		7.5[b]
Wealth Creation (final value [b] - current value [a])				6.5

You can see that the combined entity has $8.6 million in combined revenue (1 + 2 + cross selling) and the new profit is $1.5 million (1 + 2 + cost savings), and at a 5x profit multiple as a value, less the notional $1 million value I put on "Company 1", the deal instantly generates a paper value increase of $6.5 million. Not bad if you can do this in fourteen weeks without investing a penny of my your money like I have.

To discuss the cross-selling opportunities and synergies in more detail, take an example of a pharmacy wholesaler selling drugs to pharmacies and then bolting on a packaging company. The end-user customer (the pharmacy or drugstore in the USA) buys these products all the time, and typically from two different suppliers.

If both are from the same supplier, you can sell the drugs to the new customer base that is supplied by the packaging business and vice versa. Notwithstanding this, you could open up a new area of the market and win new business by going to market as a one-stop shop for this market.

This is called category selling or category expansion. Combine the increase in sales with the costs you will save combining and consolidating operations, and you will see a rapid rise in combined profit, the value of the combined entity, and your own personal wealth creation as the owner of the combined entity.

Perhaps I have piqued your interest?

The cash-free deal model works perfectly well for existing business owners, however, you need to be slightly more specific than entrepreneurs or frustrated managers in the types of businesses you look at.

For example, it's not advisable to approach fierce, direct competitors for two reasons:

1. They will not open up their company information to you as a competitor for fear reasons we discussed above. I have seen many, many exceptions to this in my career, and sometimes if you know competitors well and meet often at industry events/trade shows you can still broker a deal, and...

2. You want something that is complementary as it will drive the cross-selling opportunity. Thus, if you own a tech reseller business that sells hardware, don't go acquire another hardware business (unless it is complimentary). It is better to acquire a software company or even a services company so you can cross-sell products and services between the two customer bases and go to market with a bundled solution/offer.

Entrepreneurs, frustrated managers/consultants, and existing owner managers are only three major groups I want to help. There are many others as well.

Some of you may just want to be business traders, or "scalpers" as they are termed in the USA. For example, you go pick up a business for free and then after a short period of grooming, sell it on. I have done this frequently in three to six months and have also done back-to-back transactions.

If you are planning on doing that, you need to make sure the back-to-back buyer has honorable intentions and will not do all the things to the business that the original owner feared, hence why he or she gave it to you. You can build restrictions and purchase agreements into the sale, if necessary. I cover this in lots of detail in my flagship training program that I will describe later.

As I mentioned earlier, buying a business overseas is a fast track way to immigrate to another country. Not only does it speed up the process and remove virtually all of the immigration criteria, but you also have an income from the very first day within your newly acquired business.

Other groups of people I want to help are what I term “one hit wonders.” These are people who are just looking to make a significant sum of money very quickly and then go off and use the funds to pursue something else. I helped a friend of mine make $2 million within a six-month period so he could become a professional soccer coach. That job was his real passion, but the income is very low, so he wanted a good chunk of cash behind him to prevent a change of lifestyle.

Others do this but become hooked and go on to build portfolios of businesses and spend less than a day per week in each. Remember, to do that you need a jockey (or general manager) that’s driving the business day to day for you and you need to be prepared to incentivize them properly, either via an equity participation or bonuses, and so on. They will be driving your equity and wealth creation, so you need to look after them.

I have worked with property developers who have become bored and wanted to do deals with businesses, as the processes are very similar. A client of mine actually acquired a property maintenance business that could then repair properties within his portfolio. Very smart, as he was driving his wealth creation within his core market: property.

YOU ARE A "DEALMAKER CEO"

No matter what type of person you are — frustrated manager, entrepreneur with a start-up idea, or existing owner-manager, or anything else — there's one big mindset shift you have to become incredibly successful with acquisitions. The shift is this: You need to stop thinking small — about acquiring just one business – and start thinking of yourself as what I call a "Dealmaker CEO".

Dealmaker CEOs are people who own not just one business, but an entire portfolio of businesses. When you own multiple businesses, there's not enough time for you to work inside every one of them, even if you wanted to. Instead, you have to be the strategic thinker and visionary who determines, then sets, the direction of each of your businesses, then lets your management team take it from there while you focus on higher-leverage activities.

For example, I've owned up to 17 businesses at the same time, and I never worked a single day inside any of them. Instead, I focused on high-level growth strategy, acquisitions, joint ventures, and exits. Those are the four things that will grow your business the fastest. And the best part is, these high-leverage activities don't take a lot of time. In fact, I work, on average, less than one hour a week on each of my businesses. Yet they still grow, and I still make more money in a year than many people make in a lifetime.

As a Dealmaker CEO, you get to enjoy what I call "The Big Three": a personal income higher than you ever imagined possible (potentially upwards of six figures a month), a lifestyle that allows you ample free time to spend time with your family, travel, or do whatever else you've always wanted to do but never had time for, and the opportunity to make a true impact on the lives of others through your work.

NOBLE CAPITALISM

Another benefit of being a Dealmaker CEO is you get to become what I call a "Noble Capitalist". A Noble Capitalist is someone who improves other people's lives and makes the world a better place through business. For example, when I buy a business, I don't do it just to make money. I also do it to create new jobs, build high performing teams, and build amazing and supportive cultures that people love belonging to. Why is this important? Because when I look back on my life, I want to know I helped others, and I want to feel good about how I earned my money. No amount of money could ever make me feel good about screwing people over for my own selfish agenda. I sincerely hope you feel the same.

THE FIVE SHIFTS

There are five key shifts you MUST make if you want to build a portfolio of small businesses that gush cash flow and require very little of your own time to manage.

Shift #1: People Before Profits

I'm going to assume that you're a good-hearted human being who wants to help people. And if you want to become a Dealmaker CEO, and you want to own highly profitable small businesses that run without you, you need to understand that you can't be a selfish jerk who treats people like garbage.

Because here's a truth about business: success is built on relationships.

Being successful in business is about understanding and empathizing with other people, whether those people are your employees, your customers, your vendors, or the people in your community. It's about creating value and win-win situations where everyone can feel great about doing business with you.

And here's the other thing about business most people don't seem to really get. Businesses are run by people. YOUR people. And if you want to attract superstar managers into the business to run it for you… if you want your employees to love working on your team and have super high retention rates… and if you want to experience the true joy of entrepreneurship… then you MUST be willing to take full responsibility as the leader of that business. Because most small businesses are like a family.

Furthermore, if you want to have a great team who is loyal, trustworthy, committed, and willing to work hard, day in and day out, to grow YOUR business, then you need to realize that your job as the leader of the business is to help your team grow and develop both personally and professionally.

Shift #2: Optimistic

You need to believe not only that it's possible to become rich, but that it's possible for YOU to do it.

Most wealthy people didn't inherit their riches or win the lottery. According to a 2017 survey from Fidelity Investments, 88 percent of millionaires are self-made, meaning they are first generation wealth. And according to the famous book The Millionaire Next Door, in America, fewer than one in five households (about 18 percent) is headed by a self-employed business owner or professional. But these self-employed people are four times more likely to be millionaires than those who work for others.

These self-made millionaires do what MOST people are afraid to do: they choose to believe in themselves. They choose to believe they'll be able to achieve any goal they set their mind to, and they go after it with everything they've got. Based on their self-belief and self-confidence, they're highly optimistic.

Shift #3: Opportunity Seeking

Successful business owners, entrepreneurs, and investors are constantly searching for opportunities. Opportunities are everywhere, and if you're on the lookout, you'll be able to spot them.

It's like when you're looking for a new car. If you decide you want to buy a black BMW 3 series, you'll suddenly start seeing them everywhere, whereas you hardly noticed them before.

What I mean is, if you're not constantly on the lookout for opportunities, you'll never see them even if they're staring you in the face.

Shift #4: Leverage

As a Dealmaker CEO, you need to focus all of your time, energy, and attention to the highest-value activities that only you can perform. Those activities are:

- Mergers
- Acquisitions
- Joint Ventures
- Exits

Do you think Jeff Bezos is picking and packing the stuff you are buying online at Amazon of Whole Foods? No, he has employees and managers who do all that stuff. Bezos likely only does these FOUR things in the business, and as a Dealmaker CEO, that's all you need to do.

Shift #5: Invest in Mentoring

Have you ever heard that you are the average of your five closest friends? Well, Dealmaker CEOs take this idea very seriously. That's why they're always looking to build relationships with people who have achieved the kind of success they want to achieve, and why they're always looking for the very best coaches and mentors to help them get there faster.

If you're serious about transforming your life, and you don't want to go through the painful years of unnecessary trial and error, find a mentor. Find someone you look up to and respect who has done what you want to do, and do whatever it takes to learn from that person.

Every single time I've spent money on masterminds and mentors, the return on my investment has ALWAYS been worth it.

RECAP OF SECTION ONE

There are lots of opportunities available to acquire free businesses. Generally, this is from either tired owner managers who want to get out but value history, heritage, brand, and staff retention more importantly than cold hard cash or large corporations that are hiving off non-core assets, and at the same time they are having to oversee the smaller subsidiaries is distracting and diverting them from bigger opportunities. Again, they are concerned about staff retention and you can always negotiate to continue supplying the parent company once you have acquired it. That's exactly what I did in my earlier case study deal.

Also, investment funds that have made excellent returns from other portfolio deals will let the underperforming businesses move on for nothing so they can focus on new investment opportunities. What may be an underperformer for a fund may be an excellent opportunity for you.

This is all about eliminating your pains and frustrations, whether you are a frustrated manager or consultant with no skin in the game, chained to your desk and making your owners or shareholders very wealthy.

