The Deal Room Podcast

Episode 150 – Growth Through Acquisition Series - Strategic Considerations

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Transcript

Joanna: Hi it's Joanna Oakey here, and welcome back to The Deal Room podcast, a podcast proudly brought to you by our commercial legal practice, Aspect Legal Now today we have another episode in our growth through acquisition series. And today we are looking particularly at strategic considerations in growth through acquisition in order to talk about this meaty topic we have on board, Richard Osmann, from Provanedge advising advisors and prepares companies for strategic growth by researching and validating growth and expansion plans, and providing executive coaching for company professionals. So Richard deals with organizations both here in Australia and in the US. So today, we have a really good cross section, I guess, of talking about elements that are relevant here in Australia, but also cross the seas in the US as well. And that generally are relevant no matter what the jurisdiction. So buckle in here we go for our discussion with Richard Osmann, all about the strategic considerations in growth through acquisition.

Joanna: All right, Richard, I just wanted to say thank you for coming on board to The Deal Room podcast.

Richard: Thank you. It's my pleasure, I really look forward to to our time together.

Joanna: I am looking forward to it. So Richard, maybe we can kick it off by you giving us a really quick background of who you are and how you have come into this topic and talking about this area today.

Richard: So okay, so working with businesses that are growing, and there's a lot of different ways to do that. I've been working with them since 1999. This is a second career for me. So I'm on my 21st year, I'm obviously from the States, and I've spent

Joanna: Haha , you say obviously.

Richard: Haha Yes, but it's nice in Australia, because I stick out because of the accent. I still have clients back in the States. And I continue to, you know, to work there with communication technology, it's truly a global business. And I've been Australia 7 years, I think over these 20 years, I don't know how many businesses I've worked with. But it's been in the multiple hundreds, I do have a doctorate. And so I approached this, the biggest thing I got from from a doctor, it was, how to go from a novice to an expert in any particular topic. And I use the research what I'm working with my clients, and I think that's probably my point of difference.

Joanna: And what was your doctorate in, by the way?

Richard: Well it was in higher education but research is research, and there's human and technical researchers financial, as well. And I just apply those tools to my work.

Ways to support strategic growth

Joanna: Yeah, okay and so then the background of the way that you work with your clients is helping them in finding ways to support strategic growth.

Richard: Yes, so we have what I call three legs to the stool of business, we have an online business Academy, which are just the nuts and bolts of business, and it's quite a robust. And so that's provanedgebusinessacademy.com and then we do advising for businesses that already know how to, you know, operate on the basics, but are facing strategic growth and that's very custom. And so that's some provanedge-strategicgrowth.com and that includes, you know, pretty comprehensive advising. And then the last leg on the stool is a lot of companies come to us because they want to raise capital. And oftentimes, after we're done with our strategic advising, they finally can invest organically through smart cash flow, which means they don't need outside money, when that's the cheapest money they're going to get as their own, and so that's that's kind of our you know the walkover.

Joanna: Yeah. Okay. All right. And so of course, today, we're talking about the general area of acquisition for growth for organizations, and of course, that that is part of the growth strategy for many organizations for very, you know,

Richard: Yeah, it can be a really fast way to grow, because you're not developing another business. Right, you're taking what was already developed. And if you're in a related or similar field, you're taking a competitor out of the market. That's one of the

things that, you know, smart to look at, but I think there are three key areas to really look at, and I'll just list them if that's okay.

Joanna: Please list away, I'm here and listening. I'm interested.

Three key areas when it comes to achieving growth through acquisitions

Richard: Okay. So the first one's valuations. What is this worth and everybody knows it right? But you need to get below the numbers.

Joanna: And what does that mean getting below the numbers?

Richard: So we often have clients come to us and say, Look, I want to acquire a company has 2 million in annual turnover, as an example. Okay, how much should I pay for it? Well, that's like asking how long is a piece of string? and so, so let's go into that. So it's not uncommon, I'll put it like that, that a company, let's say, as a $2 million company doesn't really have a lot of systems in place. It's driven by the company owner, the principal, you know, it can be in the relationships that he's had, and his motivation and his energy and his drive.

