

Ep.88 Kevin Harrington Transcript

Why Only 1 in 5 Businesses Successfully Sell—And How to Be One of Them

Maria:

Hello everyone, and welcome to the My Local Marketer podcast. I'm Maria and today I'm speaking with Kevin Harrington, a partner at Exit Factor. Kevin, hello and welcome to the podcast. How are you?

Kevin:

Hi there Maria. I'm very well indeed. Thanks very much. It's lovely to have you here.

Maria:

We've already had one conversation which was stimulating. So I've been really looking forward to this. For people who aren't familiar with you, could you share a bit about your background and how you came to be a partner at Exit Factor?

Kevin:

I'm a marketer by trade and despite having started my career out in civil engineering and so on, and I've worked for big companies, I've worked for small companies, I've worked for start ups. And just when I thought, oh, I'll just take life a bit easier, a friend phoned me up back in twenty nineteen and said, look, I've started this business. We're going to be helping businesses exit. And we got together and we talked about it and lo and behold, we started working together, and that in twenty nineteen was not the best time to start a business because moments later it was lockdown and so on. But despite that, we got clients online. Seriously, a big thing that helped was doing webinars online. It made a huge difference. But, um, we've been doing that exclusively, Darrell and myself since twenty nineteen. But in January, we started flying the flag of exit factor in the UK. So we've started effectively a new business doing exactly the same thing within a slightly different framework.

Maria:

What is exit factor?

Kevin:

For many people it might well be irrelevant. But do you know what? For SMEs and business owners, it's a thing that's really quite important. Eighty percent of businesses don't sell. That means only one in five do. And out of the one in five that do, not many of them sell for the money that people would like to get for it. We think that's a bit of a

crime. You could argue there's four types of pension in the UK. There's defined benefit, defined contribution. There's a state pension and there's the business owners that go. My business is my pension. And so if they're one of the eighty percent that don't sell their pensions looking close to zero. So what we do is we work with mostly owner managed businesses who are getting the sense they need to exit. At some point. It might be because they're frustrated now, it might be because they're just common sense says they need to down the road. And we work with them to grow asset value, to make a business a lower risk for a buyer by generally straightening it out and making it a great business.

Maria:

Now, this is the really interesting thing because you say exiting and as you said, people think about it being for their pension and something for the end of the journey. But actually, when I spoke to you before, and I think when someone asked you, when should I think about exiting a business, Your answer was very good. I know you've got two answers, but one of them is as soon as you start, you need to think about exiting, which was really interesting for me as someone at the very start of my business. But then you've got the other answer, which is, is it three years? So could you go into a bit on when people should exit or think about getting processes in place ready?

Kevin:

You've intro'd the two things to consider. I guess if you want to exit your business. You can't wait until suddenly you have to exit. You might be ill health. It might be whatever. If you just suddenly decide I'm going to try and sell my business, it could well resemble a bag of bits. That's too much of a risk for a buyer, just at a very simple level. Most businesses do their utmost not to pay too much tax. They're avoiding, not evading tax. They're behaving quite legally. But ever since they started, they've suppressed the amount of tax they need to pay by good business and good advice from accountants. But just consider this if ten thousand pounds worth of expenses had been put through the business which suppressed the profit. When it comes to exit, that could be forty or fifty thousand pounds worth of value. So to get those books, recognizing the real profitability of a business is first of all, it's a change of mindset.

And secondly, it probably requires a couple of year ends to make the books look really thorough and make it believable to the purchaser that they're buying a profit stream. Also, other things that need to happen. I mean, most, most businesses fail to sell because they're owner dependent. And if a business is owner dependent, let's not worry about how it got there. But if I were to buy someone's business and that owner was a key person in that business, he or she owned all the relationships with key suppliers and key clients, had all the knowledge up in their own head and so on. That's a bit of a risk for

me, isn't it? It devalues the business in my eyes. So it normally takes, I would say twelve to twenty-four months, sometimes a fraction less, sometimes a fraction more to get a business looking good for exit.

But the thing you said right at the beginning there, Maria, was that the time to start getting your business ready for exit is the day you start it. And while that sounds a bit trite, it is very true because a business that is exit ready is very well run. Policies and procedures are there. They're replicable. So if someone leaves, someone else can take the job and they can pick it up and the customer experience ends up being maintained. You want people buying from your business, not from individuals. And if you start out thinking like that, of course human beings provide humanity into it all and they're great. They add even more to it. But if you start from the very beginning, it becomes a business that you can kind of crank things up and you can grow quicker. It's more fun. It's easier to hire people. You retain more staff. So if you haven't started the day getting ready for exit, the day you started the business, your best start now. The earlier you start, the more difference you can make.

