



The image is a podcast cover for 'The Deal Room Podcast'. It features a yellow background. On the left, the word 'EPISODE' is written in white, with a horizontal line underneath, followed by the number '173' in a large, bold, white font. In the center is a circular portrait of a man with dark hair, wearing a blue suit jacket, a white shirt, and a red tie. On the right is the 'THE DEAL ROOM' logo, which includes a microphone icon. Below the portrait and logo, a black banner contains the text 'Finding a buyer: A broker's secrets to sourcing strategic buyers without ads' in white.

The Deal Room Podcast

Episode 173 – Finding a buyer: A broker's secrets to sourcing strategic buyers without ads

Note: This has been automatically transcribed so will be full of errors! We are not providing it to you as a word-perfect version of the podcast but just as an easy way to provide you with a different way to be able to scan for information that might be relevant to you.

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 are talking all about finding a buyer and a broker's secrets to sourcing strategic buyers without advertising. And to have on the show, we have Steve Finn from the Finn Group, which is a national brand with a team of more than 50 people throughout Australia, delivering business sales, finance and consulting services. In fact, Steve himself has personally sold hundreds of businesses and franchises over the last 17 years with a combined value of wait for more than \$100 million. So he certainly is more than qualified to talk to us all about what we need to do to source strategic buyers without advertising. So without further ado, here we go with our discussion with Steve. Steve, welcome on board to The Deal Room podcast.

Steve: Thanks, Joanna, this is awesome, I've been looking forward to this and this is the first one done with you so can lead me along.

Joanna: You don't need that at all, you are super good on your marketing, and you know, the message that I guess you're giving in to the market, so I love watching

some of the stuff that you're doing. And I think it's a really good topic that we're focusing on today, in terms of finding a buyer. So obviously, for sellers, you know, it's one thing to find the broker, but the thing that they really want at the end of the day is to find the buyer, right. And I'm really interested in your secrets to sourcing strategic buyers without advertising. And we'll come back to that word strategic in a minute. But maybe, maybe tell me like, what, what does this topic mean to you? I mean, we were talking before and it sounded like this was something that we should really dig into, you know, how do you see this unroll? For you? How do you use sourcing buyers and strategic buyers without advertising?

Steve: Yeah, so I guess I'm probably one thing I have found is that there's always for every business. And there's a lot of businesses that are really niche. So you can get a lot of good businesses that are kind of like a lot of people want it. And you know, the sort of in-demand, it ticks a lot of boxes for a lot of people to feel comfortable with it. So you kind of get and get a lot of inquiry for that type of business. But a lot of businesses that actually really niched and often they're actually the most profitable ones. And I just think that when a client comes to us, so I always think to myself, how am I going to find the buyer? Like that's really sort of the key.

And, and I reckon there's always between at least between 20 and 100 buyers for every business, at least, because we've got, say 25 million of us in the country. Plus, you know, we've got some people always coming from overseas and that sort of stuff. So there's always a minimum between 20 and 100. I reckon that's what I have in my mind. And then I just think to myself, okay, well, both of those ones might be suited to it, but who actually is going to them, you know, then it's got to be the right timing, they're ready to buy something, you know, all that sort of stuff. So then it comes down to I think, Well, how do I get this in front of those people, because then now if I can get in front of at least 20.

So statistically, if you get a business opportunity in front of at least 20 people who are suited to it, there'll be one of those that will be the buyer, and you don't know which one, but you've got to get in front of the 20 to be able to sort of see that. So all the time, I just think how do I get in front of those people, because I know then statistically, it'll sort of work its way through from there. And we'll be able to sell it.

Joanna: So number one, it's a numbers game, we need to get, you know, enough prospective buyers in there. But you know, it's very well and good to say that. You know, you can't just say it in it is done, right. And before we get to that, I just want to move back a step because we've got the word strategic buyers in there. I just want to focus on that at the moment because we're not just talking today about sourcing any sort of prospective buyer we are talking about sourcing strategic buyers. What do you mean by that?

