



Talking Law

Episode 128 - How to grow in a way that works for you - Talking Law with Kobi Simmat

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Transcript

Joanna:

Hi, It's Joanna Oakey here, welcome back to Talking Law, proudly brought to you by our commercial legal practice, Aspect Legal. In this episode, we talk to Kobi Simmat of Best Practices all about, the importance of you creating a business that works for you individually. Kobi also shares what we can expect in the upcoming phenomenal virtual event, the Buy Grow Sell Summit. This episode is a must-listen episode so here we go...

Kobi, hello, welcome to Talking Law. It's so exciting to have you on the show.

Kobi:

Thanks again. It's always amazing to talk to you. I love seeing your smiling face. And it's always so exciting. And I hope we can be entertaining for our crowd today.

Joanna:

We'll try our best Kobi, we will try our best, won't we? Now we're talking about a really exciting subject, we have the phenomenal Buy, Grow Sell Summit coming up so soon. And I'm just blown away by the level of the speakers that we've got Kobi, including yourself, boy, we have got some talent and some fabulous information coming out in these areas of you know, acquiring for growth, scaling a business and preparing for your ultimate exit. Today, I really just wanted for us to give a snapshot of the sorts of things that you're talking about in the summit, to give our audience a bit of a taste of what they can expect for the summit. So before we get into the content, you know, we were part of like this, this initial Dream Team of you know, the reason for the summit right in the beginning. I'd love to hear from your perspective, what is it that you loved about this Buy Grow and Sell and why is it so important for business owners to be thinking about these stages in their business?

Kobi:

I mean, I'm going to open with I'm being selfish, like, at the end of the day, you know, I'm running a business. You know, I've got a team, I've got a crew, you know, we've got a, we've got a pretty robust business plan we've been executing on, we've been around a while we've been around 17 years. And you know, I've got a heat more energy to give this thing a red hot crack. So we've got due diligence and acquisitions on our business plan. We've got growth, we've got big teams, we've got, you know, there are four businesses that operate out of our family office, you know, so we've got acquisitions on our business plan, we've got growth, we've got scaling our leadership teams and our management teams, and doing more with our people, because we know that people are kind of the key to all of this, and then we've got divestment. So, you know, we got to, you know, a pending big exit, we're probably still 18 months away from that, you know, might play out to be 24 months away from one of the businesses exiting and but we've got, you know, we got stuff coming and going and so for me, you know, just to go like, you know, I got to spend three days to kind of, you know, spend time with the who's who of Sydney in the business community, and more importantly, the who's who of Australia.

Joanna:

Well, internationally as well because we have speakers from all over the globe.

Kobi:

Yeah, absolutely. And now we're looking at the registrations, you know, I think we're over 700 people have registered for this event, which is really exciting.

Joanna:

Almost up to 900 Kobe, I think. It's just as we speak. It's like shooting up.

Kobi:

Yeah, so you know, I think for me, it was just about scratching my own itch, like, what more can I consume in terms of actually being successful with acquisitions? You know, we know there's a downside to acquisitions, we hear rumours about them not going so well that the company's, you know, in mergers and acquisitions don't go so well. So how can you prep for that and be really amazing at acquisitions, identify the right targets, you know, have win-win for the, for the party that's exiting in the party that's coming in, then in the growth phase, you know, what are the gold nuggets that we can pick up with and I'm going to be talking about some of that? I've got two sessions, where I'll be presenting some of the incredible nuggets of gold information that I've