Remember, less than 0.2% of people filing tax returns in developed countries earn more than $1 million or the local equivalent (per year) and you can easily achieve this if you buy and then sell one business within a three-year period. You may be able to do this by completing one acquisition if you leverage the balance sheet assets to raise funds for you and the business. I just did that.

As an entrepreneur, we discussed all the risks and issues surrounding going at it alone in a brand new venture. No premises, customers, suppliers, cash, reputation, and a lot more. It's virtually risk-free to acquire a business for free then innovate your new idea from within. You will have established customers to sell it to, plant and machinery to make the product, and/or staff to do the work or provide the service.

As an owner manager, it is so much harder to grow your business organically, one customer at a time. If you bolt on a complimentary business, you can cross-sell and upsell products across each business, consolidate operations, save costs, and turbo-charge sales, profits, and the combined value of the consolidated entity, instantly driving your personal wealth creation.

For owner managers who want to grow (show me one that doesn't) and don't have either the cash, acquisition skills, or both to do it quickly and effectively, I can show you how to do it so that you will have the impact you need in fourteen weeks.

The key to being successful is to know what you want to do, your end game, and the type of business that will suit you, including the location, skill set, marketplace, and route to market. Remember that you, not the seller, capture the value of the free purchase. They have received their returns in other areas, either from previous income from the business, profits from the sale of other portfolio companies, or they are just too busy doing other things with larger businesses in a group.

Finally, recognize and embrace the five shifts.

Now, about that seller…

SECTION 2:
SELLER PSYCHOLOGY AND BUSINESS ACQUISITION METRICS

In this section we will tap into the psychology of almost 2,000 owner managers and discover what they really think about when selling their businesses. Firstly, let's take a look at the actual mechanics of buying and selling a business.

FIVE PRIMARY SELLING MOTIVATORS

When selling a business, there are typically five primary selling motivators.

1. Exhaustion

As previously discussed, exhaustion of the business owner — or the business itself — is a top reason a business is sold or is required to change ownership.

2. Stagnation

In this case, the owner manager feels he has taken the business as far as he can. Once people have owned businesses for ten years or more, with the same old routine, the mindset often changes.

Even if the marketplace the business occupies presents exciting new opportunities for growth (e.g. structural market changes, new technology advancement, new legislation, etc.), business owners sometimes simply don't want to go through the next growth curve and would rather let someone else with more energy, passion, and drive go on that journey.

For example, I helped an associate of mine acquire an asbestos removal company last year. The business was in a country that had just introduced new legislation that provided a significant growth opportunity for the business and everyone else in the market. The seller just didn't have the energy and passion to put in three to five more difficult years of sweat opportunity, so he wanted to sell.

The owner had fear, uncertainty, and doubt about competitors, and so the trusted, safe pair of hands was appealing to him as a way of leaving the business but maintaining peace of mind. Although the owner wanted a nominal sum of cash on completion, the market opportunity and balance sheet strength afforded almost 3x the amount of funding required, so it was a fantastic deal for everyone involved. Obviously, this is one type of seller you want to target.

3. Lifestyle Change

Sadly, lifestyle changes are very common and these clearly fall into our wanted seller category. Sometimes owners themselves get sick, as do spouses and other family members.

I was criticized once in the media for appearing to profit from an owner manager who gave me his business so that he could spend his time treating his wife, who had a terminal illness. In actuality, the owner still thanks me to this day for what I did for him; yet he gave me his business for free.

How did I achieve this win-win result? The owner's first concern was his wife and therefore he was sick with worry, which had caused him to take his eye off of the ball in terms of his business. The business, with twenty-five years of strong, profitable presence in the market, would have collapsed within six months if I hadn't stepped in.

After concern for his wife, the owner's secondary concern was the leases and other contracts he had signed up for on behalf of the business, as well as the welfare of his staff and his customers who were on long-term contracts. The owner believed he would have to close his business due to his life changes until I found him through one of my many origination techniques.

He actually drove one hundred miles to see me the very same day I contacted him, and we had a deal within two hours. He was then able to focus on taking care of his wife with a sense of relief regarding the state of his former business, customers, and staff. While he tended to his wife, I put the business back on track.

Once she sadly passed away, I allowed the former owner to come back and consult for me, as he really understood the nuances of the market; he remains a valuable member of the team. So you see, this type of seller is definitely someone we want to target, for all the right reasons.

SELLERS TO AVOID: A WORD OF CAUTION

The final two motivators are certain types of sellers to avoid:

4. Serial Entrepreneur

One strong motivator and one you need to avoid is the entrepreneur versus manager conundrum. Some people are born entrepreneurs and love setting up businesses. I discussed earlier the very high risks involved in building a start-up and the personal and financial sacrifices that are required. You can bet that an entrepreneur will not sell out for less than top dollar if they are in the 4% that have survived over a ten-year period.

You see, once entrepreneurs have built the business into something established and it needs proper management, they get bored. I have seen it hundreds of times in my career. They want to sell out, have a break and some fun, then go onto the next venture in the bucket list — this is what we call a serial entrepreneur. The entrepreneur may even invest in other people's ventures.

5. Desire for Cash

There are always owners that want to cash out of a business. Every business is for sale at the right price. For obvious reasons, avoid these sellers like the plague, unless the business has hit a performance peak.

If the plateau is caused by market dynamics or anything else that you cannot directly influence, strike these off the list and move onto the next one. What you will find, however, is that businesses peak as a direct result of the owner manager running out of energy and then (as above) they are definitely on our target list.

SELLER DECISION-MAKING FACTORS

There are seven key variables sellers typically consider when making a decision to sell a business. These variables have significantly different weightings, but let's examine each one:

1. Legacy

As mentioned previously, some owner managers have very strong feelings and opinions regarding their business' legacy. An owner manager may be concerned with standing in the marketplace and/or what employees, customers, suppliers, and partners think about the business relating to its morals, its attitude, the way everyone is treated and how the business is managed. Sellers who have owned their businesses for many years typically care deeply about this and often, legacy is much more important than money to these particular sellers.

The biggest fear this type of seller has is that a large trade competitor will buy the business and destroy its legacy because large trade competitors only care about their own standing and position in the marketplace. Positioning yourself as an individual or small company buyer who can and will retain this is appealing to an owner manager who has fears related to business legacy.

I am looking at a bolt on opportunity to one of my businesses that is almost 200 years old and has one of the most valued brands and reputations in the market. I would be crazy to erase this. Larger competitors don't agree and would erase the brand. It's more ego than common business logic, but there you have it. That's why the owners want to let me have the business, as I will cherish and protect it.

2. Brand

When a seller considers brand, the analysis is similar in nature to the legacy analysis. For example, I was involved with a transport company several years ago. The owners were on the verge of seriously cashing in by selling to a large competitor.[14]

However, just prior to completion, one of the owners was driving on the road and saw one of his branded vehicles — that's when it suddenly hit him: the brand was going to disappear almost overnight and be replaced by that of the larger business.

The owner couldn't bear to think about that and pulled out of the deal, selling instead to management at a significantly reduced price. The management didn't need any of their own cash to buy the business; they used the balance sheet assets to raise some money — paid some to the seller, invested some to grow the business, and took the rest out for themselves. The owner was happier selling and retaining the brand than cashing in and thereby making his brand extinct.

3. Responsibility to Employees

In the same transport deal, the current employees would have become redundant because the acquiring company had its own workforce. The seller was aware of this and had planned to use a portion of his cash from the deal to look after them.

14. In fact, I had brokered the deal.

I have seen this done hundreds of times in my career. Most sellers that cash out can't just lay on the beach with the cash in the bank, worrying that employees who served them loyally over the years are now at risk. These types of sellers do not want to leave their devoted employees unemployed with families to support. It's a powerful need for these employers to know that their employees will be protected and this is something that we need to assure them of during negotiations. Some employees, however, do not like change and leave voluntarily.

4. Culture

Considerations of culture are similar to those related to legacy. Consider this example of one of the largest cultural mismatches in the history of mergers and acquisitions, of which I was a part: In 2003, just before I joined HP as a corporate dealmaker, HP acquired its bitter rival, Compaq. HP was Californian; Compaq hailed from Texas.

The cultural differences between the two were stark. Picture the Rotary Club merging with the Hell's Angels. Suffice to say, the culture clash didn't work then and HP still suffers to this day.

Although the Compaq brand was retained for a long time and HP still sells Compaq products, the management of the two companies never properly integrated and still have separate sites in operation today.

As demonstrated by this case, culture is one of the biggest hurdles to successful acquisitions. People, systems, and processes run businesses, and sometimes the sets just don't mesh together. If HP had considered the cultural nuances of Compaq and the challenges of integrating that culture into its own, the merger may have turned out differently. Many sellers do consider culture more heavily, as everyone should when negotiating acquisitions.

5. Price

It is a fact that the price a seller will receive for his business is generally higher when selling to a large trade competitor. But the trade-off is that the large trade competitor will cut costs and make significant changes (e.g. employee disposal, cultural change, etc.) to drive through the synergy benefits.

You need to find sellers who consider and care more about protecting and handing over a legacy than they do about receiving top dollar. It is actually far easier than you think to find these sellers and it comes down to (a) originating multiple opportunities and (b) pushing the right buttons in the negotiation to make this work.

6. Change

Customers hate change. Often a smaller business treats its customers much better than a larger competitor. If your small business has sales revenue of $5 million per year and one customer spends $500,000 per year, you are going to make him or her feel very special based on how dependent they are on your business.

If a $50 million competitor acquires the smaller business and it has many $2 million to $5 million customers, they will be the focus point and the $500,000 per year customer will soon feel very unloved. I have seen it thousands of times.

7. Time Frame

Time frame is also to our distinct advantage. A larger trade buyer can take up to 12 months to complete a deal from start to finish; however, as an individual, you are much more agile — especially if you're in one of my coaching programs!