Steve: Okay, so strategic buyer, like what I call a strategic buyer is it's normally another business one business buying another business, let's put it that way. You know, it might be some investors who are doing that, but um, I always think it's one business buying another business and they're buying it strategically because it fits in with their plan their long term plans, of what they want to do. So it's an acquisition generally, you know, they might, for example, have might be in transport, they've got operations in Brisbane and, and Sydney, and they don't have their power operations in Melbourne. So strategically, you know, it works out to be able to buy something in

Melbourne. So that's a simple sort of exam. That's what I call a strategic buyer. Now, that's kind of easy, because there's a lot of transport businesses just go out to them. And, you know, say, this is what we've got in Melbourne, but some things, it's hard, it's hard to think, well, who actually would buy this? And who Does it suit? And who's going to have the money? So,

Joanna: yeah, I love all those questions, because it's different to just throw it out to the market as a scattergun approach, like what you're talking about here is really thinking through, you know, who this could work for, who this business could work for. And when we talk about strategic buyers, you know, my opinion is that strategic buyers, better buyers, they're willing to pay a bit more often and, and often they're coming in with a grounding in the business that they're looking to buy. So an understanding of the business that they're looking to buying. And quite often, that's an easier buyer to deal with. And someone that's got little knowledge about it.

Steve: Yeah, for sure. Yeah, exactly. Because I already know about it. They know the industry generally, it's just better sometimes. Like, there's one, I'll give you one example I work on and be a little bit different. Like, what all I try to do is, I think to myself, who should buy it? Who do I think should buy it? Sometimes they don't know yet that they should buy it? Yeah, but what I'll do is, I'll think to myself, okay, Oregon, they should buy this now, provided they'll listen to me. And let me sort of put this to them, and say, Hey, guys, here's why I reckon you should buy it. So give an example.

There's one business that we've got for sale, almost sold now. So it's probably gone through very soon. But it's an online retailer, and they've also got a physical presence as well. And there's actually a listed company that's in sort of a similar space. But this business wouldn't be on their radar, it's kind of too small, it's too small, they probably don't even know about it. But some of the team in there would know about it, but the CEO, and you know, the people making decisions on acquisition, they don't even know about it. So what we did here was I but I thought, hey, they actually should buy this because I can see what they can do with it, and how it actually does add value to their current offering. And then they can sort of own and dominate this particular niche that they're not really in now they're kind of just on the edge of it.

But they're actually, they could then grow their revenue quite a lot with that into their share prices, these guys can buy businesses on four and five times multiple when they're listed. And if they're trading at 12 times multiple will automatically they bring it in, and they've bought it for four, and they're just automatically the value goes to 12. Because the revenue and the profit, just go straight into the onto their balance sheet and onto their p&l. So basically, from there, they've already got a big win, because they're already trading at a high multiple anyway, so it sort of suits them. So I've gone to those guys. And I've said, Okay, I reckon you guys should buy this. And in the first instance, that they were like, Oh, no, we're not interested in sort of, that's a bit too small for us.

That was the first thing. So it's really hard to get in front of these guys and get them to actually listen, you know, like, this is a CEO of a listed company, right? So it's very, very difficult. And this is part of where the skill and the and how you approach them how you get that kind of works. And then I was able to get a further conversation going and said, okay, but let me show you what I've got in mind. And you tell me if

I'm off track, that's fine. But if I'm on track, well, you know, maybe it could be a good thing for you. If so then they've done that. They've had a look. And they actually said okay, right, yes, didn't really think of that.

So then they were very open, they looked at it in depth. Now it got to the point where they actually decided not to buy these particular guys, so someone else is probably going to buy it. But even still, though, they actually got pretty close. And they went from being not even knowing about it to probably get themselves to about a one in three chance that they might buy it. So they went kind of from here, to like way up here as a real contender. And that's what the difference is. That's kind of what you need to do to be able to then find and identify strategic buyers, but then you've got to be able to then get your presentation in front of them at the same time. Because in that case, they're like they will pay top dollar, you know, for our client. And that's one of the main things that's really important, obviously,

Joanna: Absolutely. And even though they didn't end up going through with you know, with him acquiring this business. There's a lot to be said for the competitive tension that can be brought onboard you know, when when you've got multiple prospective buyers, particularly where one is quite large. I just feel like that often that can lend a bit of extra authenticity and credibility to the business that's on the market. I don't know. Do you find that like that? I find that tension is such a useful element.

Steve: Definitely, obviously, me being the person in between I'm kind of going to drop that a little bit to anyone else who's looking at as well looking at some big companies looking at it, you know, maybe these guys, these guys, so that helps me to be able to get, you know a better deal for my client at that same time. And yeah, it competitive tensions. It's sometimes it goes against us though because sometimes what happens then is that our client, the vendor who's selling their business, they can sort of getting, you know, I don't wanna say big-headed, but almost like that.