Valuation strategy

So let me just kind of go through valuations. So that's the first thing that I think you need to look at is, how dependent is this? That you know, the revenue on any one person versus company systems because company systems will continue? But the company principle won't? Yeah. Okay. The other thing is, what has been the business strategy. In some sectors, you can grow organically with really no growth strategy, and hit 2 million in annual revenue? Well, so what happens after you buy it? Because that's a future. So you need to look at know, these are just things to think about, right? The other thing is that if the principal throws up something, so it's a $2 million business and, and he thinks it's worth, you know, 3 million, 4 million, 5 million, pick a number. Everybody who owns a business has a bias toward that business. It's called principle bias.

Joanna: I hear about a lot here on the podcast, and we see it a lot. Absolutely.

Richard: So there's a term for it. And that's why you need to get into what's going on in the business. How did they get here? And where will they go from here, if the principal, and honestly, some of the key players aren't around, because that's not unusual, when a company is acquired, is that key people, whether it's an allegiance to the, you know, the principal, or those who owned it, personal connection, maybe just difference in personalities, or whatever, that sometimes key people go, you know, what, I think I'll work somewhere else now, because that was a motivation then for them, you know, to be involved.

So you want to have an independent verification of values. And you want to look at not just the, the revenue, but you want to look at the net profit, and you really want to look at the operational budget and see where to look at expenses that and and items that may not be a part of the company once you acquire it, because one of the

reasons to acquire a company like a competitor, is you can consolidate overhead and into one central function. So you can sometimes find that the valuations when you talk about multiple acquisitions, that you the company is actually worth more because you're cutting overhead because you're combining all those overhead expenses. Let me give you a quick story.

There's a guy in the states that I know. And he he was retiring from a manufacturing business, and he knew that insurance with one of these stable, stable industries. And he took his pay out he was an executive. He took us pay out and what he started doing, he lived in a small town in in Virginia. And he was buying up a lot of small, independent mom and dad or husband and wife, insurance companies. Because the husband was usually the salesman, the wife was usually the office manager slash bookkeeper. And he bought all these they had a brand, because it was the john brown Insurance Agency, the nurse Smith insurance agency or sales. So he acquired 16 of these independent insurance agencies.

What he did was because he was an executive, he consolidated all around the town he lived in, he consolidated all the back end function, because because the person who owned it that was on the sales side, he didn't like doing usually as a guy, but they were a few women didn't like to do the admin function anyhow. They didn't do very well. In essence, he cut half of the overhead out of these small businesses and being bigger, he could also, you know, spread the marketing and everything else over 16 and that's kind of a way that he grew a multimillion dollar insurance agency by you know, acquiring 16 and he'd never been in insurance before.

Joanna: I love it. So I'd really love that as an example, because quite often he what we actually see is that you have aggregators or businesses that are out acquiring multiple other businesses who are coming from a perspective of quite a strong financial base already, so already being fairly large organizations are experienced and entering into multiple acquisitions.

But I love the stories of, of where a small business has been able to achieve massive growth by going around and acquiring small businesses, because it's something that I think small businesses is achievable for small businesses if they've already like plan. And it's not necessarily high risk, if they just start with a little one, and then work out how that works.

And then add another little one, you know, so so it's a little bit different to the general concept of acquisition for growth, which is that we have a larger organization that knows what it's doing in this instance, it's a fabulous example of a smaller micro business, taking the concept of acquisitions, to build them all together, and then create something, you know, of massive value at the end.

Richard: Your points well taken, because he didn't buy all 16 at once. That's a mistake. So he bought a couple consolidated, that was throwing off extra cash now, that funded the next purchase, funded the next purchase and so on. He is very smart about it. But like I said he was an executive in an industry and took early retirement, but didn't want to retire.