Large companies need full buy-in from all department heads and involve many other checks and balances. As an individual (or as a small team) you can complete a deal in fourteen weeks, from start to finish, if it is your primary focus. Larger competitors will need to consult their board and shareholders, have hundreds of other pressing matters to attend to (including running the existing business), and may be looking at an acquisition alongside ten or more others — then play them off against each other.

Don't get me wrong, that's exactly what we are going to do to get the best deal. However, we can do it much faster, and timeframe is a consideration of the right seller.

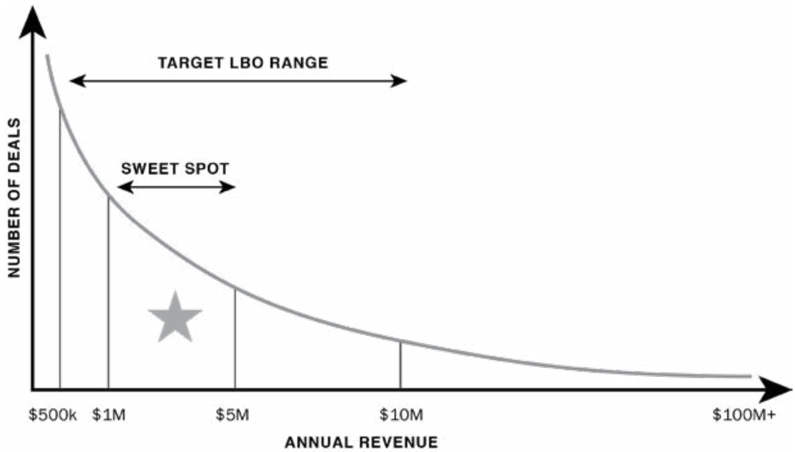
So, we have talked about seller consideration. Now let's talk about what you should focus on.

PROPER FOCUS WHEN SEARCHING FOR OPPORTUNITIES

You should focus on businesses turning over between $500,000 and $10 million in sales revenue. The optimum range is $1 million to $5 million. Why this particular range? Because businesses below $1 million aren't really worth the effort unless you are buying several of the same type with plans to consolidate (e.g. acquiring ten hair salons at $500,000 each in revenue and then combining them), while businesses above $10 million see dilution of ideas that are important to our acquisition negotiations, such as the legacy, brand, culture, and a safe pair of hands.

The acquisition process is the same whether a business has $500,000 in revenue or $10 million in revenue, so aim as high as you can. I have done cash-free deals significantly larger than $10 million, but they take longer and you tend to have other suitors negotiating against you. Stick to sub $10 million and you will be fine and have plenty of opportunities.

The key to the system is to play on all the issues we have identified earlier, including frustration. For frustrated owners, patience is lowered significantly, there is no succession plan in place, and they just want out. The problem is that they can't get out; they are trapped! These owners have employees to support, suppliers and customers to cater to, a lease on the site (if they don't own it), and other liabilities that are not just going to go away. The owner may not require income, but the cost to shut the business down may be significant. And why should a great business shut down when the issue is only that the owner has lost the passion and drive to keep it successful?



So, simply put, look for a tired owner manager. He or she will most likely have founded the business many years ago, achieved success, survived the recession, be in pretty good shape, have no succession plan (i.e. no son or daughter to take over the reins), and one MAJOR fear: the competition.

Owners of small businesses greatly fear the competition in a sale process. Why? Competitors, irrespective of whether or not they want to acquire a business, will always enter the process, receive all the financial, sales, customer, and legal information that is provided in a formal sales process and use this to defeat the business organically in the market. I have seen it hundreds of times in my career.

I have seen customers stolen on the promise of cheaper prices (because the competitor will have sales and margin by customer through the management information from the potential sale process). I have also frequently seen key employees poached and incentivised to jump ship and take customer relationships with them. It's not fair and it's morally shocking, but believe me, it happens. Once these things start to happen, the business quickly withers and dies with culture, history, and legacy all destroyed.

You will prevent that from happening because with you as a potential buyer, the owner does not have to resort to opening the sale up to competitors. Let's say you do want to buy the business. I will walk you through the actual transaction process at a very high level.[15]

BUYING A BUSINESS IS LIKE BUYING A HOUSE

Let's use the simple analogous example of finding and deciding to buy a house. I have italicized the business equivalent in each step.

The seller you are looking for is the lonely empty-nester tired of all the upkeep and management of his home and wants or needs to make a change without much regard for the sales price.

The lonely, tired owner manager or the large company looking to hive off a non-core asset that is taking up too much management time or a portfolio investor who has made big profits on other businesses and wants to rationalise the portfolio to give them bandwidth to go find new investments.

The homeowner can get an agent or sell the house personally. In a formal process, the business seller has an agent, like a house seller has a real-estate agent.

In a business sale, the agent can be an investment bank or corporate finance/ accountancy firm in the case of a large business, while business brokers, smaller accountants, or law firms tend to be the agents on smaller businesses, i.e. the ones in our $500,000 to $10 million target range. Some owner managers will try to sell the businesses themselves.

As a buyer you want to buy from the homeowner himself and not the agent, to strike a better deal. This especially applies to target homeowners who do not have agents and are thinking about selling their homes.

We are going to primarily target business owners directly, utilizing some very clever but simple origination and screening I will teach you. What we

15. *We will get into each step in great detail in Section 3.*

are ultimately going to do is find the sellers who have mentally decided to sell but haven't pushed the button and hired someone to sell the business for them yet.[16] This is important, as we can avoid a competitive buying situation and get exclusivity on the deal very quickly.

If you find a house you might want to buy, your initial to-do list will be long. Before buying a house, you will research local schools, the region in general, quality of local services, etc. and this will help you create a short list from an initial larger list.

It is exactly the same in finding a business opportunity, although the criteria are obviously different. The quick, initial research we will do on the business opportunities we source will focus on market presence, quality of customer base, financial standing, growth ability, etc.

Once you have found the dream home and negotiated a price, you do more extensive work to validate the purchase. In a house deal, this is a survey on the property with your lawyer checking the title, doing local searches to ensure nobody will be building a nuclear power station nearby, etc.

In business, the investigation work is called due diligence and covers legal, financial, and commercial considerations.

So far this is a great analogy, right?

Valuation is where it falls apart a bit. If I want to buy your house, the market will set the value (with assistance from the real estate agent) and will be based upon neighborhood demand and the selling prices of comparable properties locally. We will agree on a price and I will pay all of it when we complete, either all from my own cash or a mix of my own cash and external funding, i.e. a mortgage.

Buying a business is very different. There are accountancy methods to value the business: profit multiples, balance sheet valuations, and more

16. *You will see in Section 3 that I do also use business brokers as options for purchase, but only after 6 months of listing so that competition will be limited. But we are keeping this analogy simple, so I have left that out here.*

complex methods such as real options or discounted cash flow (DCF) analyses and although we will get into these in Section 3, we are going to discount the business valuation based on all the fear, uncertainty, and doubt we discussed earlier and use our safe pair of hands mentality to get a truly sweet deal. But make no mistake: a business is only worth what someone is willing to pay for it.

Comparing this to a house, we are really looking for the empty-nester, tired home renovator, or even the haunted house — basically a place where the owner doesn't want to live anymore and just wants out — regardless of value.

Following the research step, you can then make a decision to purchase.[17]

THE PERFECT BUSINESS CHECKLIST

To make things even easier for you and to help you feel 100% confident you'll be able to find the perfect business to buy, I'd like to share my "perfect business checklist" with you.

In order for a business to be as close to a "sure thing" as you'll ever find, on day one of me owning it, the business needs to have…

1. Enough cash flow to pay me a $10k — $25k/month salary
2. An existing management team to run the day to day operations
3. Scalable fulfillment and delivery systems so I can grow the business quickly
4. A stable customer base so I can be sure the revenue won't dry up as soon as I take over the business
5. Assets I can use to finance the purchase so I don't have to use any of my own money

If you bought a business that checked all five of those boxes, there's

17. The steps simply discussed above and steps following the decision to purchase are covered in detail in Section 3.

almost no way you could fail. So before you make an offer to buy ANY business, make sure it has all of the above.

PULLING IT TOGETHER VIA SURVEY RESULTS

I want to pull all that we have discussed in this section together by sharing some primary research I did a few years ago. I conducted an online interview of almost 2,000 former business owners that had sold their businesses in the prior three years.[18]

I asked, “In selling your business during the past three years, what was your primary reason for selling?”[19]

In terms of the survey base, I actually interacted with 1,921 owner managers that had recently sold their businesses. I used various tools for this, including online surveys and social media tools. Of the 1,921 interviewees, 981 people were based in the USA, 623 were from Europe[20], and the remaining 317 were based in Australia.[21]

I polled a wide spread of business size, from $250,000 to $500,000 annual revenue businesses, up to some businesses turning over more than $10 million annually in sales revenue.[22]

Here are the results.

Although I have been working with owner managers for years and I knew the non-cash sellers would be high, I wasn’t expecting the number to be higher than 60%. If you tally up the safe pair of hands comment (including legacy, culture protection, heritage, etc.) with the employee protection (18.4%) and the relief of pressure and responsibility (5.5%), that gives us almost 69% of sellers that did not consider cash or value as their primary motivator.

18. Allen, Carl. Survey of 1921 Small Business Owners Selling Businesses Within The Previous Three Years (Q4 2012).
19. Id.
20. Id. (with around 75% being from United Kingdom)
21. Id.
22. Id.

