

EPISODE  
**183**



THE DEAL  
ROOM

The secrets to success in  
selling businesses Part 2

## *The Deal Room Podcast*

### Episode 183 – The secrets to success in selling businesses Part 2

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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 are back with part two of our two part series with Nikki Katz talking all about the secrets to success in selling a business. And of course Nikki is the perfect person to discuss this topic with us because she has been REIA Australia's national business broker of the Year for not just one year, not two years, but for three years in a row. So she certainly knows what it takes to sell a business. Now if you haven't heard part one, then you might want to kick off this episode by hitting back to that part one episode and listening to that episode first, then come back here to part two. In this last session of our two part series, we're digging into the gaps in the market. We're discussing the importance of setting up a system for the sale of business. We're also drilling into some common mistakes of sellers when they put their businesses up for sale. So this episode is a beauty so strap yourself in because here we go with our discussion with Nikki. Look, you are a multi-award winner, Nikki. So can you talk a bit about those awards? And what do they actually mean? How that where they came from and what it meant to you, I guess to start receiving accolades within the industry.

**Nikki:** Yeah, look, I mean, to be recognized for what you do is just the biggest compliment anywhere. So that was nice. And a lot of people think that the awards just happen, they don't, there's a lot of work goes into them, believe it or not, it doesn't just land, they, you know, you have to, first of all, decide to put yourself out there and do that sort of award thing. But there's a lot of setup in doing it, there's a lot of time invested in that. But I think if you believe in what you're submitting in these awards, it will always come to good. So I have gained a number of certificates and things like that from education. I put all that together and when you're winning the awards. They're not just interesting, how many sales you're doing.

They're really interested in what else do you do? So do you mean to other younger brokers coming through, as a major campaigner for females coming in being, you know, the first female business broker to win these awards I thought that it was my duty to encourage other females to come into the industry? And now, I can't tell you it's a so exciting space, because there's, I won't say equal numbers, but it's certainly far more improved on what was there before. So I then started to differentiate myself with the awards by doing other things, you know, contribution to my industry and things.

And that's kind of the stuff that they want to see is making sure that you're not just all about me, and how many bills I got, but also what am I doing as well, what's my extra stuff, and that was all, you know, I was part of the AIBB and I'm now chair of that, for the chapter and the AIBB educational training. So I'm driving now, screening and helping to take this industry from what we're seeing as a real estate agent to a professional body, and I'm very, very passionate about that. We need to all be taken seriously in this industry because we are highly educated and very skilled at what we do. So we deserve the recognition. So I'm very much campaigning about that. So all of these things went to these award submissions as to what you were doing. And I was really very lucky that people understood what I was trying to achieve with it. And I got some awards for that.

**Joanna:** I love it, but just the mere fact that you had this plan, you know that you you're trying to achieve something other than also just growing a business. You know, I just think that's a huge thing. And I absolutely love it and obviously what underpinned you know, some of those awards as well. What would you say you know, if you were to give some advice to new brokers coming into the industry, what advice would you give them?

**Nikki:** Oh, my goodness, I'm going to sound like such an old experienced broker, when I say this, look for the gaps in the market. If you do want to be a specialized broker, look for the gaps, find out where people are not concentrating on and find that, hone it, own it, make it your own, be all over it but go to also all the industries if you decide to be a specialized broker, go to all those establishments, all those industries, meetings get absorbed by the whole thing, because you know, for example, I would go along to the hair and beauty awards. Now, nobody would come and say hello to me, because they didn't want to be seen talking to me, in case everybody else there thought oh they must be selling, so what I would do is I was stand-in at the back or stand in the middle of them. And they would see me and I will get lots and nods and lots of whatever and occasionally get an I'll phone you. And you know after that event because you were there and being seen, you would trigger that thought and then lots of people would call you afterwards in a quiet moment. But nobody, I had to get used to being ignored in



the room when I would go because they were just paranoid that everyone would move there you know it for privacy and confidentiality. Work to a system, set up a system and work through it diligently and be patient because it takes time it takes time to get good at your craft. It takes time to establish yourself in a particular field. Obviously, come from somewhere where you have an inherent knowledge is always helpful because you know you bring that to the table automatically anyway, and just work your butt off.

**Joanna:** I love it. Good old fashioned hard work Nikki. I love it. I love it. What about our buyers and sellers? You know, so we've talked about how you can prepare a business in terms of maximizing the value at sale. But what you know do you have some overriding advice that you give to sellers as they're contemplating a sale?