Joanna: Yeah. I love that, because, you know, certainly we were working with a number of buyers at the moment that more of the buyer perspective that you're talking about he that had started small and then have just sort of slowly dip their toe in bought one or two realize that it's a really good strategy bought a few more. And, you know, I just really kicking some amazing goals here. It's a perspective that many small businesses have just not thought about. I just love your example here. I'm brilliant. Okay, so moving on.

So we've had a look at the idea of valuations and really understanding the picture behind the numbers. And if we're going to talk about the concept of valuations, then in relation to your example of the insurance aggregator, we'll call him, he, obviously, was able to go in and look at the businesses and find a way that he could rip costs out, and therefore create, I guess, an exponential increase in the value of the businesses in comparison to the amount that he was paying. So I guess that's where that reflects back on that valuation discussion that we're having. Are there any other elements? I guess, that he applied from that valuation perspective?

Richard: So to keep the personal brand in the business, right, so if it was the john brown insurance agency, that the principal stayed on as an employee now of this company that acquired them. And then there was a transition plan, because people were buying from John Brown, you know, for 10, 15-20 years, whatever it had been. And it was important for, you know, for that, that, you know, that the individual brands remained and then over time, these people wanted to retire, they wanted to do some, you know, things soon. So, it was a, you know, it was a transition over years, but by that time, you know, he had gradually inserted a different brand, I won't tell you the name of the agency, you know, but over time, then, so it was a smooth transition to to a different brand.

Joanna: I just want to highlight what you're saying here because I think this is absolutely critical, the approach of slow and steady, so acquiring, and then slowly over time, changing systems slowly over time changing brands, because that's one of the mistakes that I see and certainly hear about quite a lot is buyers coming in and just, you know, having their own way of doing things, but implementing it too quickly. And creating issues creating issues for clients, for staff, you know, change is a hard thing, isn't it? and buyers often just have so much energy for the vision that they have for the future. But the point we're talking about here is hold yourself back. A little bit more measured, take time to implement changes.

Richard: Well, I think the point is to really have a strategic plan. Yeah, yeah. And not just do you know, ad hoc, you know, being opportunistic, that's okay. And sometimes they're one offs, but if you really want to do the smart, you really have a well thought out strategic plan.

Risk management strategy

Joanna: Yep, absolutely. Brilliant. Okay. All right. So after valuations, where do we move on to next?

Richard: Well, the other thing is a risk management strategy. You've already talked about when you make change, change can be difficult, change can be hard, and this feeds a little bit into future values. But But you have to ask yourself what can go

wrong? And how can it go wrong? Obviously, changes are going to happen when you acquire a business. And there are new text numbers, and there may end up consolidating overhead there, you know, there are new people involved, and people are reporting to new people, etc, etc. So you have to ask yourself that. So that's what can go wrong in the change.

Joanna: Which can be an endless list. Haha but I guess part part of what we're reflecting on here is, and maybe maybe it's even stepping back one step prior to that and saying, Well, what is the real asset that I'm purchasing? And then what's the risk of that in transfer? You know, and what can go wrong, that could impact the value of that asset moving forward? I guess that's what we're talking about? Well, you're

Richard: It's not just purchasing an asset in present time, you're purchasing an asset for something in the future as well and that's the risk management.

Key focus areas in risk management

Joanna: Yep, absolutely. So what are the things that you consider? What are some of the things that you've seen that have gone wrong? Or that you think, you know, particular key focus areas from your experience?

Richard: Well, okay, so I think one of the common thing, if there's an acquisition that's outside of a geography or even an industry, it might be a related industry, is how much do you really know what's going on with that business? So as an example, I'm going back to the first example, all these small independent agencies that my friend acquired, were probably within a 30 mile radius of the town he lived in, not, because that's where he lived all his, your, all his life, he knew, you know, and he was an executive at this, you know, manufacturing plant that was the biggest employer in the county, and surrounding counties.

So he knew everybody and everything. And, and that was his way of doing it. But if you're, you know, in Sydney, and you're buying somewhere, and you know, you want to expand down to Melbourne, and you're looking at acquisition, we still want to know, things like, competitors. Who are they down there? We were talking about principle risk. So these are all things to look at, but especially a competitor. And there's also market risk and some market risks.