PRIMARY REASON FOR SALE

REASON	PERCENT
SAFE PAIR OF HANDS TAKING OVER, LEGACY, CULTURE AND HISTORY OF BUSINESS PROTECTED	44.7%
EMPLOYEE PROTECTION	18.4%
MONEY NOW	14.9%
MONEY EVENTUALLY	6%
RELIEF OF PRESSURE & RESPONSIBILITY	5.5%
RETIREMENT	4.6%
OTHER REASONS	10.5%

68.6%

Source: Carl Allen survey of 1921 business owners in Oct.-Dec. 2012

From my experience, you need to then half that number for people that truly will hand the business over. The other half will sell at a significant discount, and by leveraging the balance sheet assets to raise funds, you will still be able to acquire the business without using any of your own capital and generate a pot of additional cash to extract at completion, use to grow the business, or a combination of both. That is exactly what I did with the recent deal I commented on earlier.

Working with a 33% hit list, for every ten opportunities you originate, between three and four will give you the sweet deal and six or seven will want somewhere between a token amount and top dollar. Depending on the strength of the balance sheet you inherit, what the seller considers top dollar in terms of cash may actually be nominal based on the fundability of the deal. We will get into that in more detail later.

I want you to know that this is a numbers game. It's much harder to laser in on just one opportunity and then try to negotiate a free deal. You need at least ten opportunities to make this work and I often start with more than one hundred and then carefully trim the list down to make sure that (a) I am getting exactly what I want in terms of a business, and (b) it works for me financially. I simply will not spend any of my own capital acquiring a business. It's my golden rule and it has worked for me consistently. Finding hundreds of opportunities is not that difficult. This will be discussed in section 3.

RECAP OF SECTION TWO

- Tired and frustrated sellers don't want cash out of a deal. They just want to walk away and leave the business in a safe, trusted pair of hands that will continue the legacy of the business and protect all the good things about it — its culture, customers, employees, and standing in the marketplace.
- We will play heavily on the fear, uncertainty, and doubt that larger trade competitors could be very dangerous if considered suitable acquirers. They can poach customers and employees and quickly destroy the business with ease by changing all the good aspects of it to reflect the larger entity.
- We compared buying a business to buying a house. Some aspects are identical, such as the need to do your research and due diligence on the chosen one, however, valuation and payment are very different. We will be taking over someone's business with their blessing. This is done without parting with any of our own cash and either paying the seller (if they want any cash) through raising finance against the business's balance sheet or paying on the drip out of the businesses profits in the future, with US taking cash out at completion, if we so desire.
- We finally touched on valuation, and although some businesses will pay a high premium for complimentary businesses because of the synergies available, price is very subjective and based on what someone (us) is prepared to pay (very little). Find enough opportunities and you will have a free business in fourteen weeks. I guarantee it.

SECTION 3:
MY 10-STEP BUSINESS ACQUISITION PROCESS

Before we go into the 10-step process, which needs to be followed over a 14-week period, let me give you some critical ground rules.

It is absolutely essential that you follow the rules step-by-step.

Going back to the house analogy, you cannot build a roof until you have walls for the roof to sit on, and the walls must rest on a foundation. Just as you build from the ground up, buying a business is a process that must begin with a foundation.

The building blocks we are using are psychology (we are going to tap into the mind of the seller and play on fears, uncertainties, and doubts, coupled with us as buyers being trusted, safe pairs of hands to continue the business as-is), sales, and marketing to both originate hundreds of opportunities and sell ourselves into the deal.

We must also research and analyze to vet the businesses we identify and separate the good from the bad. We will approach only the best ones that satisfy our unique “You, Inc.” criteria and we will combine all of that with a smattering of patience!

So, here is the process map…

Starting from the top left, the first step is "You, Inc." What type of business do you want? Where is it located? What is the market sector? What's your role?

Once we have identified our criteria, the next step is to originate the hundreds of opportunities to choose from, in terms of approaches.

Third, we create our master list of twenty or so opportunities and do some quick, basic research and analysis to start to force rank on them — in terms of match to our attractiveness criteria and how related the opportunity is to what we want.

Fourth, we will look at valuation and structure. For those of you who are not financial wizards, don't worry. I template it all for you, making it really simple.

Next comes the most exciting part. Here, in the fifth step, we get to examine how much funding we can raise against the business and then what we want to do with it. Grow the business, pay the seller some cash, and pocket the rest.

The sixth step is where we start negotiating. This is another fun part. It requires some basic skills, which I will teach you.

The seventh step is where we have decided which business to acquire. This is the business that ticks all the boxes and gives us the best financial deal. We will then get a formal exclusivity to complete the transaction and will build a simple project plan to get the deal completed and bring in the 'free' advisors to do it all for us.

Number eight is all about managing the due diligence process. You can bring people in to do this for you, however, there will be some coordination required, which I will show you how to do quickly and effectively.

Number nine is the legal section. Like buying a house, you will enter into a legal contract with the seller and a lawyer will do this for you. I will walk you through some of the key elements to this. However, like due diligence, bring someone in to do this for you and pay them from the business once you own it. This should be done on a contingency basis until the deal has been completed.

The tenth step is the physical completion. Again, like buying a house, everyone signs the legal documents, and if you are raising funds for the business, the money can flow on completion day if you need it to. If you are simply taking over the current leases/liabilities and the seller doesn't want any cash at completion, you may want to transact this later, however, I always do this at completion so I can take any cash I want as early as possible.

There are two key elements that underpin a successful deal. First are the tools and research sources that you will need to locate and do all the analysis and fact finding on your target opportunities. Second is your overall project management of the process. I will cover both in detail later.

Let's look at each step in detail.

STEP 1: "YOU, INC."

We covered this in a lot of detail in Section 1; however, let's briefly recap on the key issues.

It's really important that you find the right business for you. What's right for you will be different than what's right for the next person. In the origination section, you will see how easy it is to uncover hundreds of opportunities to accumulate a big list of businesses to target giving you the ability to be selective. I read a great book a few years ago called Crush It![23], and the key message of the book really gelled with me. You need to do three things to be successful: love your family, work hard, and live your passion.[24]

Your passion is all about what you want to do in life, so make sure the business you acquire is something you are passionate about. Your passion may be to acquire a selection of businesses and combine them all, or be a scalper and acquire, quickly groom, then move them on for quick profits.

If you want to work in the business every day as the General Manager, you need to find something close to home so you are not wasting time commuting when that time can be spent growing the business or planning your next acquisition. You may also simply love business, irrespective of the sector. You need to have your end game in sight. When I buy a business, I always have a 2- to 5-year exit strategy planned out ahead of time. I always translate my business planning into my personal wealth creation goals, and you need to do the same.

Ultimately, "You, Inc." is about solving your current frustrations and pains in what you are already doing or are about to do.

As we discussed in Section 1, if you are a frustrated manager or consultant working for a larger business, chained to your desk, no skin in the game, and making your owners/shareholders rich with every hour you devote to them, you can stop doing it right now and go acquire your own business without using any of your own capital.

You may be looking for another job, be out of work, or currently frustrated in your current role. Owning your own business and being directly responsible for you and your family's future is only fourteen weeks away.

23. Vaynerchuck, Gary. Crush It! – Why Now Is The Time To Cash In on Your Passion (2009).
24. Id.

Similarly, if you are an entrepreneur looking to create a new venture, it's a very high-risk plan, irrespective of what the venture will sell or the service it provides. We looked at the statistics by Michael Gerber. Remember that only 4% of start-ups make it[25] — and it's no wonder when we looked at the lack of staff, premises, products, suppliers, credit, and the tremendous financial, health, and family sacrifices that face entrepreneurs.

It's much better to acquire a business in a sector that is similar to what you want to do and innovate from within. You will have all the ingredients there to kick-start a new idea: cash flow, premises, staff, etc. to either make your product or supply the service…and YOU will be making money at the same time from what the business already does.

As an existing owner manager, we know it's difficult to organically grow a business, customer by customer. Bolting on another business in a complementary market will give you excellent cross-selling and upselling opportunities and the cost synergies in combining operations will instantly generate a hike in profit, business valuation, and your own personal wealth creation.

Whatever your current pain or frustration, taking over someone else's business can solve it.

STEP 2: ORIGINATION AND APPROACHES

Let's look at the key origination methods to get hundreds of opportunities flooding in, not only for this initial opportunity but also to provide a steady stream in the future. I receive more than one thousand opportunities per week at the moment in multiple countries and markets. My system filters out the vast majority. We are also going to look at how you approach the businesses and how we classify them as (a) Suspects, (b) Prospects, and (c) High Value Targets.

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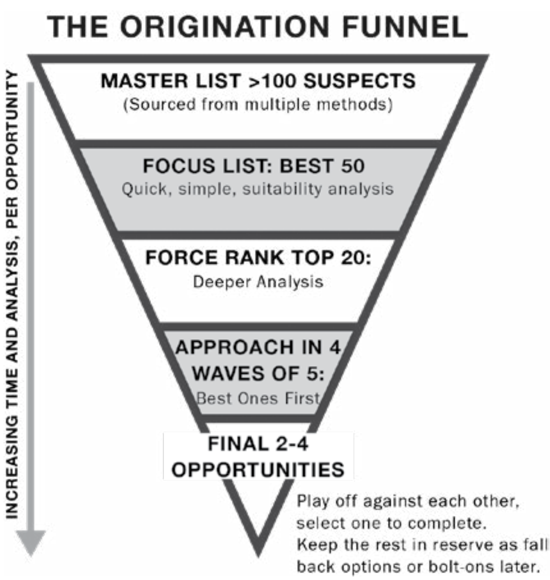
25. Gerber, Michael E. The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It (1990).

Let's look at a typical origination funnel. If you work in sales, or own a business currently, this will be familiar. In the figures below, we will look at all the origination methods I currently use. Some are recent, like social media, however, some I have been using for more than twenty years, such as trade events, third-party referrals, etc.

You want to have at least one hundred opportunities at the top of the funnel. That's the easy part. The goal is to then start filtering them down. The initial one hundred are called Suspects, i.e. you suspect they are opportunities but you have not qualified any of them yet versus your "You, Inc." goals and have not done any quick research on them.