**Nikki:** Yeah, look, obviously it's the usual stuff, it's good business practice and get it ready. Tidy up things. Have a strategy for your sale? When are you looking to exit? What are you looking to achieve? What do you need out of that sale? What is it that you are going to be looking for in that sale, monetary value or whatever else? And then does that business equate to what that looks like? So really just making sure that they're matching up what their expectations are. And I laugh because any other broker that's listening to this will know that the expectation is usually far outweighed what the accounts will normally say. So it's just making sure that they got things aligned, and that the business is transferable, tidy up all the holes, you know, make sure that you have got yourself neat and tidy, set up some manuals, processes and procedures, all of that, I would advise that they work on the business for a while before they come to the market. Because they'll get a better result at the end.

**Joanna:** Oh, and of course engage your broker. Yeah, yeah. Yeah. I love it. I love it. Can you think back to any particular mistakes that you've seen sellers make as they look to sell a business? I'm sure there is a multitude,

**Nikki:** Most business owners aren't educated when it comes to how to sell their business.

**Joanna:** Yeah, of course, because mostly they've never done it before.

**Nikki:** What is it they say in a house? You'll have at least 11 houses in your life or whatever? People don't have 11 businesses.

**Joanna:** No, they don't. That's right.

**Nikki:** Nearly they put everything into working in the business, not on the business and they haven't spent enough time looking at it from how does a potential purchaser see my business? And what are the strengths and the weaknesses? And what can I do to plug the holes in there? And what can I do to make myself more attractive out there on the marketplace? What is it that my business will do? And obviously, that's things like, you know, this depends on the sector contracts systems in place, good long term staff, good training facility, all of that will all help the business to be to get a better outcome.

**Joanna:** Love it. Okay. And I am super interested to know what's in the future for Nikki Katz. Tell, tell us what that looks like.

**Nikki:** All right. So at the end of last year, I decided to go out on my own. I've been with a company for seven years. That was great. That was fun. That was nothing wrong with it apart from I had just outgrown that journey. And so for a number of reasons, I decided to move from being a specialist to going back to being a generalist with businesses. And I just felt that I had been in my comfort zone. You know, that's when you stop growing. Isn't that so? Yeah, in the year 2021, I decided to start with a massive growth spurt, and I just needed it. So if it doesn't challenge you, it doesn't grow you, it doesn't manifest into anything. So I am now, although I'm still involved in the beauty sector, but slightly from a different angle. Now when I become a buyer's agent, so I jumped on the other side of it, and I'm now working with buyers to help them find the right acquisitions. And so doing the approach differently from salons and then with that I've also generalized now. So going into bigger businesses, you know, adopting a very different approach of finding essentially the money first. So I'm finding the buyers, the investors, the peas, everything, first, finding out what you're looking for, and then going essentially shopping for those businesses. So doing it back to front this time and really just challenging to see if that reevaluation is just basically my focus, and I'm really quite enjoying that. And you know, I never want to stop learning. So a really big step and change for me, is just having a different approach. And so I've gone bigger businesses, mid-market we're doing I'm doing more of an acquisition kind of proposition. And I'm being very deliberate and selective in my approach, selling quite a lot of businesses now off-market due to my connection. And one of the things that I love is putting a deal together. So listening to a buyer and ask what you want listening to the seller and going what you got, and finding that when I can marry that together. And that's the thing that I really enjoy, it's the deal-making. It's that's the buzz that I get. So I'm trying to hone my skills even further into finding scopes that buyers are looking for, and they're going into those industries and coming out to show them quality businesses. So I'm just really enjoying different conversations. The acquisition work is challenging for me, which is exactly what I wanted. So yeah, so 2021 is just slightly different coming at it from a different angle. Not doing as much volume, but just being more select and deliberate in what I take on. And knowing that when I take something on, I already have the buyer at the other end that I can pull it, there's no guarantee you're going to buy it. But I know I've already got the audience for it. And that's something that I'm quite enjoying putting those two missing links together.

**Joanna:** I love that Nikki because firstly, I think that there's a lot of scope in Australia for that sort of role. And we talk to buyers day in day out. And I think buyers, a lot of buyers need a lot of assistance in their direction for the acquisition, and I just love acquisition as a way for SMEs in Australia to grow. I just think it's such an overlooked strategy. I'm just so passionate about it.