picked up with the growth and scale that we do both in our own businesses, as a Management Advisory organization, and also the exit side of things and Simon Bedard, you know, when we, the three of us got together and said let's do this thing, Simon's got a huge amount of experience, one of the most experienced people helping people with exits and exit advisory in the country. And there are a lot of great businesses that could go on the market and create life-changing wealth for families that have grounded out, they've been through all of the ups and downs of business. And now they've got you know, they've got with a little bit more work and a little bit of a tidy up, they can you know, like selling real estate, you style the house and you take the amazing photos, and you do the marketing, and then you get just that little bit more for your, for your home when you sell it. You can do that with a business, you can style it, you can touch the right key points that buyers are looking for, you can address the trends and you can market appropriately. And it can make an incredible difference to what you could basically say, You know what, I'm going to shut the door and walk away. You could actually be sitting on something that you didn't realize is incredibly valuable. So I think over three days at this summit, it's going to be really exciting. And I'm just being selfish, like, you know, if I can just get all this information out of these speakers, I'm happy to contribute some value. But I'm going to be in there writing, you know, pages and pages of notes for my own benefit. And I hope anyone that comes along to listen, you know, we're going to put all the details in the description below this video on the podcast and that kind of stuff. So you can register you got to get to this event because it's kind of, you know, it's been a lot of work to get it to put together. A lot of people have been hustling a lot of hours to put this together and prepare the content. And you know, it's going well, we got good numbers. And if we can pull off a great event, we might do it again. But then we might not, you know like I ran that big summit in 2020. And we haven't got it yet back off the ground again. So you don't want to miss this opportunity. Because it might be a once in a lifetime. And I don't want to sound like a crazy salesperson. But seriously, if we do it again, it'll be different speakers. So this time is this group of speakers. And if we do it again, it'll be a different group of speakers. And they'll be saying different things. It'll only be this point in time when you get to get to hear this. And I am super excited.

Joanna:

I love it, Kobi. I am so excited as well. And I think you've absolutely hit the nail on the head. Register now, guys, because there's no other point in time. You may not get this quality of content again. And such important content absolutely as you're talking about Kobe that the important decisions that business owners can make along the way, whether they're at the point of acquisition, or during that growth period and prep for an exit that can make fundamental differences at the end of the day, to the value of their business, or indeed whether they even have a saleable business at the end of the day, you know, a saleable business that someone else wants to buy, or that they haven't blown up themselves along the way. And this, I think ties into one of the things that you're actually talking about on our Grow day. So our Grow days, part two, a day two, where we were really talking about how to scale a business. And I think here you're really focusing on that whole, you know, how do you look after yourself? How do you create a business that works for you individually? And you know, from my perspective, from a legal perspective, we want to be really careful that businesses aren't blowing themselves up with legal landmines. But legal landmines are just one thing, sometimes it comes to burnout and just creating a business that doesn't serve you because people haven't thought about it. Can you talk a little bit about this topic and what you're going to be honing in on in the summit on this area?

Kobi:

Yeah, absolutely. Look, I'll tell you a quick little story. I've been running, I started my business in 2004. And I've, you know, there are other businesses that have started and they hang off that and, you know, there are some organisms that kind of touch on each other, but the story is that in 2015, I was really burnt out. You know, I'd been hustling really hard, have the highs and lows of business basically, you know, if you look at my values, I probably put my career then my family and then my health, you know, in what comes first and probably should have, you know, maybe rethought what my values were. And so I had a values reset. And while I might have said that my family was the most important thing, I would not turn up to a family dinner because I had an important meeting or I would, you know, I would not be sitting at the dinner table because I needed to get some quotes out, or I would be sitting at the dinner table and getting text messages and direct messages and emails on my phone. And my four-year-old is sitting there, you know, or at the time, you know, four year old at the time, with spaghetti all over his face and I wouldn't be paying attention to my four-year-old eating dinner, I'd be like paying attention to what's going on on the phone. And you might have family health and fitness or career, you know, those three values, but you see in someone's actions where their values alignment is and which ones they put first, and someone who puts their career and business ahead of their family, you will see them, they'll be talking about Korean business ahead of talking about what's happening with their kids and those kinds of things. And in 2015, I went, right, that's enough's enough. When I was 20 years old back in, in the late 90s, I basically said, right, I want to travel around Australia, I want to drive around Australia, and I have gone not yet, not yet, not yet, in 2015, and went, that's it and that's enough, I'm going to go to Cape York, which is the very tip of Queensland in Australia. And to do that, I was like, right, I need to take five or six weeks off.