In the research and analysis section, I will walk you through the method I have been using my entire career to do suitability analysis. I have used this to buy very large companies (>$1 billion companies at HP), however, it works perfectly for our target range sweet spot of $1 million to $5 million as well.



Your first cut should be down to a maximum of fifty opportunities that have had some qualification and have some degree of fit to "You, Inc." From there, you are looking to identify the best twenty — not necessarily the best twenty businesses, though, as “best” is a subjective statement. You are looking for the best twenty companies for YOU and nobody else.

You will then do some deeper analysis on the best twenty and these are the ones you will approach formally once you know a lot more about them and can start to present yourself, your trusted safe pair of hands mindset, and vision for the care and future safety of the business.

From that point, we split into four groups of five businesses, force ranked based on suitability, and then approach in order. As you can see, the further down the funnel we go, the more focused you are going to be, spending more time on each opportunity as we narrow down the initial one hundred-plus list (Suspects) to the top fifty (partially qualified — Prospects) to the final four groups of five (High Value Targets).

You will probably not meet all twenty of the prospect list; a more likely figure is probably six to eight from experience, and from those meetings, between two and four will tick all of your “You, Inc.” boxes, having the right attributes you are looking for in a business.

The goal is to play the two to four final opportunities off against each other to determine which owner manager, large corporate, or portfolio investor wants out the most. You may end up acquiring all of these, however, pick your best bet first and then use the rest as future acquisitions or fall back options in case your best bet deal falls over for whatever reason (which, in my experience, is typically a due diligence issue that you cannot foresee at this early stage).

Let’s look at the key origination methods. I go into these in lots of detail in my flagship business buying program. There are also many more to discuss. In this eBook I have included my top six.

KEY ORIGINATION METHODS

1. Surveys:

As you know, I surveyed almost 2,000 business owners a few years ago and used some of the information in this book. I regularly use online survey tools, as it's very easy to reach a lot of people quickly and at nominal cost. I ask a lot of thought provoking questions like, "What are your biggest frustrations in your business at the moment? If you sold your business tomorrow, what would you do for the rest of your life? What are your primary considerations in selling your business?" From the thousands that respond to me, I am able to filter them into "pots" based on location, market, and seller mindset, and then the ones that tick those boxes go into my origination funnel.

2. Facebook:

The power of Facebook is astonishing. In my flagship business buying program I show you how to use social media to seek out owner managers in specific markets and locations to interact with, moving forward. If you do this properly, you can attract tens of thousands of potential sellers and this technique alone can provide you with enough opportunities to last a lifetime. I also then use the fan pages to drive surveys and really get to interact with individuals on an emotional level, learning about their businesses and frustrations. The method of originating with Facebook also works with LinkedIn, Twitter, Google+, and a host of other social media sites, including YouTube. I run through these in the playbook, but have specific training sessions on each in my flagship business buying program.

3. Direct Approaches:

I will show you how to use online tools and databases (most are free) to find all the businesses in a particular market and location. The ones that you don't capture in other origination methods, you can just approach directly via a very carefully worded letter sent in a highly confidential manner. This letter took me over five years to test and perfect. It focuses on all the frustrations we have identified in Section 2 and also plays back what you know about the business and the market.

Knowing your targets, their businesses, and their frustrations is key and I average more than a 30% response rate from these letters converting to meetings and the supply of key information on the business. The letter method is also very important in originating opportunities from large corporates looking to carve out non-core subsidiaries or investment portfolios looking to rationalize and pass on businesses they no longer want to support.

4. Industry Events:

Never ignore the power of human networking. I regularly attend trade show events, industry analyst events, press conferences, etc. to learn more about a particular sector and meet potential sellers, whether these are owner managers, larger parent companies, or investors. Essentially, you will be going to originate opportunities. Just introducing yourself at the coffee stand, registration stand, and to anyone else you bump into presents opportunities — “Hello, I am Jim, I have been working in this industry for X years, I am currently doing Y but I’m going to acquire a business in this sector. What do you do?” At least one in four people will then talk to you about their business and plans for selling out.

These stats have worked for me for twenty years. I was actually at a pharmacy event only last week and out of the twenty people I spoke to, eight wanted a follow-up meeting to discuss selling their business to me. I actually did something really neat ahead of the event, which will certainly turbo-charge your response rate. I called the organizers and asked for the attendee list. I knew which seventy-five businesses owners were attending and the twenty I wanted to meet.

I spent a few hours learning about their businesses and captured insights from the owners’ bios on LinkedIn. I put eight bullets on a separate card for each target business — four about the business (its history, market, customer base, and product/service specialty, all available on their website) and four bullets on the owner (hobbies, past exploits, etc.).

You would not believe the response you will get when you drop these bullets into your conversation. You will be taken very seriously, receive instant respect, and almost guarantee yourself a next-step meeting with that prospect. Very powerful stuff.

Industry associations are also good sources for opportunities, even if they don't have events. Businesses that are members will be listed and you can even contact the association to see if they know any that want to sell.

5. Business Brokers:

Business brokers are not my favorite group of individuals, as owner managers don't particularly like them. However, some are very credible and have a good success rate in selling small businesses. Some are not. I know of one business broker in the UK who charges a $30,000 upfront fee with some very sexy presentations and seminars.

The truth is, they only sell one in fifty businesses they take on and make virtually all of their profits from the upfront fees. Brokers like this are perfect for me to approach, since they have hundreds of neglected sale mandates on their books and, provided they have been on the market for at least six months, I will go see them. The broker will sponsor you in since they want you to take the business. They very rarely go with you to visit the business, so you have a free reign once you are in there.

After six months, the business owner will have met a few likely buyers (tyre kickers) and be left frustrated at the lack of progress, thus compounding all the reasons they want to sell in the first place. You should make a list of all the business brokers in your target market (if specialist) or location (if generalist) and go see them. Tell them who you are, what you want to do (don't tell them you will be taking the business over for nothing), and they will give you their lists of businesses.

Most of them list anonymously online so you can even search the ones that interest you. In my flagship business buying program, I show you a really neat trick of how to determine whom the business actually is, from the limited and anonymous information provided, so you can even write to the business directly if you would prefer. Business brokers can be very helpful to you, though, and will generally sponsor you into multiple opportunities.

6. Third Parties:

A personal favorite of mine. You would not believe the number of opportunities I have originated through third-party networks. In your chosen locality, go and meet all the operating accountants, lawyers, and consultants. They will all have many business contacts that are considering selling for all the reasons we discussed earlier. If you get any resistance (sometimes, but not that often, this happens) tell them you will want them to assist you in acquiring a business. If they are going to recommend you to one of their own clients, they will not act for you, as it will be a conflict of interest; however, they will receive a fee from the client in assisting the sale process, so no matter what, these individuals are strongly motivated to assist you. Professional advisors are the ultimate networkers and if they don't have any clients looking to sell (although the vast majority do) they will know hundreds of other advisors and intermediaries who do.

Banks and other financial institutions are also very important to approach. All will have portfolios that will include high target sellers. Owner managers and bank managers generally have tight relationships, so you can bet the banker will know when an owner wants to sell before he or she has pushed the button on a process. I met a local banker contact of mine only yesterday and she gave me five new opportunities.

There are many other intermediaries that you can also approach such as real estate agents, customers, suppliers, etc. If you have a relationship with any business (for example, the contracting firm who just replaced your kitchen or even the car dealership that sold you your last car), call them all and ask if they know of any business owners considering a sale. Make a list of all of the businesses that provide services for you and tap into that network.

I could write for days listing all of the methods I have used previously, but above are my most frequently used and favorite. I cover the rest in the other products I will describe in section 4.

STEP 3: RESEARCH & ANALYSIS

This is a really important section. You should be researching your opportunities all the time for two major reasons: (1) Knowing something about the businesses will help you in the approach, as you will gain instant credibility with a prospect if you know about them and their business. (2) You need to be constantly filtering the master list down to the fifty or so opportunities that convert from suspects to prospects.

The step to go from one hundred plus to the best fifty companies for you should take no more than ten minutes each. Quickly eyeball the websites and pick the fifty that you believe will be the best fit. This is a real gut feel-check, and the deeper research will start later on these fifty. You also need to layer in what you know about the owner manager, parent owner, or investor that is potentially looking to give up the business.

From your origination methods in Step 2, you will have sought out many opportunities in different ways. Some will be far hotter than others. Knowing about a potential opportunity is very different than someone you met at a trade show, a hot lead from a third-party professional, or someone that you have struck up a relationship with online via one of your social media pages or a survey. Anyone who has given you even the slightest indication they want out and are labored with some or all of the frustrations we discussed in Section 2 need to go on your list of fifty.

You should aim to have at least twenty-five of your fifty consist of a qualified or partially qualified seller. The remaining twenty-five slots can be filled with the best of the rest that would appear to fit your acquisition criteria (at least on paper) and we will subject them to a deeper look.

METRICS

Once you have the fifty opportunities26 you will develop two sets of metrics to apply to all of the opportunities and rank them alongside each other. You should spend about thirty minutes on each one, so it will take you a few days of research to learn about them all, but it is very valuable time to spend, as you will really start to understand how all these businesses play in the market. Think of this as part of the homework required to blow the owners away once you get to meet them.

The two sets of metrics are very different:

1. **Qualitative metrics**. These will be based on your knowledge of the sector and will involve more of a "gut feeling." These metrics (in combination) will give you a strong sense of how related the opportunity is to "You, Inc."

2. **Quantitative metrics**. These will take the emotion out of the filtering process. Here, we will quickly crunch some numbers and rank each opportunity financially.