Maria:

You mentioned the really interesting point there about the founder. They are tied intricately, a lot of them to their businesses. Can you say other points that make a business a bit of a sticking point when it comes to selling?

Kevin:

There are quite a long list, really, of things that would make it a bit scary for a buyer, but things that we more often encounter would be things like staff not having contracts. It's easy to put that off, isn't it? Because our staff are great. They'll be here next Monday. It's not a problem. But if I'm going to buy your business and none of the staff are contracted, how am I going to maintain the revenue stream? And how could I even grow it? And that's the start point for an owner managed business to consider is if someone else was running this business, what problems would they have? And so the contracts with staff would be one area, but contracts with suppliers might well be another. And if you've got only one supplier for a key component of the service or the product you supply, what happens if that suddenly disappears? What happens if they suddenly go and put the price up fifty percent? So I would set out, if I was running that business, to look to have multiple suppliers or keep a bit more stock or whatever it might be. But if I can't repeat the process of the business and sell things and make a profit, I'm not really interested in buying your business.

Maria:

Does that mean then, that an exit strategy is only if you are an SME, rather than someone who is a solopreneur, or runs a business as a consultant just by themselves? Or can they think about exiting as well?

Kevin:

We typically work with businesses that are ten plus people in the business, and typically between one million and thirty million. You talk about a solopreneur, the same things exist. It's just more difficult for us to help people if they're one person bands. And you would want to if you were just running your business by yourself as a consultant, you would want to have some security around revenue streams. If you're working for a long time with one client, you'd want some form of a contract around it, and you wouldn't want to be over dependent on one client. I know, and I'm sure you know, Maria, there's lots of people around with one client that is thirty percent or more of someone's income. What's to stop them saying goodbye? And if your business drops by thirty percent or more overnight, that's trouble. I mean, serious trouble. So it's quite difficult to sell a one-person business. You know, what is there that you sell? Is there any intellectual property? Is there a customer set that is transferable? Generally, a one-person business is trading a lot on their own personality, though, and solopreneurs really sometimes just don't want to grow their business because they know what a pain it can be. Having premises, having staff, having it issues and so on. But the reality is that small and medium sized enterprises in the UK are the backbone of the economy. They are the most important part of our business in the UK.

Maria:

As you know, I'm in marketing operations and I love data. So from our conversation before, it became very apparent that actually someone who is into the processes and likes data, that actually gives them a bit of an advantage. So how important would you say marketing operations- I know it's part of a bigger puzzle- and the data are in contributing to the value of a business.

Kevin:

It does depend a little bit on the types of business, but at its absolute simplest, people just need to remember that if you measure something, it tends to improve. So some businesses. At a small level, it's a gut feel. We think we know what's going on and it's all right. And, and actually we're spending most of our time just looking after our customers. And of course, our pricing is right because we're charging more than it costs

us to make it. And there's no real data around it. And if you start measuring things, it's a bit like us as individuals. If we start weighing ourselves every day without consciously going on a diet or eating less or exercising more, we tend to lose weight. It's just by the very fact we measure it. A sales person, if they know their sales number is being monitored, their sales tend to improve.

So I would say to people, don't get too hung up on this thing called data. I mean, some people love data, but a lot of people hate it. Entrepreneurs just want to get on with it, but just start measuring things. Have a little scorecard so that you can check things from week to week. And I always say to people to make life really easy, Run it as a moving annual total. That means that every month you add on that month's sales at the end of it and take off the same month at the other end of the scale. So you've always got a twelve-month figure. By doing that, it rules out all the seasonality. You've always got a Christmas in the last twelve months. You've always got a summer. In the last twelve months you've always got. Didn't it rain a lot last year in the the data. And it's a good way of seeing the trend based on the movement of the business.

But the sort of thing you're thinking about, I guess, Maria, is that ability to dive a bit deeper and use data to understand the differences in customers. I was talking to someone the other day and they were talking about having just told Amazon to sling their hook. There were suppliers into Amazon and it was a big bit of their turnover. But do you know what? When they really looked at the data. Although there was a slim margin there, They actually were losing money looking after that business, and they had to have a resource level that was quite high to do it. So the business became quite risky. So they, they actually worked their way out of the Amazon contract and suddenly their profit shot up. And there's no great kudos in being an Amazon supplier. It didn't help them get more business particularly, but they only realised that when they were encouraged to get into looking at the data, when the question put to them was what channels are delivering the most profit? Which channels consume the most of your customer support time? Which channels argue the most about the invoice after or want returns on things, or whatever it might be? And suddenly you go, do you know what? Some customers look lovely from a distance, but really, we could do without them. The only way you get to that is by using data.