I mean, with the Coronavirus in January, who would have thought, you know, cafes would be shut down for three months. So you can't cover all the risks, but you want to identify what you need to know that you don't know right now. And this is where folks like you or folks like me, are real helpful, because we've done this, you know, quite a few times. Even just the legal, you know, as an end, the laws between the two different states vary too. And, and so you want to make sure that if you're going to invest your money or anybody else's, that you really know all the risks that you know, legal risk, market risk, competitor risk, you know, all these kind of things, technical risk, and, and maybe there aren't competitors right now, but they might be coming into the field, and you want to be able to see that as well.

Joanna: And so, of course, this is where a fabulous due diligence comes in. But I guess what we're talking about here is, you know, due diligence is broader than just looking into where the organization is right at the moment. And obviously, you know,

the importance of due diligence is saying, Okay, well, what are the financials look like now? And do they look like we're being told, you know, do they look solid, are they gaps, and when we're looking at the legal due diligence we're looking at, are they legal risks sitting within the structure of the organization of the documents within the organization, the relationships within the organization, the employees, and all of those sorts of things. But what we're also talking about here is assessing it in a broader perspective. So make sure you're doing your research on the market, as well, and some of these more external influences, rather than just those that are internal to the organization.

Richard: That's right. And you mentioned something to about your work and, and to make sure that the contracts, you know, we see this a lot with people and what they require and don't have an attorney like you that are working. And there can be, you know, gaps in the contracts and there can be, you know, reward, you know, they can be misunderstandings or just whatever, and that's why, you know, I want to put it back on you saying, you know, people need to really be working with somebody like you. It's not just to friends and where we see it the most is, you know, two people know each other mates or friends, whatever you want to call it, and one wants to sell the other willing to buy and there's just misunderstanding, I'm not gonna say it's misrepresentation.

But there was that, you know, and you just got to take it out of that and go from there. The other thing that I want to talk about is this and the risk is for the business that's acquiring the other business, what is their capacity to manage, you know, division or this extra asset? Because it will take resources more than money. And it takes time, effort, attention, and all that kind of stuff. And people look at the blue sky going, Oh, my God, we can have another 2 million, you know, valuation term company by doing this, but who's going to do it? And who's going to execute on it? And how good are they? And if it's at a different location, which most of them are, how are you going to deal with that? And how are you going to deal with the human relations issues, and, you know, oversight and supervision, management, leadership, all those kind of things.

Joanna: So I guess what you're saying here is, like, get real about what the future actually looks like, from a practical perspective, as well. And let's not just limited to numbers on a piece of paper, well, who writes them on a piece of paper anymore? I guess, numbers on a spreadsheet? That, you know, like, practically, as is gonna work for the time and energy perspective, you know, for the investors.

Richard: You know, look, I've seen this happen, not really frequently, but it's, it's been quite devastating. Because what happens is that the business that's acquiring doesn't lose one business that could lose two businesses, because they're neglecting their current business trying to acquire this and and both can fall down on their ankles.

Joanna: So let's talk about that. Because, you know, there's many oft quoted statistics out there that talk about the number or the high percentage of acquisitions that aren't considered at the end of the day of success in inverted commas. And I say in inverted commas, because I think quite often, there's a lack of clear definition about what a success in an acquisition mean. But so so let's talk about that. I mean, obviously, that's the worst case scenario that an acquisition by one organization ends

up in bringing both of them down.

I was actually talking to a couple of days ago to someone who worked on the m&a team for a very large listed company. And we were just talking about these as, as general issues in the m&a environment. And he was talking about the, the organization he worked for having gone through a process, I think he said of, you know, they had about 30 acquisitions in total, that and then gone and, and they had a real mandate for Acquisition to create this an aggregated model across a number of industries. And then five years later, they started divesting, businesses, you know, and the share price and just, you know, as they were going up, you know, and this is one thing that acquisitions that can look really active, you know, and investors like that, whether or not it's a listed entity, and you're talking about shareholders of a public company, you're talking about investors of a small organization, the blue sky, that concept of acquisition, that activity looks really or can look really good. But then the reality when you get to integration, and are they actually performing well, in, you know, in an exponentially increased way, in this particular organization led them to divest almost everything that they acquired. And so of course, that is a very expensive process.