Qualitative Metrics

In my flagship business buying course and my coaching programs, we dive into these in lots of detail. Initially you need to pick between three and six criteria that help you define the perfect opportunity from a quality perspective. Typically, you would look at:

- **Positioning** — How does the market perceive this opportunity? Has the business won awards? How strong is the team visible on the website? In the "About Us" section of the business website, you will get most of the answers. How do they sell, price, and service? What

26. Fifty should be the maximum. In my experience the lowest number required is twenty.

value-add or USP (unique selling proposition) does this business have over others? If the business doesn't have a website (very rare these days), drop it and move on unless you have already connected with the owner in the origination section and you have the information (brochure, industry association pack, etc.).

- **Type and Quality of Product and Service** — What does the business do? Is it a manufacturer, reseller, or wholesale/distributor? Is it a service company? How does it interact with its customers? What is the basic business model?

- **Commodity versus Non-commodity** — Within minutes, you will be able to determine whether this business sells on price alone (i.e. it operates in a commodity market) or if there are aspects of it that will generate a premium price offering (e.g. very high quality, intellectual property, or a unique service or USP that others fail to offer or replicate). Commodity businesses are still great to acquire if they are serving a market that desperately needs the product or service (as in a staple product/service with repeat purchases). It may be that the business is just selling on price and is doing well but doesn't offer great service. That is something you can change instantly, making the business even more competitive and allowing you to increase prices since people will pay a premium if the service is there.

- **Barriers to Entry** — Looking at the market in general, is it a market that is hard or easy to enter? For example, web design is a market with a very low barrier to entry. All you need is the proper skill-base — simply obtain the tools to create a site (computer and software) and you can go out and win business. Accountancy or the legal profession is the same way (although people that work there need to have the relevant qualifications). There is nothing bad about this; however, you may want to acquire a business that is in a locked-down market. For example, I looked at an engineering opportunity last year that made products for the military. This is a business that is hard to get into as a start-up due to the accreditations and the security measures required if you are manufacturing any classified products.

- **Customer Base** — The quality of the customer base will tell you a lot about the reputation of the business. Businesses with good customers showcase them online. If the business sells to consumers, you will get a sense of the socio-economic group the business serves; there is no right or wrong here. If you are offered a car dealership selling to high net worth individuals, you own a business that is recession proof. Alternatively, I was offered a chain of pawnbrokers last year that made serious profits, although it was serving a market in the lower social classes.

- **Recurring Revenues** — Irrespective of what the business does, a recurring revenue base is an excellent thing to have, or at least an order book out at least twelve months into the future. The defense business I mentioned above had a 25-year contract to manufacture parts of the new A380 super jumbo. Technology businesses are also very interesting, as they generate both upfront revenue and recurring maintenance revenue for support and product upgrades.

- **Type of Seller** — This is an obvious metric to identify and this will come from your origination work and the "About Us" section of the business's website. It is good to know whether the business' owner is an individual, individuals, a parent organization, or an external investor.

Quantitative Metrics

Here, you want to get a sense of the financial state of the business. All of this information is available online (if you know where to look) and you can estimate others. Some of the key metrics you need to look at are:

- **Revenue Growth** — Is the business growing, declining, or flat?

- **Market Share** — Once you have the current revenue, you can quickly find the size of the market, both nationally and in a specific location. There are market research studies available online, and a lot of them are free. These studies will cut the market in different ways. You will use them to determine whether this is a small market with a few key players or a larger market with hundreds or thousands of businesses within it.

- **Profitability** — Does the business make a profit? The income statement you can find online will show you that and you can also look at what the add-back costs will be under your ownership. The income statement will show you what the owner's remuneration is, and that will be the first cost savings since he or she will not be there post deal (at least in a formal capacity).

- **Balance Sheet Strength** — This is important since it will give you a feel as to how much cash you can raise against it. As previously discussed, you may want to take money out on completion in the form of funds to grow the business, to hire more employees, to engage in more sales and marketing, etc. The strength of the balance sheet is extremely important to ascertain. The key aspects of the balance sheet are the assets, liabilities, and the retained profit.

- **Age** — The age of the business and the seller are both important. If you have a fairly new business and the seller is twenty-five, it is hard to play the psychology game we discussed earlier (unless the business is owned by a larger parent company). Conversely, if the business is more than twenty years old[27] and the owner is sixty-plus, it is a slam-dunk opportunity, especially if the owner is also tired, frustrated, and needs a get-out strategy.

You are looking to develop a 1-5 or 1-10 scoring scale for each business and each metric. You will then want to tabulate them. Following that, you can plot them on a chart and identify which are the most attractive and

27. An interesting aside - currently I am looking at a business that is 200 years old!

most related businesses. Starting from the top right corner, group them in groups of five as you start the visits and meetings.

STEP 4: VALUATION AND STRUCTURE

Valuation is one of the oldest questions in business and probably the most difficult to answer. We discussed earlier that there are accountancy-based methods to value a business; some are simple (balance sheet valuation, profit multiples, etc.) and some are more complex (DCF, real options, etc.).

However, remember our statement in Section 2, "A business is worth what someone is prepared to pay for it and what someone is prepared to sell it for." When those two forces balance, you have a willing buyer and a willing seller. What we are looking for is a zero cost acquisition. Not everyone you meet will agree to this; that is why you need a pipeline of opportunities that you constantly filter. Hopefully you typically end up with between two and five that you can play off against each other to see who cracks first.

As I mentioned in Section 1, one of my most recent deals identified a small business in the radio industry that needed to be saved. It's a fantastic business, but revenues had been declining in recent years. I was able to buy the business without spending a single penny of my own money because the seller cared much more about finding a "safe pair of hands" to protect the business than she did about making lots of money. With a great management team in place to run the day-to-day operations, which I put together as I was negotiating the deal, the business has been growing very quickly.

We have talked about the opposite effect of premium offers for businesses. I have paid over the odds in the past, but only when spending other people's money, particular HP. In that particular case, we were acquiring a very special company that would transform HP's strategy to become a larger software player and use the software as a magnet to sell through all of HP's $100 billion a year catalogue of other products and services. The strategy worked.

Microsoft's acquisition of Skype for $8.5 billion is another classic example. If you examined the revenues and profits of Skype at the time of the deal, it was valued at less than $1 billion on paper; however, the 663 million users are like gold dust to Microsoft, and when it integrates Skype into its operating system and other software, it will divert traffic from Google and Facebook and allow Microsoft to win back some of the mind-share in the ongoing battle for customer eyeballs online.

STEP 5: EXTERNAL FUNDING IF REQUIRED

There are three reasons to raise funding on a deal.

Firstly, you want to take some money out of the business via the deal. You have worked diligently for fourteen weeks to acquire a business, and this is the reward for your hard work.

Secondly, you may want to have additional working capital in the business to grow it. Now that you own the business, I'm sure you will not want it to plod along on its current trajectory. Since we are buying from tired owner managers, parent companies, or investors who have been neglecting these businesses, you can bet it will need a shot in the arm in terms of energy and additional investment to grow rapidly.

If you can raise cash, why not spend some of it on hiring new salespeople or focused marketing? You could also focus on bringing additional skills into the business in other areas, such as finance, human resources, production, or by hiring a consultant to investigate a new market opportunity for you.

Thirdly, the owner may want some money upon completion, depending on how hard you negotiate and how many opportunities you have at the negotiation stage. If you only have one, it is difficult to have everything your own way. Knowing you have others will put you in a much more powerful position, enabling you to play the businesses off against each other, in the same way you would play several car dealerships off each other to negotiate a bigger discount off the sticker price.

HOW TO RAISE FINANCES

There are many ways to raise finance and most are a lot of fun. Here are just a few:

Asset finance is one option. The business may have plant and machinery, or even a building. It is extremely rare that a business that resides in a building belonging to the owner will be given to you, including the building; however, if you buy the building for a sensible price, the business is often thrown in. A commercial mortgage on a property is a simple solution to that and you can use some of the many other funding streams to pay the deposit, including the cash in the business at completion.

Receivables/debtors finance is probably the quickest and easiest way to raise funding. In the UK, there are commercial banks and hundreds of specialist lenders who will lend up to 90% of the value of receivables in instant cash. The interest is also very low, about 5% all-in within the UK. It is very similar in the US and Australia.

Stock funding is also very common. If you have non-perishable stock within the business that has a market and is called off by your customers over time, this is a good asset base to borrow against. You can typically raise between 50% and 60% of the production/purchase value of the stock.

If you have a business that is generating consistent profits, you can secure a cash flow loan that is based on a multiple of the profit you generate. This can range from 1x to more than 3x your annual profit as a cash sum.

Suppliers, customers, and other partners are also good sources for cash. I have used suppliers in many deals, as plans to grow the business after purchase would be beneficial to the key suppliers and they have a vested interest in supporting you. One of the key suppliers in one of my larger businesses recently flew to see me, pledging cash to make the business grow even faster so he would benefit from increased supply.

Customers are also good sources of cash; however, it's not as easy for a customer as it is for a supplier. I have funded my own suppliers to help them grow, be more efficient, and bolt on other businesses since I will benefit out of it from cheaper prices and more efficient service.

I even got a distribution partner company to pledge cash in a deal several years ago. I was promising to switch $750,000 a year of distribution costs to them post-deal, and since I was prepared to sign up for a three-year contract, they gave me $150,000 towards the deal.

There are lots of healthy grant funding pots available in virtually every sector for innovation, business development, and many other reasons, so make sure you tap into as much of this as you can since its free money. I cover this in detail, including many various sources and the application process, in my flagship business buying program.

I acquired a technology business once and needed $500,000 — I ended up getting all of this just from a grant. I didn't need to raise funds from the balance sheet; however, you can bet that I did to provide some cash for myself and to provide growth working capital.