Joanna: They get caught up in the marketing spiel.

Steve: Those big companies that want to buy my business are looking to get more, hang on, you know, they don't necessarily want to buy it. Like we had to fight tooth and nail just to get it in front of them in the first place. So let's not think they're bashing our door down. But yeah, so but I just didn't let them know that.

Joanna: Look, I just I actually just want at this point to say, you know, obviously, I do a lot of work in this industry and see how hard you work as a broker. You know, there's just a lot of work in finding these buyers aren't there? And I really honestly think that is not well understood. I don't think people understand how much effort is involved in finding, finding not one buyer, but enough buyers, out of this pool to find the right buyer. Yeah. And then, you know, to go through the whole process. It's a long process, you know, and there's a lot of work involved.

Steve: Yeah, honestly, there is, I think it's, um, look, as all of us who are in professional services, I think, you know, lawyers, accountants, you know, financial advisors, us as Business Brokers. And I put us in professional services, for sure, particularly at this level, what I call m&a. So m&a for us is sort of 2 to 50 million enterprise value. So, at this level, I think a lot of our colleague, or we all have things that we do, that there's a lot of effort goes into it that our clients don't realize, yeah,

all of us, we all do, we've all got those particular things.

And you know, and often, you know, a lot of accountants out there, they would know this, there's manner work, sometimes they do that they just don't bill for, and they can't build for because they're just like, Oh, this is just gonna cause a drama, but they just have to sort of getting the work done anyway. Like, we've all got that, that sort of stuff. And we're no different, like, we don't just, our buyer and a seller just come along and we just make a commission, no, not at all, you know, like, the amount of effort that has to go into trying to find someone, just even get it to get them to even express some interest from day one, they're highly sceptical for everyone from the first inquiry, they're extremely sad, all they're doing is looking for what's wrong with it.

With every business, so you really need a salesperson, you can't sell businesses, like on any level, purely just by relying on you know, the financials and that sort of stuff, because there's no business that's been going for 20 years. And it's just incrementally gone up on a perfect scale every year with their revenue, and every year with their profit and de-risk themselves a little bit more. I've never seen one that doesn't happen like that. There's always some ups and downs, and they've just had a boom, boom period, and the last two years have been a bit quieter, last year's whatever. So you need a salesperson who can not in a negative way.

But just to be able to point out and say, okay, yes, this is the way it's been. But why don't we take a broader view and look at the last 10 years? And what has actually happened? The last two and why has it boomed a little bit more? Or why has it gone down a little bit more, let's explore because maybe that's a good opportunity for you? And maybe instead of paying five times multiple, as a result of that puts you in a stronger position as a buyer to pay three or three and a half. Yeah, so it's actually good for you. See, that's the sales person's role.

Joanna: Yeah, yeah, absolutely. And recognize the potential and you know, be able to sell that to Okay, so we've talked about, you know, what strategic buyer means and why it's a good thing to focus on. And we've talked about the need for a volume of prospective buyers in order to get the right one. How do we do it? I love this idea that we can do this, maybe even without advertising talk through that crazy idea loop. What does that mean? Steve?

Steve: Yes. So you definitely can and advertising publicly is not always the most suitable wife depending on the business. So I sort of go like this. So I can under 2 million enterprise value that's normally a family buying another business from a family as a rough guide. And in that market space, you want to advertise publicly, you want to go out on all the websites and do all the normal marketing for where families are looking because it's not a strategic purchase. Once you then move, I reckon above a couple of million enterprise value it gets beyond the regular normal family who's going to buy a business it starts to become an acquisition, one business buying another or a small group of investors buying another or another Best to buy it you know, so it's becoming a little bit different.

So that's where, and these people aren't, they're not out necessarily looking on the public forums where things are advertised. That's also a lot of our clients don't want to, they don't want to, they want to keep it below the radar, they don't want all their

public, the customers, their staff, you know, in their senior management finding out that necessarily that they're interested in sort of selling. So it has to be sort of done with under the radar approaches, I suppose as what we say. So I'll give you a quick insight as to what we do. So the first thing, what we'll do is we'll have a look and say, okay, who should buy this. So I sort of touched on that before, who actually should buy this, who Does it suit. And from that, we might come up with some different categories, you might come up with some certain businesses that you'd buy, we might come up with some investment investor profiles, because we've got a lot of connections into small private equity, private equity and a lot of accountants where they might sometimes have accountants running some acquisitions with a couple of clients themselves two or three clients, I run it together, and they might buy something. The other buyer, the other buyers can be repaired, we have a pause on it with COVID.