**Nikki:** It's faster for them to grow by barking others go onto their businesses. And in these are brighter, and I'm helping people build that strategy and working out exactly where do you want to go and what you're doing. And they're finding now, by buying existing businesses that have good strong profit staff in place systems, they can absorb that into their already well-run business, but they can actually grow faster than doing it in an organic way. And so yeah, putting deals together like that, which is a lot of fun.

**Joanna:** I tell you what, Nikki, we're on similar trajectories, I super love that space, and the whole idea of the amazing ability of acquisition to add so much value to a business and we were obviously we work with loads of acquires as well as sellers. But at that moment, when businesses suddenly switch on to how much value they can add

through acquisitions, and then they become multiple acquirers. And, you know, I just love that, and I feel a whole new podcast just about this topic with you and I because otherwise, I think we probably both have a lot to say about this topic.

**Nikki:** I'm actually just partnered with a company called Morgan they're doing some really nice things with their technology. And in order for me to just continue to do the deal-making I kind of outsourced or work to know lines with them to do all their back of the house and they're doing some really, really nice big volume businesses so it sits really, really well with what I'm doing. So I'm really enjoying that alliance. I'm really enjoying working with them. And exciting stuff coming out. There's really some really nice deals coming out of that. So yes, great. It's good.

**Joanna:** Love it, Nikki. Well, look, I really feel like it's a watch this space because you are a woman on a mission. Absolutely love it. And look, Nikki, if any of our listeners really one of my contact with you know, maybe, you know, let us know how it is that you're working with businesses at the moment, obviously, on the buy side, also on the sell-side as well. You're still on the sales side?

**Nikki:** On both sides, yes. But I definitely have buyers coming to me saying can you help me find the right thing. And these are not businesses that maybe necessarily be on the market, but we're making that strategic approach to them to say, Well, let me open yourself up, we've got a buyer. Why don't we have a look and see where this lands? And that's definitely, you know, it's a nice approach. It's, it's working, and people are listening to, you know, at the end of the day, any business owner who would not open themselves up to an opportunity. Well, you know.

**Joanna:** Exactly, exactly. Okay, I absolutely loved today, Nikki, how do our listeners find you if they want to work out how to work with you?

**Nikki:** Yeah, look, I've got my own personal brand website called [nikkikatz.com.au](http://nikkikatz.com.au). Also working in partnership with Morgan Business Sales, so you can google any of that, and anyone's welcome to call me for a chat. And, yeah, you know, it's a good space to be in 2021. Once we get rid of this COVID we are definitely going to be on the up and up with our business sales.

**Joanna:** Oh, look, I am so optimistic. In fact, I can say everything is you know, I mean, there's a massive freight train that's on its way right now. You know, and we are ridiculously busy at the moment but I can just see I can see we're at the cast I'm extraordinarily optimistic and it's exciting, an exciting industry to be in at the moment, isn't it?

**Nikki:** I agree. I agree. And it's a lot of fun because you learn so many different industries and what they're doing and you know, people doing good stuff out there.

**Joanna:** They absolutely are. Nikki Katz, I just want to say a massive thank you for coming on to the show. And I'm looking forward to talking more about you know, the benefits of the acquisition for businesses and how that actually looks in a future podcast but for today, Nikki Katz thank you so much for coming on to the show.

**Nikki:** It's been my pleasure, Joanna. It's been fun. You've been really engaging and yeah, I hope you get lots of listeners. The podcast is fantastic. And I'm a fan.

**Joanna:** Oh Nikki, that's so sweet. I did not pay you to say that. I love it and everyone if you missed any of those details from Nikki, you'll find it in the show notes.

**Joanna:** Well that's it for part two, our last part of our two-part series, all about the secrets to success in selling a business. I really hope you enjoyed both of these parts in the two-part series we had for you today. Of course, if you hadn't heard part one, make sure you go back and listen to that. You'll find that just before this episode in your favourite podcast player, and of course, if you'd like more information about this topic, then just head over to our website at [thedealroompodcast.com](http://thedealroompodcast.com). There you'll be able to find the contact details of our guest, Nikki Katz. And of course, you'll 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. Well that's it I really hope you enjoyed this two-part series as much as I did recording it. Of course, if you enjoyed what you heard, don't forget to head over to your favourite podcast player and hit subscribe. Thanks again for listening in. You've been listening to The Deal Room podcast proudly brought to you by our commercial legal practice Aspect Legal. See you next time.