For those of you who do not want to run the business yourself and would rather have a general manager (GM) run it for you, you may have this option. In numerous cases, I have given the GM a small (10%) piece of equity. That GM has then asked if he could buy more equity from me! Remember, I'm not paying a penny for any of the equity in the business, so what someone is prepared to pay me for a bigger slice28 is just free money.

Aside from people in the business, angel investors are also fantastic networks to tap into for equity investment, as are the emergence of crowdfunding platforms. It's very rare that I use equity as a fundraising mechanism, since there is always more than enough cash to be had in other

28. Never sell more than 35%.

areas, but it's there if you want to consider it, and the investor can add significant value to you and the business. You need to look for a particular skill set the investor has that you need, or a large network in your particular market niche that will open doors for business development purposes.

The biggest thing to remember, though, is that the BUSINESS is borrowing the money, not YOU. In this way the business repays from its profits.

STEP 6: OFFERS AND NEGOTIATIONS

Before I case study a recent deal for you, I want to frame how I negotiate. I break the negotiation down into four steps, starting with Step 1.

NEGOTIATING STEPS	
1	Offer to take over seller's liabilities (1 in 10)
2	If the seller wants some cash, only offer this on the drip and funded by business profits (1 in 10)
3	Only offer some cash on completion if you (a) can raise externally and (b) you can extract some cash for yourself (3 in 10)
4	Move onto next opportunity (5 in 10)

Step 1

Irrespective of the quality of the business I'm looking to acquire, I always start with Step One — offering to take over the seller's liabilities only. From my experience across hundreds of deals, only one in ten will go for that, so if you have five opportunities at the final stage of your origination funnel, the odds are 50% that this will work.

If the liabilities are just a lease on a building and a couple of hire contracts for a vehicle and IT equipment, the chances are limited, unless you have found the proverbial haunted house business. This has happened to me four or five times in the past.

However, if the liabilities are higher, like an overdraft on the business or some other debt funding within, the chances of Step One succeeding are much higher. If the seller doesn't agree and your other opportunities don't either, just move on to Step Two.

Step 2

Step two is providing a sum of money to the seller but over a period of time, anywhere from one to five years, depending on the profit stream the business is likely to generate. If this works with the seller, try to agree that the payment is contingent on some level of performance, like sales revenue.

I would never do this on profitability, since if you improve margins and efficiency on modest sales growth, you are rewarding the seller for this work.

You can set the sales hurdle high, as a seller will always give you healthy future sales forecasts as part of his or her pitch to you, and you can use these to peg the deferred payments. The key is to make sure that the profit stream can pay the deferred by a factor of at least 2:1.

Thus, if you are buying a business worth $5 million and the seller only wants $1 million for it, if you agree to a $250,000 per year payment tied to sales performance over a four-year period, the profit stream needs to be at least $500,000 per year.

If the business is worth $5 million, then the profit should be $1 million a year as an average (using an average valuation multiple of 5x profit), so in this example you would have 4:1 coverage. In this instance, you could go to $500,000 per year, as a payment without the deal costing you any money whatsoever. This is also giving you a clean balance sheet to borrow against, providing cash for you and for growth.

You could use some of this cash to pay the seller, however, why would you when the business profit can easily do that for you? From experience, two of ten, or one in five, will typically go for this, so if you have five opportunities in your final list, you will be fine.

Step 3

Step three is where I make my final offer. It is a rarity for me to go to this level unless I really want the business.

In making my final offer, I look at the funding options for the business and work out a conservative figure based on my discussions with lenders. Thus, if I really think I can sweat the assets, receive pledges from suppliers, and also have secure grant funding to the tune of $2 million total, I will use a maximum of 50% of this in my negotiation and I will split this three ways.

Thus, 33% of $1 million, or $333,000, is the maximum I will pay the seller upon completion. My rule of thumb is to keep 1/3 for myself and use 1/3 for adding extra working capital to the business. I will then initially offer half of the $333,000 and max out at the full $333,000 amount. If that doesn't work, move on to the next opportunity.

From experience, the seller will come back to you within a few weeks, conceding some ground on the negotiation. This typically happens to me between 40% and 50% of the time. A bad day in the office or a cold, rainy Monday morning after a lovely family weekend, or even better, a return from a great vacation or the Christmas holidays can reverse someone's psychological resistance to a deal.

You will probably have agreed to a deal that works in Steps One through Three with another opportunity, however, it is always good to have a returning seller as back up or for the next opportunity. Just keep them warm. From experience, three in ten will accept a Step Three deal.

Step 4

If none of the above works, walk away from the deal.

STEP 7: EXCLUSIVITY AND COMPLETION PLAN

Once you have agreed on a deal in principle, you need to get it in writing. This is called a Heads of Terms Document (HOTS), a Memorandum of Understanding (MOU), or a Letter of Intent (LOI). This document is important for several reasons and commits the parties to completing the deal.

It gives the buyer a period of exclusivity, usually four to eight weeks (but it can be longer depending on what everyone wants). Eight weeks is sufficient. There is a penalty for the seller pulling out, typically $50,000 (although it can be less). The buyer can pull out at any time and is typically forced to do so if there are weak due diligence results.

All the key terms of the deal are put into the Heads of Terms, giving the lawyers a good head start in preparing the paperwork. Sometimes, buyers get the "free" lawyer, as we discussed earlier, to give the HOTS a once-over. However, it is good practice to write this yourself.

HEAD OF TERMS KEY ASPECTS

- **The price of the deal (if applicable) and how this is going to be paid.** For example, "Buyer will pay $7 million for the business in the form of $2.7 million at completion and $860,000 per year for five years, contingent on the business achieving annual sales revenue of $15.8 million."

- **The balance sheet assets you are assuming at completion.** This is important. You set a minimum balance sheet value and minimum cash value to be given to you at completion. That way, the seller cannot take cash out of the business during completion and leave you with less. For example, "The business will have a balance sheet value of at least $6.5 million at completion with a minimum of $1 million in cash." This isn't the cash you are taking out of the deal - that comes from the fundraising. The $1 million is the cash retained in the business for working capital. If this is low in your deal (since the business has historically been run with low working capital), you may want to top it up from your funding pot. Remember, you can split this three ways if you need to — yourself, the seller's Day 1 cash (if he or she needs any), and top up funding for the business to grow.

- **Key dates for exclusivity and completion.** You should set a completion date that everyone can work toward. You then set exclusivity up to two weeks beyond that to give you a buffer. For example, "Heads of Terms to be executed on 1st Feb, completion set for on or before 15th March with exclusivity until 31st March and extended if both parties agree in writing."

In terms of completion planning, you now have your key dates and you need to break it down into sections:

- **Due diligence**: 1st Feb until 28th Feb
- **Legals**: 15th Feb until 15th March
- **Fundraising**: 1st Feb until 15th March

STEP 8: DUE DILIGENCE

Since due diligence is one of the key elements of completion, it's good to kick this off immediately.

As discussed previously, there are three aspects of due diligence:

1). Legal Due Diligence

Have a lawyer do this alongside drafting the contract paperwork for the actual transaction. The lawyer will check the business title (i.e. Is it owned by the current person or entity from whom/which I am trying to buy it?), any contracts that the business has entered into it (e.g. sales contracts, supply contracts, leases, etc.), and will also include property (owned or leased), patents, trademarks or other intellectual property matters.

Some buyers do this themselves; however, why bother? Get an expert to do it since it will only cost you any money if you complete the transaction. That is called a contingent fee and is very common in the world of acquisitions.

2. Commercial Due Diligence

This is a section you can do yourself since its quick and easy. You need to verify that the business has the customers it says it has and the prices are as provided to you. You need to verify the suppliers in the same manner.

The numbers are a desk-based exercise; you just check invoices and the bank statement. However, take this opportunity to meet with or at least speak to key customers and suppliers to tell them who you are and what your plans are for the business. The current owner will give you permission to do so and may even attend with you. This is a perfect opportunity to also fundraise, as discussed earlier.

Suppliers are often very willing to help you grow the business as it is in their interests. You will also want to quickly study the market in a bit more detail than in your initial research and analysis phase. Find some market reports online (again, most are free).

3. Financial Due Diligence

Have your accountant do this for you, as it is tedious and time consuming. Again, it will be contingent on terms of fees and will cover auditing previous accounts, checking sales revenue and profit statements, and verifying the value of the balance sheet assets. Accountants will also look at the profitability of the business's customers.

This will be very useful to you, as you will be able to see which 20% of your customers make up 80% of your profits (this is typically the case in business and everything else in life — Pareto's principle) and thus need special care and attention once you own the business.

STEP 9: LEGAL CONTRACT

As with the legal due diligence, the legal transaction process is contingent. The two run together. Returning to the house buying analogy - the due diligence is the survey and searches, while the legal contract work is what you and the seller will sign to complete the deal. It's called a sale and purchase agreement (SPA) and is always heavily weighted in favor of the buyer. It covers:

- What you are paying for the business (if applicable) and when.
- Warranties provided by the seller. (They are essentially underwriting what they are giving you.)
- A contract and schedule for the deferred payments (i.e. a loan note).
- All the ancillary paperwork is also handled by the lawyer, including share certificates, government notices, bank mandates, etc.

STEP 10: PHYSICAL COMPLETION

This is the best bit. Completion day!

Typically, the buyer and the seller meet in one of the lawyers' offices (usually the seller's lawyer) and everyone signs the documents. This process can take several hours on a very large deal or a matter of minutes on a smaller deal. My longest record is four days (it was a multibillion dollar transaction covering a group of 34 businesses in 13 countries) and my shortest is 15 minutes. Everyone then drinks the obligatory glass of champagne and you can proceed to your new business to get started.

Congratulations! You are the proud owner of a new business!