But that's all going to come back probably bigger than ever, which is going to be overseas buyers who want to invest in Australia, and then, you know, obviously change some citizenship down the track, I think, yeah, so those as well. And in those, in that case, I'll give an example. What we'll look for there is we'll approach people overseas, and do some marketing overseas and say, you could buy this, if you're already inside the transport industry, and you're in China, or you're or you're in, you know, the Middle East or whatever, you might want to buy this particular business in Australia, because it's in the transport industry as well. So you already kind of know it. And also, this is the way that our visa system works and how you might be able to gain Australian citizenship. So we kind of package them up together to those guys. So we can do that sorts of direct approach. We deal with a lot of migration agents around Australia, we've got shudders mortgages, actually, just under 10,000 registered migration agents in Australia, just under 10, I couldn't believe it, when I went to find it out, I thought, I have any migration agents with about I don't know, you know, maybe 300, or 400, there's just under 10,000. registered, a lot of those lawyers were they just they can do the transactional that not necessarily running migration business. But still, there's a lot of those. Anyway, there's those, those are the ones but the other one, we're looking for businesses to be able to buy. So now the business, which is just more around that strategic side.

So we're finding out who they are. And then what we do is it's really manual. And this is one of the worst things sort of about what we have to do, Joanna, because it's sort of so tedious, but we have to do it is we'll actually literally get along, there'll be two or three of us, and all kind of lead the project in this sense. And we'll go and we'll do we'll be using different databases that we'll be searching through online to try to find out, we'll create a list of all the businesses that should buy this. And we can sometimes spend 234 days full time three or four of us full-time work, just searching and creating these lists of who we want, then we've sort of got the business and we've got to get the name of the right person, that's the right personal people that are inside those businesses head. So we then searching around again, and we're gonna manually create these lists.

Joanna: Oh my Goodness.

Steve: Gonna find their email address, we're gonna find their LinkedIn, we're going to find their phone number, we're gonna find their postal address. So we do all that stuff, we create our list. And then what we'll do, and this is probably the other part of

the secret of how we do this one is not many brokers will do that necessarily, because there's a lot of work in it. But if you've got the team and you can do it, I reckon it's worth it. That's why we do it. The other part then is you've got it, you've got to contact them in multiple ways. So we'll email them, we'll phone them, we'll contact them via LinkedIn.

And then we'll also direct mail and we'll send them a letter as well because sometimes they'll get all four. But sometimes their pa will catch the email and go, now that's gone. Sometimes we leave a message, but I got 100 calls that I die so that they just, you know, whatever, they just forget about it. But one way or another, the goal is that they'll at least see it, all I wanted to do is see it, see what we've got here. And then that opens up a chance for me to have a conversation. So I might go to 100 brings me down to 20, who then respond back. And then we just work through and deal with all the 20 because we should be great if we just knew the one but we need to do and then we end up with you know, two or three that are kind of real, they'll go a little bit deeper. And they'll really start to look into it a good fit, and then we'll have one that we end up sort of doing a deal with. And that's basically how it happens. So...

Joanna: I love it. Okay. I mean, do you guys advertise at all? I'm sure you do some advertising sometimes or this is really the method for you know that over that sort of over 2 million space?

Steve: Yeah, so this is the main method. Sometimes what we'll do is we will still advertise publicly on like all the business facade websites and that sort of stuff, but we might go what we call unbranded so we might just say, you know We've got a manufacturing business that's in, you know, Western Sydney or something like that is really generic about it. And that just gives us the fifth floor of people where we can. That's the general people are the ones who we just kind of, for whatever reason, they didn't hit our list, we missed them. But it gives us a chance for people who are searching themselves to see that what we've done is proactive where we've gone to them. But if we advertise that way, that's reactive, we'll put something up and allow them to then come to inquire and see it. So sometimes we do need to cover that as well. And I normally just throw that in anyway, we sort of do something like that, just to catch that extra person. But it's, it's, it's not as common for the buyer to come from there. They still can come from there. And they, but it's not as common. Because there it's not strategic, I suppose that's why,

Joanna: You may end up with multiple potential buyers and one buy ends up doing the deal. And then you've got other opportunities. So you suddenly go, Okay, well, we're going to go and find a vendor for these buyers. Like does it ever turn a little bit buyer's agent for you or not?