Kobi:

And I've got to go do that. Now I had had long trips along the way. And, you know, three months in South America, you know, way back in 2008, and other trips, but it was at this time, I was like, You know what, I'm going to set myself that goal, I'm going to go and take time off. And I'm not setting myself up to do work along the way, I'm going to have quality time with my family before my son goes to school. And so the three of us set off, and we had this amazing five, ended up being six-week holiday driving holiday forward driving and you know, going up into, you know, Northern Queensland, up into the tropics, and across the Thursday Island, and had this incredible camping trip. Now, in that time, my business kept growing, it was profitable, then the management team were happy. And I was able to, you know, continue, I did a little bit of, you know, some social media videos and things along the way. But the business continued to run, and I didn't have to interact with customers or do quotes or any of that kind of stuff. So when I came back, I got an offer. Someone said I want to buy your business. And I was like, that's incredible, you know, I got, you know, we get tapped on the shoulder. And I was like, this is really interesting. And they're like, we just saw that you've been away for five weeks. And your business has turnkey and you know, can we look at the numbers? So we start talking about the numbers. I'm like, okay, now like what, you know, it's been growing? Yup. And they're like, well, how much of that is you and I was like, you know what the reality is none. And actually, then I thought about it, they kind of put in an offer. And I was like, you know what, actually, I don't need to sell this business because it gives me an income in dividends. And I don't need to be there every day. I've just had this incredible holiday. Actually,

you know what, I'm not going to work Mondays and Fridays. I'm going to work Tuesday, Wednesday, Thursday, and I'm going to take my son to school on a Monday and pick him up from school on Friday. And I'm going to have some me-time on Mondays and Fridays and have kind of a four day weekend and work three days a week. So you know, there are things you need to do, you can't just kind of click your finger and say I'm going to go do that. We had been building up some routines and some legacy activity in our business to get to that. And so when we get to the summit, I'm going to give some people some tips, on what to do and what to focus on. Now the catch is some of those things, we kind of all need to do it. We need to do them. And I'll talk about them. But what I see when I'm advising businesses is people don't value those activities. And it comes back to values alignment. And so when you value your family, you will value those activities or when you value having a work-life balance, you will value those activities and it takes effort to invest in them. What am I talking about? Taking time off to work on your business, not in your business, I take time off, it's really hard to do because there are so many competing demands, and it's easy to be reactive, but I deliberately put every 90 days, two days in my diary to work on my business, I don't take any calls, I pull my managers off-site, and we set goals and we set 90-day sprints. Now it's really easy, someone gets sick, or they want to go on holiday or whatever, it's really easy to cancel that or delay it or postpone it. And if you do that, that shows that you value being reactive, and letting your business take control over taking control and actually making a life for yourself. Now ironically, if you do take time out to work on your business, and you do achieve those goals, you achieve higher multiples at the exit. So that's the kind of stuff we're going to be talking about is you might not value it now because you'd like no I'm not going to stop. I can do one more billable hour or one more job or one more bit of cash flow right now in terms of revenue, that when you invest time working on your business and working on the right things, then you will get multiples, and I'm talking multiples of millions, not yet extra five or \$10,000 in a transaction today, you will get multiples of millions at the back end. So you've got to invest now, to get the good high-quality exit down the track. Now, if you choose not to exit, you're gonna have an amazing life because a business that is running really well, you're not going to want to sell.

Joanna:

Exactly. And I mean, you know what a message, I just absolutely love it Kobi. And of course, on the summit, you can give the gold nuggets away, yeah.

Kobi:

100%. So, and that's what I'm going to do, I'm going to talk about some of the things that I do, and I focus on in the business that has given me you know, I get tapped on the shoulder every kind of six to 12 months, the multiple offers, you know, the offers are getting higher and higher every year, and I am tracking my share price like I'm not publicly listed. And so I want to show companies how to do that. You know, we obviously sell a service where we go in and we help people, we give people permission to work on their business. We, like a personal trainer in the gym, we sit beside in partnership with people, you know, I'll show people how to do the push-ups, I'll show people how to do the leadership meeting, the 90-day meeting, you know, the sprint's how to set these things up, I will deal with the objections as to why they might want not want to do it. I'm not saying you have to do it, you don't have to do it. I'm going to continue to do it because I'm going to keep growing value in my business. But if you want to know how I'm doing that, I'll show people why. So you can go away from the summit and go okay, yeah, I know that I get it. The question will be, is it a question of

affordability or you don't see the value. If you don't see the value, then I'll help you to discover that. And then if it's a question of affordability, it's literally I can't afford the time to work on my business, I will show you how to afford the time and how to make it a priority and how to work on it. And those things will pay dividends. So now in this business, I really only work probably 12 hours a week. And I just do the bits that I really love doing which is a podcast with Joanna.