Richard: Yeah, Very expensive.

Joanna: And that's a very large example, I guess, what we're talking about here in a smaller context, which is...

Richard: it has the same principle.

Joanna: Yes, same principle. So do you have any examples that sort of spring to mind to have of an acquisition that's actually had the reverse impact of tearing both the organization's down?

How can acquisition leverage your existing business?

Richard: Yes. So a number of years ago, I worked with a company that was doing acquisition of smaller they were in the civil construction, and and they were there a lot of, you know, small, you know, tier three or even below and they were just acquiring a bunch of tier three. And there the issue was culture that the company acquiring was a was a bigger civil construction and they were trying to build themselves up to the size of a tier one.

They were very, you know, business minded and you know, financially driven and all these kind of things who smaller companies were like, you know, smart guys, but it's like they just, they didn't want the corporate world. I mean, they didn't want the bigger world as well. Whether we're working in a smaller company, or they had a smaller company, and it is like you're saying, you know, it just wasn't working out, you know, key people left and that's why what you're doing is important is because on acquisition, you want to have non compete clauses for a number of years, you want to know, you know, the disclosure called clauses and these kind of things. So sometimes once in a while, you may want to, someone may want to acquire a company, not for the company, but for their customer base, or their asset or something, if it's an undervalued customer base, or whatever, or the Medtronic get in, or if it leverages is in a related field, and they want to cross sell to a greater number.

Joanna: Yeah, exactly. And that's, you know, a really good reason.

Richard: Absolutely, so it becomes a strategic asset, and you can just let that company run like it's going to, and then because you're not buying it for the operations, you're buying it for something else. And so, whether it's their customer base, or it leverages your existing brand to so of course, that's sort of the reason to do it.

Joanna: Absolutely. Okay, great. All right. So we've looked at valuations, we've looked at risk management, and of course, risk management, as we said, it's one of those areas, of course, where both of our industries legal and strategic advice, you know, absolutely critical in helping to identify the risks, and how to manage them. Because it's not just about identifying them, right. It's about how to mitigate. Yeah, exactly.

Richard: And then the last thing, like we talked about was leverage. It is how do you leverage, so for example, if you know, some businesses have lots of cash flow and not a lot of expenses. And, you know, or you may have great cash flow and you can leverage, like I said, a common customer base, where you can cross sell or upsell, to a greater customer base that already is doing business with your acquisition. If they have technology that you can leverage in your own business. I don't mean social media or computers, desktops and phone lines and stuff, like I don't want to talk to them about that.

But if they have proprietary technology, let me give you an example of a maintenance company. And they had they use sales force as a backbone, but they had spent a few hundred thousand to modify Salesforce for their maintenance customers, every large corporate sin, and, you know, apartment, condominiums and stuff like that. So they could know, if somebody had, you know, hundreds or even thousands of jobs a day. And so they could monitor every aspect of the work that goes on.

And they could also make accurate proposals and quotes for servers and all this kind of stuff anyhow. That technology was portable, to any type of service business. It was worth several millions of dollars. And they were acquired, not because of the maintenance business, a significant business they probably had, but 11 and a half million in service, but they had invested in this management system. And that was the reason they were acquired. And the principal was one of these guys that loves to grow things. But then it gets bored with and he wants to go on to the next conquest. So he was happy. He didn't want to run 11 and a half million dollar business, he wanted to go back and do another startup. And some people are just like that. That's what I bought what they bought was they wanted that developed application.

Joanna: Their IP.

Richard: Yeah, that's right. Yeah.

Joanna: Yeah, absolutely. And that was another great reason for acquisitions. Exactly. Absolutely. Okay. And so then how is it that you generally work with businesses through this process, then? Is it one of those things where you sit there and you sort of identify that maybe they have a gap that acquisitions could feel what's

what's the process usually run through?