Steve: Not really. I mean, yes, we've done it. But it doesn't happen that often. Really? Yeah, they're normally pretty fixate fixed on what that one thing that we're kind of talking about, the only times that happens is if we've got someone who's in acquisition mode, so like, for example, there's some groups blind dental practices, accounting practices, that sort of stuff. So we might have one, we're talking to them, and then they're already open. Well, open mind anyway.

So they're like, Oh, well, you know, can you go and find a someplace on the Lower

North Shore or wherever it might be that they might want something or in the, you know, eastern suburbs of Melbourne, or wherever it is that they're kind of thinking, can you try to find a something and then we might go and do that we can just do the same thing we would like, as I said, they will just go out to the mall. So we've got someone who's interested in buying in your space, they're interested in this kind of industry, childcare is another one and then I'm, then we can sort of get a response back from there and just see if it all fits and trying to do a deal.

Joanna: Yeah. Love it. I mean, it's interesting, this whole question about buyer's agents, we're going off in a bit of a tangent, I'll bring it back, Steve, don't worry. But I just had this moment of intrigue when we're talking about the whole buyer's agent thing because I overseas, you know, it's quite a thing, but here in Australia, it just doesn't seem to be with the business sale. Why do you reckon that is?

Steve: I don't know. I look, you know, in America, when you buy property, you kind of have a, you have an ad, an agent that works for the buyer and agent works for the seller. You've seen that you know, on those TV shows?

Joanna: Yeah.

Steve: I reckon that's great.

Joanna: I know. I'm just intrigued with how I just feel. You know, I guess what I think maybe is at play. And I talk to a lot of buyers, a lot of buyers who are out there looking. And but I don't know, I feel like there's the psyche here in Australia that the seller pays not the buyer. Yeah. And it's just hard to break that cycle. I don't I do. But I just I see the natives just any way, it's just an interesting thing.

Steve: It should happen. And then what happens is like in America, so the Commission's 5% on a house or 2%, or whatever it is, they then just go halves, both agents just go halves, every time so they get half a half each. But what it does is the difference here is the buyer kind of works for themselves, they go out and represent themselves. Yeah, here, you know, the person who's purchasing whereas an in house, you know, well, maybe, you know, you could say yeah, sure, that's fine. But with a business, you know, it's so much better. Like what Well, I know, when we've represented buyers who are looking for things like I can just see so much faster, the things that they should look for. I can call things out really quick. Yeah. And it's just a better way to go. Because it just experiences I've just seen a lot more than they have, you know, that's the only thing. Yeah, and then I can help negotiate a better deal. It's not because like, oh, I'm going to be tougher and harder. It's not that it's just because I know more about it, I can. So I can just point out to the other guys and go look with this guy like we're happy to pay like 1.5 mil, but if we're going to do that, you need to just make sure this needs to get fixed or tweaked up or included in it. Otherwise, for us, it's only worth like 1.3. So I don't know, what do you want to do? And you see what I'm saying?

Joanna: Oh, I love it. No, absolutely. It makes complete sense. I'm just as I say I'm fascinated, you know, the extent to which it really hasn't grabbed in, in the market here in Australia, and I just, I'm just a bit like hmmm. I actually think it's something that will change because it just doesn't make a lot of sense to me.

Steve: I hope so. It's hard. Culturally, it's difficult to change though.

Joanna: Anyway, we've gone way off-topic. So back to the topic, which is all about finding a buyer and sourcing those strategic buyers without advertising. This is um, it's a fabulous run through that you've given us today, Steve. It's great, you know, really good insights. I think about the things that sellers need to be thinking about. And, you know, of course, there's a lot of focus. Well, actually like to be completely honest, quite often there's not enough focus on getting a business prep for the market. But a lot of that focus, you know, doesn't necessarily seem to be on well, who is the bot?