Maria:

You're right. You have to pick one, two or three pieces that you absolutely focus on. Things that maybe you think that's not doing well. Let's measure over a period of time, things that are doing well because it's only by actioning, as you said, you need to action something that actually makes a difference to the business. So yeah, really good piece of advice there.

Kevin:

You triggered a thought there. A lot of people go, oh, we need to measure this, this, this, this, this and this. Ask yourself the question before you do it. What are you going to do with the data when it presents itself to you? Because if you're not prepared to take action or it actually is measuring things that aren't really the core issue, you're wasting your time measuring it and you'll just get everyone else annoyed around you. And I, I always say to people, be open about it. Don't make it look like you're being Inspector Clouseau looking for the criminals in the business. Be really open and say, we're trying to make our life more fun. And the way we'll do that is look after our clients really, really efficiently and effectively. And you can join in with this. Where do you think we could tighten up our business to make it more fun and easier to run? I love that. So yeah, get the team involved as well. I think that's a really good way because obviously your team has eyes on potential issues that you may not even know about because they are the specialists that are on the front line dealing with certain aspects. Are you familiar with Yoshida's iceberg of ignorance? I think we might have talked about it before.

Maria:

No, I don't recall that one.

Kevin:

You can find it online quite quickly. Yoshida is his name Sydney Yoshida. And his research and his concept was that an enterprise is a bit like an iceberg. So imagine a big pyramid, and just the top of the pyramid is above the water. The rest of it is underneath the water because it's an iceberg. And the top of the pyramid is the shareholders and the CEO of the business and the board. They only know four percent of the root cause of problems in their organization. The people at the bottom that do all the work, that talk to the outside world, that meet customers, meet suppliers and all those things. They know one hundred percent of the problems. And because most people, when they get titles like director or vice president or whatever, like to think they're Superwoman or Superman, they don't need to do all this by themselves. The best thing to do is to get your team further down the organization to help you research the data, find the data, and recommend things. Because do you know what? If they find the problem, they'll be very happy to implement the change. Whereas if you are the owner dependent person in the business, you are that boss, that that is the, the, the crux of it all. All you have to keep doing is keep telling people what to do and there's no buy in.

Maria:

That's really interesting. In all the discussions you've had with business owners. There must be one or two parts that business owners really struggle with. Is that right? And if

so, where do business owners struggle with? Do you think the business owners we deal with.

Kevin:

We're blessed. We deal with so many lovely people. And I think there is really only one issue that is the big one all the time with people we meet. It's the ability for them to put off doing the right thing, which is actually getting started. And for us, getting started, if you want to do anything, you're best off working out where you are in the first place. You know, how are you going to plot your route to somewhere on a map if you don't know where you're starting from? So where are they? And we're wandering into territory here where most business owners only exit their business once there's some specialist stuff. Business owners are really happy to let their solicitors do stuff for them. You know, conveyancing or whatever. They're really happy to get their accountant to do things like submitting all their returns and so forth. They know that's not their forte and they outsource it. And it's all about compliance as well. But there's no one that starts a business that really has to be an expert in exiting a business. And they also think it's dead easy to do from a distance. And it's I'll tell you now, it isn't that complicated. But if you've never done it before, you need help, you need guidance. And that's really what we do because a lot of what we do is project, manage the process. So for us, it's getting them to go for an exit assessment in the first place.

And in that vortex model you were talking about, it's that that's the V and an exit assessment. What it does is it looks at the value of the business through a purchaser's eyes through their lens. And so therefore it's looking at risk, you know, am I going to buy that business because it's got this, this and this about it. It's not quite right that devalues it and so on. So typically it's a fifty-page report, but it includes things like benchmarking that is your business comparable in values and multipliers and so forth to other businesses in your sector. Well, if it's not, There's quite often a chance you can increase your profitability without actually spending any more money. It's actually about how you're doing things internally. So we need people to go, where am I now, which is a single piece of work. And for many people, if all they did was say, Kevin, that was great fun. Thanks. I don't want to do any more with you. The exit assessment is great value in itself because it gives you confidence in what your business is worth, and it tells you where the risks are.