RECAP OF SECTION THREE

We looked at originating opportunities and how fun and simple it is. There are many ways to originate opportunities, from social media to trade events, from direct approaches to third party networks, and many other methods.

The key is to start with a hundred prospects, do a quick filter to pick the most appropriate fifty based on "You, Inc." and then do some research and analysis to force rank the top twenty or so based on attractiveness (financial) and relatedness (market position, customers, products/service, etc.). I have some really cool frameworks and tools in my follow-up on products that make this very quick and simple.

Meet the twenty prospects in waves of five and play them off against each other in the Step One through Three negotiating model. You will be surprised by how fun and easy it is.

Once you shake hands on a deal and sign a Heads of Terms, form your completion project plan and get a lawyer and accountant to help you on a contingent fee basis.

SECTION 4:
NEXT STEPS

Section 4 is all about next steps.

Earlier in this book we talked about your personal frustrations, whether you are a frustrated manager or consultant, an entrepreneur looking for a less risky solution, or a current owner manager struggling to grow an existing business.

Whatever your current pain and frustration, buying your own profitable business using none of your own money can set you free, de-risk your next venture, or provide you with a system to drive your personal wealth creation over the coming years.

The Book you have just read only scratches the surface; there is a significant amount of detailed follow-up material, acquisition systems, and training to enable you to execute an acquisition and fulfil your goals.

I'll tell you more about that in a moment, but first an important question:

Have you ever heard that you're the average of your five closest friends?

Well, successful entrepreneurs and business owners take this idea very seriously.

Which is why they are ALWAYS looking to build relationships with people who have achieved the kind of success they want to achieve…

And are ALWAYS looking for the very best coaches and mentors to help them get there faster.

Now, just to set the record straight…

I don't care if you buy anything from me today.

But if you're serious about transforming your life…

And you don't waste years of your life trying to figure this out on your own...

Find a mentor.

Find someone you look up to and respect… and spend whatever it takes to learn from them.

Every single time I've spent money on masterminds and mentors…

Even though it might have been a tough pill to swallow to admit I needed help…

The return on my investment has ALWAYS been worth it.

And even the masterminds and programs I've invested in that weren't all that good…

ALL of them paid off in one way or another.

Sometimes quickly…

And sometimes it happens years later because I met someone or learned something at the right time.

But here's the deal about being a dealmaker…

If you want to earn a substantial sum of money working less than part time…

If you want to be "the man" (or woman) who sits at the top of the food chain and calls all the shots…

If you want to enjoy true freedom and live the life where you get to do whatever you want, whenever you want...

You must develop the habit — and skill — of making decisions.

Because this is your life.

And its 100% up to you to make your life the way you want it to be.

But the single biggest reason why most people are stuck in jobs they hate…

And feel resentful of people who are more successful than they are…

Is because it reminds them they didn't have the courage to bet on themselves...

And trust they'd figure it out along the way.

And when an opportunity comes along that isn't "guaranteed" to work…

They'd rather do nothing than risk making the wrong decision.

Which is the worst decision of all.

But if you want to live a new life of freedom...

You HAVE to be comfortable making decisions!

Because most of our important decisions in life have a timeline.

And more often than not…

We usually have to make these decisions under a lot of pressure, with limited information, and no guarantee of results.

And if we delay making the decision, the opportunity could be gone forever.

But remember…

My strategy is designed to protect you from taking any personal — or financial — risk!

And I want to make you a "risk-free" offer to try my system out for yourself…

So you can have the opportunity to experience the results first hand.

Which is why I want to make you an offer so good…

You won't have to think twice about saying yes.

Here's the deal…

More than anything, I want you to be my next success story.

I want so badly for you buy a profitable small business using absolutely NONE of your own money…

In the next 99 days or less.

And I want you to enjoy the freedom I enjoy as a Dealmaker CEO.

But that almost certainly won't happen without a step-by-step blueprint. Thankfully, a step-by-step blueprint is exactly what you'll get when you sign up for my flagship training program called…

DEALMAKER CEO

In this program, you'll have access to the full step-by-step system for buying your very first business…

Within the next 99 days or less…

Risking none of your own personal savings…

Or taking out any personal loans.

This proven business buying formula is based on my 26 years of in-the-trenches experience buying and selling businesses…

And it's the EXACT process I use myself to buy new businesses and grow my wealth.

Inside this program, you'll get…

MODULE #1: DEAL MINDSET

This is, without a doubt, the most important module in this program.

Without the proper mindset, the rest of the information you learn in the course will be worthless.

To succeed in buying a business within 99 days using none of your own money...

You need strength of mind — and that's what this module gives you.

MODULE #2: DEAL SPECIFICATION

Before you can buy your first business, you need to know THE RIGHT businesses to search for.

This module helps you decide exactly what types of deals are best for you…

And your financial and lifestyle goals.

It will walk you through your very own wealth creation plan...

Give you clarity on the types of deals you should go after...

As well as the types of deals you should avoid.

MODULE #3: DEAL ORIGINATION

Once you've decided which types of businesses you're interested in buying...

Now it's time to hunt for deals!

In this module, you'll learn how to create an avalanche of deal flow...

So you always have new and exciting deals to analyze and potentially buy.

MODULE #4: DEAL ANALYSIS AND MEETINGS

Now that you have deal flow, it's time to dive in and see what's under the hood.

This module walks you through the steps to take before your first meeting with a seller...

As well as what to do during and immediately after the meeting.

By following these steps...

You'll know exactly what to do and say to make a good first impression on the seller...

And how to gather the information you need for the next step.

MODULE #5: FINANCIAL ANALYSIS

At the end of your first meeting with a seller, you'll have access to the financials for their business.

This module walks you through how to analyze the numbers to determine if the business you're looking at is healthy, profitable and worth making an offer on…

Or if it's a business you should stay far away from.

MODULE #6: OFFERS & NEGOTIATIONS

Once you find a healthy, profitable business you'd like to own...

It's time to make an offer!

This module shows you how to use the information you discovered during your seller meeting...

To create a compelling offer that is highly likely to be accepted by the seller.

It also covers ethical negotiation tactics you can use to strike a great deal…

For both you and the seller.

MODULE #7: FINANCING

At this point, the seller has accepted your offer. Congratulations!

This module walks you through the different types of deal financing and how to best use them.

No matter the deal, there's always a way to finance it.

MODULE #8: DEAL EXECUTION

Once you have financing in place...

You'll need to have due diligence done on the business to make sure there are no nasty surprises coming your way once you become the owner.

And don't worry — you don't have to do any of this yourself.

This module shows you how to hire lawyers and accountants to do all the due diligence for you… at no upfront cost!

HINT: They get paid when the deal closes.

You'll understand why they agree to this once you watch the lessons in this module.

MODULE #9: CLOSING

Finally, the moment you've been waiting for… CLOSING THE DEAL!

This module walks you through what happens on the day of closing.

Just like with due diligence, you don't have much to do here; your contingent-fee lawyer will take care of just about everything.

MODULE #10: 100-DAY OWNERSHIP TRAINING

Once the deal closes, CONGRATULATIONS! You're now the proud owner of a profitable business.

This is where the REAL fun begins.

This module walks you through how to massively and quickly boost your cash flow once the deal is closed...

As well as strategic tips on running and growing your new business.

In short, this is the module that shows you how to make a boatload of money in a very short period of time.

This is where you claim your freedom and finally start living the life you've been dreaming of!

You'll also receive my proven tools, templates and formulas for getting results FAST!

Tools like my...

- **Direct approach letter template for contacting potential sellers** — this letter usually gets more than a 30% response!
- **Non-disclosure agreement template** — you'll need this so the seller is comfortable with sharing sensitive information with you.
- **A list of basic information requirements** to get from a business owner during your first conversation
- **Simple financial analysis model** — this is my "back of the napkin" financial model for determining if the deal is a good one
- **Advanced financial analysis model** — this is the "deeper dive" you'll want to run to have a better understanding of the health of the business (Hint: Lenders love seeing this before giving you money!)

- **Simple cash flow forecasting model** — this is my "back of the napkin" financial model to help you determine how much money you'll make once you own the business
- **Advanced cash flow forecasting model** — this is the "deeper dive" you'll want to run to help you maximize your returns (and properly project future revenue)
- **The Financier Rolodex** — We have a private list of people who understand the zero-down business buying strategies in this program, and we'll give you our list of prescreened lenders to help you get financing FAST!

INTERESTED IN ENROLLING?

All you need to do is go to this url:
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I have a special offer waiting for you on the other side.

(Hint: You'll get a HUGE discount because you bought this book. To see the details, either click the link above or copy and paste the URL into your web browser.)

So if you're ready to believe what I'm telling you is possible…

If you're ready to believe it's possible for you to achieve…

And if you're ready to put in the work required to completely change your life in the next 99 days or less…

I'm here to help you make that happen.

And to make it even easier for you to make the decision to enroll…

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But what's the risk for you, your family, and your future if you decide to do nothing?

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But since you've read this far, I know you'll make the right one.

See you on the other side.

Cheers,

Carl Allen

ABOUT THE AUTHOR

Carl Allen is an entrepreneur, investor, and corporate dealmaker with unique expertise in acquiring strong, established businesses for free. Carl has worked on transactions worth over $52 billion, which includes over 300 deals in 17 countries, including mergers, acquisitions, and private equity. In a 26-year career, he has analysed thousands of companies, big and small, across nearly every business sector, including technology, pharmaceuticals, transport and logistics, engineering, manufacturing, aerospace, consumer goods and services, business services, retail, professional services, finance, packaging, and clothing.

Carl has a solid reputation as a corporate dealmaker, having worked for Bank of America, HP, Forrester, and Gartner. He has advised some of the world's largest companies on buying, selling, and restructuring businesses. Carl walks the talk, having acquired and sold numerous businesses himself.

Carl currently lives in the UK with his family.