Who is our potential pool of buyers? And I just really love this sort of clever approach of working through it all, I guess, do you have any sort of last-minute parting thoughts for our audience in this area, you know, if they're thinking of selling a business or thinking of building for sale into the future, because I guess, implicit in what you're talking about here is that there are buyers who, who might pay more, and quite often, you know, on the basis of what you said, And personally, the basis of what I've seen as well, the larger the buyer is you know, the law, the higher the likelihood that they can pay more and get an immediate, a quicker uplift in the value of what they've acquired. So, fortunately, our sellers are thinking about in advance to get themselves, I don't know positioned right, to get the best opportunity of getting a good solid pool of prospective buyers.

Steve: Well, I guess there are two parts. So getting it sold is one thing that's like conversion. So you know, people look for, they're the main things I look for is that it's not overly reliant on the owner. And the business is, you know, it's kind of got a good infrastructure in it. So ideally, you want to get the owner, the owners in a certain role. And then basically, they're, you know, the directors of the company, though, whatever, however, its structure, but they're, they're overseeing it as their own investment. And sure, you know, there might be involved, that's, that's fine. But then that it's not all about them necessarily, because then it's much easier because I can just say, Okay, so we're selling this. So all you do is you just take over their role, here's what they do. Yeah. And so that's how it is. And then as long as they feel, oh, well, we could take over that role, well, then it's easier to sell, you're gonna get a higher multiple, if they look and go, geez, I don't even get no idea how to do that. They're way too specialized this person, they've done it for 30 years, and they know everything, and it's all about them. See how it's harder to take over that role now. So that's sort of conversion. And when it comes to the actual finding the buyers, probably my advice would be, and this is maybe it's something that people have picked up to today, from actually listening here that might not have known it before, we were talking before about things that you have to do, and we're all in professional services and the things that we do that people don't really know.

And I think this is one of them, which is you can't just go to any broker, you know who it's the same in all professional services, people do things differently. And if you've got to be if you just go to a cafe or something like that, you can probably go to any broker probably doesn't really matter. You know, they're just going to advertise publicly, as I said before, and a regular family is going to come along and buy it. But when it comes to anything that's like this, where you want a strategic buyer or its niche, you have to talk to the company, the broker broking company, and you want to know, how do you tell me about your marketing department and what you've actually

got and what you actually do and how you find buyers and dig into it a little bit. Don't just, you know, if they just say, Oh, yeah, we've, we do this, and we do that you're like, Okay, but okay, how many people in your team do that?

Because if they, they've got substance like, like, like I said, like, we've got it all together with six people, our marketing team, and I'll use three or four of them for this type of particular thing. And he specifically went through specifics of exactly how we do it. If other people are doing that they're going to get a similar result to us. So that's sort of what you want. But if they're like, Oh, we sort of you know, and they don't really do direct mail, and they don't because direct mail people think our direct mail, they know that's old fashioned, but I've made our number one result. It's our number one thing that gets us because people love to open letters.

Joanna: I love it. I love old school. Awesome. I just love that the people are still doing direct mail.

Steve: Yeah, it's gold. And like I've got one of my team members, who was hired specifically for this. All she does is write direct mail letters, and she hand writes on the envelopes handwrites everything.

Joanna: Stop.

Steve: Yep, that's all she does. She's in Brisbane, she does this nationally, she handwrites them. And the reason she does that is that people will always open a handwritten envelope. And like I said before, in the beginning, it's all I want him to do is see it, I just want this potential buyer to see it. That's all if I couldn't get him to see it. If they see it, and I go on out, I want to buy it. Okay, that's fine. As long as I could see it, that's the main thing. So all those little things is what you sort of what you want to do. So that's my only tip is to look for the right broker who does that stuff that with the depth we do it we're not the only ones others probably do it too. So then you just find out that and then you'll get a result. Otherwise, if you go to Someone who doesn't, then you'll have it on the market. It's nice, nothing much is happening, then all of a sudden that your vendor thinks, oh, maybe our business is not worth what we thought it was. And maybe no one's really interested in it. So then they just drop the price. Yeah. And it's like I was worth, you know, they wanted 5 million. You know, now I just think I better drop it before and drop it to three. No, the price is probably exactly fine. There was just no, the people who would buy it never even saw it.

Joanna: Yeah. Or, you know, there's just such a small pool of buyers, that, as you said, you know, out of 20, you'll have one dropping, and I've just seen, you know, I've seen some horrendously long processes, I guess, as we all have in this industry, but where, but, you know, some horrible examples of buyers just stringing along, sellers, you know, when going through a process where, you know, at the end of the day, they don't feel any sort of sense of urgency, and it just sort of withers away and the poor sellers are just sitting there forever, constantly feeding information or what it is that whatever they're having to do as part of the process. And it can just be nasty if you just don't have enough of a pool of buyers.