And I was speaking to a wealth manager the other day, and I said, so when you got a client that comes along and they want to plan their future so that they've got the money they might want in latter years, retirement, whatever. I said, what happens with the business? Do they just tell you what it's worth? And he said, well, yeah, mostly. And I said, so if someone tells you their business is worth five million, you just put five million

down, dear, and then go, that's what you're going to get at some point. And we'll manage the assets when you get the cash in, nearly everyone values their business higher than it's currently worth. Nearly everyone. So there's a lot of people could get a big shock if they're not confident about the value of their business on this journey. So the real issue for most people is getting started.

I always say the biggest problem is Microsoft, and people think I've got a vendetta against Bill Gates and his team. The point here is that we sit at our desk and go, right, we're going to have a constructive day. What do we do? We open our calendar and see who's put appointments in our calendar, and it appears in outlook. And then we look at our emails and our to do list is incoming emails all important stuff. The people that sent me email, not necessarily our strategic priority. So most business owners would start from that position. They'll be working on stuff that Microsoft's delivered to them. They'll be dealing with the phone calls, the slack messages, the team's calls, and so on, Rather than sitting back and saying, where am I taking this? And there comes a point when a business grows where you have to kind of lift your head away from the tools and the computer keyboard and so on, and look to a horizon further off and say, do you know what that looks like? Where I want to go now? What is going to get me there? What's great going to look like one day for me? Because it won't be looking after Microsoft's profits by buying more of their tools and having them controlling your day. It'll be something that individual chooses to do around making a business that becomes increasingly attractive to a buyer. At the same time as that, it becomes strangely, increasingly attractive to clients because it's being run well. So on the journey, you become naturally more profitable. It's about having all those things in place that we talked about the policies and procedures and, and people get a consistent and reliable and quality service from you.

Maria:

Many points to touch upon that, but just a couple of them in particular. You said that you are very fortunate with the clients you work with. Is that because you're very selective about who you work with, or the types of people that are conscientious enough to come to you in order to think about an exit strategy? It's a type of person who maybe have standard operating procedures and things in place to begin with.

Kevin:

That's actually a very good question. I, I think it's a bit of a blend of those things. I think anyone that is consciously thinking about wanting to do something about the future, they tend to be of a mindset that they're inquisitive, they want to know more. There's a lot of how type questions and why and so on. And they're great people to talk with because for us, the trigger points are people's current pain. The business owner that

spends more hours at work than their staff do. That should raise a few red flags, shouldn't it say, why is this going on? And so we just start off working around what those pain points are. And no one's got huge amounts of free time in their business, but someone that comes along and enquires about making their future better will carve out half a day, a week, or whatever amount of time they want. It could be a lot less than that to actually be strategic, to actually think for the business and think for themselves. So yeah, we end up with happy, inquisitive people that we work with is generally what goes on because intellectually entrepreneurs get what we're talking about. We don't use flowery language on everything. It's it's all common sense. But actually the order you do it in and the reason why things are important aren't necessarily the primary thought process for the business owner.

Maria:

So as long as you explain it well, which obviously you do, people understand and that reinforces to them why they need to carve the time out. Is that right?

Kevin:

Yeah. I mean, just as an example, I'm thinking about business. We have completed work with where they thought their business was worth getting close to a million. When we did a valuation of it, it came out as less than one hundred and fifty thousand pounds. That is what I mean by people overestimating, and it's because of the way their business was positioned. It was around how their paperwork and structures worked internally and dependence on key people. We did exactly the same valuation twelve months later, and it came out as one point four million, so nearly a tenfold increase. We don't always achieve things like that. Typically, we've got numbers. If you add them all up where valuations increase by fifty-six-point seven percent. So that's worth doing, isn't it? If people are concerned about not being on the tools and they earn so much money, but look at how much more money you make by bothering to think about it at the end. So it's less about the day-to-day transaction and just making the wheel roll around.

It's about being strategic and saying, actually, what is asset value in a business? And it's moving away from just the profit margin. And are we going cost plus or are we doing market-based pricing or whatever? It's thinking about growing asset value. And we try and get owners to start realising they wear more than one hat. They are the part of the leadership team. They are part of the team that get the revenue, but they're also the shareholder. And a shareholder has a different set of responsibilities. They need to look

after the shareholder aspect of the business, and that's a change of mindset, which takes a bit of coaching with people sometimes.