Richard: Okay. We're not usually leading the client when when it comes to that. So how typically it'll happen. I've got one m&a client right now and in the US, and they needed to develop a strategic plan for this. I don't typically recommend it. But with the client, we talked about the issues and why they wanting to do what they are, obviously what their objectives are.

And then we just start the research into it. And we use their data and their information is very collaborative, because they know their industry, we don't know it like they do. And we use their data, and we help them create a lot of financial models for operational models for we look for the risks, and we create a 5 to 10 year plan. And the process at a minimum takes six months. Because anything you know, you really happen is we're just talking about it a lot of deep things to kinda think through, and I've got to know and add their credentials, as business owners really, is secondary, I really got to get to know the capacity of not only their goals and objectives, but what are their capacities, as, you know, as professionals in their business, you know, what are the resources that these are going to take and everything else, and we just really have a very collaborative process.

And at the end of it, then, you know, we have a plan that they, you know, makes more sense to them that has deeper information, operational human resources, market information, financial information that they've had. And the thing with plans, of course, they have to be revised as you go forward. There's not nothing and that's what we saw with Coronavirus and it's really interesting, because there's a couple companies in the states that I'm that I'm working with right now that they say that about 10 to 15% of the businesses that closed during Coronavirus aren't going to reopen? Which is really significant. Right.

Joanna: That's huge and is that across, I mean, presumably, there's specific industries that are most impacted. But is that a broad stretch across multiple industries? Or...

Richard: Yeah that is that just generally across the board? And, and so there's two companies that are strong in their industry, and they're seeing this as an opportunity. And, you know, you can look at the two ways, well, these guys are taking advantage of the situation maybe? No doubt, but they're also giving an opportunity to businesses that wouldn't reopen anyhow.

Joanna: Well, that's exactly right, isn't it? And, you know, we've had some tough conversations over the past few weeks with clients who are making that decision at the moment, you know, is it a, do I have the energy, you know, they don't necessarily label it in that way. But it certainly causes a lot of people to stop and reflect and for some organizations that will require a lot of energy.

And so, you know, so that if they want an out and they don't want to do it, then they're benefited by someone who is coming around and saying, you know, I do have that energy, and we can see how we can pick this up and make it work. So, you know, absolutely. I mean, and there's got to be two sides of the equation so that those who don't want to do the build up again, have a way of selling out rather than just closing up and walking out. Because I get that's the alternative, isn't it?

I mean, you're absolutely right and this is some one of the things that I'm really interested in thinking about at the moment is, you know, what does that landscape look like? And I don't know much about the US in terms of stimulus that has happened for businesses here, but have

Richard: nothing like Australia.

Joanna: Is that right? Okay, that's interesting. And so the big question, of course, here in Australia is what happened, you know, at the end of September, at the beginning of October, or, or the roll on, you know, in November, close afterwards, but in the US, I guess this is starting to show through right now, is that, right? They're not in the hibernation, that the Australian Business zone is some sort of..

Richard: You know, it varies from state to state, some states early on, just shut down California was one of them, and Washington. Others continued to operate, but it has affected, you know, the whole economy just nationally, but it hasn't been the government, well there's been a lot of state support, but they're limited by their own borrowing powers and, you know, legally and everything else. So again, we'll just see what happens, but the reason I bring that up is because what a business was worth last year at this time, may not be what the business is worth now and this goes back to valuations and you know, I just see it as companies that can do it smart and now you know, the risk, but you don't know how long this risk is going to last?