Steve: Yeah, exactly. Right. Yeah. Because you got no competitive tension. And the broker needs to be strong and lead the process. So there so if that happens, and I've

seen that happen in our group, too, you know, we're not immune to it. But because we're the biggest in Australia, selling business got people all around the place. And sometimes, you know, I can't be involved in every single deal. But then the guys have called me or have had a child need some advice or had a look and I go, how long has this person been doing this due diligence and looking? I'm like God Almighty, you know, take some control.

Joanna: I know, do you know what? off-topic again. But I'm all for like, put in a timeframe. Keep the buyers to a short due diligence period, I mean, something that's reasonable for them to actually, you know, go through their inquiries. But ultimately, I find any buyer that's going through a super long day period ultimately won't buy that's at the end of the day, because they are either a don't have enough education, and they just you know, are overly risk-averse or just don't understand what they're looking at. or they've just, they're actually playing off a few businesses at once. So yeah,

Steve: I just don't generally have. I think they've kind of got the appetite. But when push comes to shove, they're not going to have it and you're exactly right. If the length goes, the less likely they're going to buy basically, like all the deals have done or reckoned 95% of them. You know, we all kind of know within the first two or three weeks Yep, lookout. Yes, supposedly, yes, I should probably do we want to buy it. Alright, well, let's just go through and double-check everything and make sure you know, you know what you're getting. So we go through that part. Yep. I know what I'm getting. All right. We've got that right. Done. Let's do it. Yes. Really? Sort of how it should be. Oh, we'll get to that. Oh, no, it's not what I thought it was no problem. Yeah, no, you're not the buyer. And you've got to find something else.

Joanna: Yeah, yeah. Well, and as a seller, be careful of those ridiculous DD lists. I think sometimes when you can see a massive one come through, you're like, Okay, let's see if this one actually ends up, you know, exchanging. But anyway, there we go. Last-minute tip there, make sure you really keep the buyers to a sensible time frame. So you know, you're not letting it run out too long. Okay. Well, that's it. Look, I just want to say a massive thank you, Steve, for coming onto the show today. It's I think we've unearthed some gold there, there's been a lot talked about gone, gone. You know, off base a few times. But anyway, I think it's been a really interesting conversation. Thank you so much for joining us. How can our listeners find you? If they or you know, for any of our listeners with clients want to direct their clients to you? Where do they go?

Steve: Okay, so the first thing is just going to our website, which is thefinngroup.com.au. And there's a contact form on there. That's just you know, General contacts there. And if you just write in there, I want to talk to Steve, then that'll end up coming to my into my inbox at some point. So then I'll just give you a buzz, and we'll have a chat.

Joanna: Brilliant. Absolutely love it, Steve. Once again, thank you so much for joining us on the deal room podcast. It's been an absolute pleasure.

Steve: Thanks a lot, Jo. Cheers.

Joanna: Well, that's it for this week's episode of The Deal Room podcast. Of course,

we're talking all about finding a buyer and a top brokers secrets to sourcing a strategic buyer or strategic buyers without advertising. And of course, we had our discussion today with the fabulous Steve Finn from The Finn Group. Now if you'd like more information about this topic, just head over to our website at www.thedealroompodcast.com where you'll be able to download a transcript of this podcast episode if you'd like to read it in more detail, but I warn you right Now, it's not Word Perfect because it's automatically transcribed. So, so just a warning right there, it may not be a perfect transcript, but you'll certainly be able to see the gist of what we're talking about. And of course, at that website, you'll also be able to find details of how to contact Steve Finn and all the other brokers at The Finn Group. And 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 discuss any legal aspects of sales or acquisitions.

We work with clients both big and small and have different types of services depending on size and complexity. So don't hesitate to book an appointment if you'd like to find out how we can assist. And finally, if you enjoyed what you heard today, then don't forget to head over to your favourite podcast player and hit subscribe so that we are delivered right to your phone every week as we release. And if you feel so inclined, why not go and leave us a review as well because that's very helpful for us to extend our listening audience. Well, that's it thanks again for listening in. You've been listening to Joanna Oakey and The Deal Room podcast, a podcast proudly brought to you by our commercial legal practice, Aspect Legal. See you next time.