Joanna:

I love it Kobi. I love it. And it looks really interesting hearing about you talking about that first instance of being tapped on the shoulder because I find that that's almost a moment of dawning for business owners. And I think you're very lucky as a business owner if you have that, rather than that dawning being at the actual point that you want, or need to exit. And because when you have that, and you know, essentially, I think like the insider tip here, and we can talk more about this on the summit and in a future podcast, the insider tip here is, don't ever go for that first offer, right. But this is such a good unless it's a brilliant offer. But generally, that first offer won't be because your business won't be ready to achieve maximum value at that point if you've not thought about it and got it ready. But that is such an incredible opportunity for you to suddenly look at your business from a buyer's eyes suddenly realize actually what you're building is this asset, this asset that has a value at sale. But what I love, in your message Kobi is it's not just about building a saleable business. It's also about living a business that serves your real you know, your need, your desires, and about opening your eyes up to what that is, what the opportunities are, rather than allowing yourself to be run ragged by business because so many businesses owners out there are leaving that day to day, run ragged through business, you know, and there's another way and it helps you with your multiple at the exit, isn't that beautiful?

Kobi:

It's absolutely crazy, like, you know, it is like a seesaw that's got no balancing point in the middle. It's either one way, or it's the other way. And you know, when you tip it the other way, it'll stay that way. So, you know, you can get dragged back in. And of course, you can then choose what that looks like. But it does, it obviously takes a lot of discipline and routine, you know, and a lot of strategic thinking. But the more that you try the discipline and you try the return and you try the strategic thinking, the more the prep that you practice, the better you'll get. So, you know, we kind of said, You know what, let's put this summit together. Let's talk about some of this great stuff. And I don't you know, I don't want people to go you know, give it to me right now, because I will.

Joanna:

And we can't do it justice in this sort of short timeframe as well, right? And that's why you've got to come along to the summit so you can hear Kobi you know, I share those real gold nuggets about where it's going. And, you know, and all of those days buy to grow and sell just, you know, whilst they're separate segments, it's all part of the same hole, you know.

Kobi:

100%.

Joanna:

And I am super excited to hear so much more from you at the Buy Grow Sell Summit. Well look that's a wrap for now. I just want to say a huge thank you for coming on to

the podcast. And I am excited. If you haven't worked out what you need to do as a listener, then just check out the show notes. And all you have to do is click the registration link. So you get access to some of these amazing insights from Kobi talking on day one and day two. So day one, we're talking Kobi all about what to do when a business acquires and other business in terms of what's the next steps? What do they need to do to integrate leadership and management we'll be talking about that. And then on day two, we'll be really honing in on this discussion that we've started today. Kobi, I just want to say a huge thank you for joining us today on Talking Law.

Kobi:

Always lots of fun, Joanna, always lots of fun. I'm always happy to come back. I really look forward to seeing everybody at the Buy Grow Sell Summit. Obviously, the link is below in the show notes. Go check out the landing page. There's an incredible array of speakers. I'm really excited. And yeah, if I don't pay attention to anybody else, it's because I'm selfishly grabbing all the value that I want.

Joanna:

We're all super excited to hear, you know, all of that content. Huge thank you, Kobi. Thank you so much.

Kobi:

You're very welcome.

Joanna:

Well, that's it for this episode. I hope you enjoyed our podcast episode today with the amazing Kobi Simmat of Best Practice Biz.

Now, If you're interested in talking to our lawyers about anything related to this topic, head over to our website at www.aspectlegal.com.au to book a free 15-minute discussion with our legal team.

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