The differences between the US and Australia when it comes to acquisitions

Joanna: There's a lot of estimates out there, aren't they? But all we know for sure is that no one actually knows for sure. But I guess it's it's about building the strategy around the possibilities to find work out how you deal with each ends of the spectrum. And it can I ask you a question, Richard, do you see Firstly, a difference in Australia in the US just generally, in terms of SMEs small to medium businesses approaching acquisitions? Is there a difference in Australia versus the US, in your opinion,

Richard: Look, you know, the United States is my home base, and there is more venture capital available in the states and I think is available in Australia. And commercial lenders, whether it's banks or private, commercial lenders, want to have hard collateral, if you're going to get a commercial loan. And it's really difficult to get investment without. Now, having said that, the government has lots of grant programs. And I've got a couple of databases that I work off of, but we're talking hundreds and hundreds of grant programs. And and, and they're pretty transparent. And they're not, the government is not in the business of giving away money.

But what they are in the business of is economic stimulus, they need a return like any investor on their money. And that return comes in wages and people that generate economic activity, that increases tax revenues, and you know, all this kind of stuff. So that, and I think Australia is really smart about that. So I would say, you know, the private sector and with private lenders, unless you have an are hard asset, that can be a security, it's really tough or impossible, good commercial. Venture capital is here,

but just not as plentiful as it is in like, let's say the states because the economy in the states is 16 times what it is in Australia. And that can be difficult, but it's there, but you need to start looking well before you need the investment?

Joanna: Okay, that has been a fabulous run through talking about these areas for consideration in grow through acquisition, if any our listeners are interested in making contact with you, and how did they do that?

Richard: Well, I have a couple Facebook pages, Rich Osmann and Provanedge. I'm on LinkedIn, as well or they can send an email to richard@provanedge.com

Joanna: Brilliant, absolutely. Fabulous. Well, look, I'm Richard, thank you so much for coming on to the show today, any parting words that you want to leave our audience with as they thinking about this area?

Richard: Well, I would say that they need to talk to you because legal certainly is..

Joanna: Haha I need to have you here more often. I love it.

Richard: I'm not trying to fluff you up but you need to be there first protocol, because you're a lot more than just a legal Pro. You're also a business adviser. They need to have somebody like you, that knows the laws knows the ins and outs, and you know, all the other aspects of it as well. But because this is the thing, we don't know everything, nobody knows everything. And to and to have you be there first protocol really is just, you know, just makes the process so much easier.

Joanna: Well, Richard, you were fabulous. I promise you, our listeners. I did not pay Richard to say that.

Richard: No, you didn't. You didn't. I am saying it because if you want professional results. You use a professional, you don't do it yourself.

Joanna: Yeah, absolutely. And we all know there are differences. There are professionals, and then there are professionals. So that choosing your deal team, you know and understanding what it is you're looking for. Brilliant. Well, look, Richard, I just want to say a massive thank you for coming on to the show

Richard: My pleasure.

Joanna: So if you are running along the beach right now or on your way on your commute to somewhere and you might be on the commute now it seems that the roads are heating up, then we will put links through to Richard in our show notes. So once you can make contact with him. Richard, thank you so much.

Richard: My pleasure.

Joanna: Well, that's it for today's episode, which is another episode in our growth through acquisition series. And of course, today, we talked about the strategic considerations in particular, we talked about valuations and about knowing the pictures behind the numbers. We talked about risk management, so understanding what can go wrong, how it can go wrong and what you can do ahead of time to

minimize the risks and we also talked about how the acquisition can leverage your existing business because of course, that's the point of it all, isn't it? Leveraging your existing business.

So that's it. I just want to say as always a very big thank you for listening into the episode today. If you'd like more information about this topic, you probably know the drill by now, but just head over to our website at thedealroompodcast.com, there you'll be able to download a transcript of this podcast episode if you're one of those people who just likes to read these things in detail rather than just listening in now at that website or in the show notes if you prefer you'll also find details of how to contact Richard Osmann there you will also be able to find details of how to contact our legal Eagles at Aspect Legal If you or your clients would like to talk about an upcoming acquisition or exit.

We would be only too happy to assist you in talking about the strategy and of course the legal issues that go along with preparing for acquisition or exit or actually getting the transaction done. Well that's it I just want to say another massive thank you for listening in.
You have been listening to Joanna Oakey and The Deal Room podcast, a podcast very proudly brought to you by our commercial legal practice Aspect Legal. See you next time.