Maria:

What you said there about value, is that going back to what you showed me before with the $V = p \times M$ formula? Is that value is profit and multiplier? Could you expand that a little bit more? It really helped me to see how value can change.

Kevin:

So the value of a business in simple terms is a profit number. What profit do you make times a multiplier. So the profit is fairly easy to see. But you know most as I said earlier, most business owners have been trying to not show too much profit so they don't have to pay too much corporation tax. So they look a lot less profitable than the underlying performance. So first of all, we work with people to increase the profit. But that profit is multiplied by a number and that's called the multiplier. And in simple terms multiplier is a measure of risk. I'm going to give you a lower multiplier if it's large amounts of risk. And certain industries have certain profit multiplying ranges. You know it might be from seven to nine or it might be from three to five or whatever. And most people, if they're running a business before the kind of actions we talk about are taken there at the bottom end of their range or completely off the bottom of their range scale. So if the profit is worth one million and you've got a multiplier of four, your business is worth four million. So if we can make the multiplier look like it's five, that's worth another million pounds on the sale of the business. Whereas if all you do is put the profit up from one to one and a half, that's it's four times that, it's two million. So if you can do both of them go from one and a half profit and five times multiplier looking at seven and a half million, every bit of profit you can put back into the business, rather than having this mysterious conference where all the family got a suntan because they're away on holiday with you. If you can take all those chunks of money and other things similar to that and focus on showing the profit, your business shoots up in value. But the multiplier is the thing, and it is about risk, and it's about having a well-run business. Those things we've talked about in the last half hour are some of the things that make a great difference.

One client we used to work with, again, completed project was an engineering company. And effectively they were selling engineering products online. They didn't carry the products that people put their products on their website and people bought them from the website. As such, just a website has got a very low multiplier. But when we started talking to them about what was going on there, it was obvious that actually they were running a two-sided market. And a two-sided market is where you have someone sat in the middle and you've got the customer and the vendor either side of you. So you've got two customers, you've got people wanting to sell stuff and people

wanting to buy things. I mean, dating websites are two-sided markets. There's two different parties involved. You can have asymmetric pricing and you can have all sorts of things. But it's also this. This business was a platform. So it was a two-sided market that was on a platform with recurring revenues that shoots up the multiplier. The valuation increase on this was enormous, and they didn't have to change what they were doing. It was just realising that the value that they could give to a buyer of their business was dramatically bigger if they explained themselves differently.

Maria:

And that goes to show why you need to hire someone like you, because you can actually see a business from the point of how to make it more valuable, not just with the profit, but then with the risk and all these different aspects as well. And what actually people would not even consider to be a factor. You think actually that makes it a lot more valuable than you think it is.

Kevin:

A really important thing is also on the journey, making sure that you take people with you and, and they're part of this journey. You know, no one buys from a desperate business. They hate it. People can smell desperation a mile off. And if the business starts getting dull, people leave, staff leave, customers leave. Suppliers aren't so excited to help you. And so I think it's really important to focus on bringing people with you for the right reasons. A particular issue around this is that if all the advice you get from your current professional advisors is to make more profit. Pull the lever and don't spend so much, which is often what goes on. The moment you just go, right, we're saving money, we're saving money, we're saving money. Any sensible buyer will go, yeah, I can see your profits gone up a great deal. But I'm looking back on the numbers here. I can see why it did. You were slicing a line through marketing, for example, which has a benefit down the road.

No one ever grew a business successfully by just slashing costs and, you know, just choking off expenditure. People do make money by looking at sensible ways of growing it, and marketing is a component of that. And a lot of businesses we work with have struggled to understand what the contribution to their business is with marketing. And so quite often we invite people in to help them on that. If we don't have the capacity or they need some specialist help. So, you know, people like you, Maria, you might want to talk to one of our clients and help us at some point around the marketing aspect. And what data should they be looking at, and how do you build a strategy up, and how do you do the right things with your money to grow the business? But if you're not doing it, so many other things will go wrong. The consequential damage of trying to cut back on things like marketing is it's suicide. It's not the thing to be doing. I think you've got to take

people with you, and you've got to have a growth mentality about you, but not doing the growth as you used to do it, doing growth under a new mindset of growing asset value.

Maria:

I am so pleased that you mentioned the marketing there because it's not knowing something, it's how you communicate and get someone else on board. That is the most important thing. If you can't explain to your manager or your client effectively why they need to be doing something, then you sort of lost before you've even started. It's amazing how communication, what works for one person won't work for another person. You've got to really know them on a whole other level, which can be a challenge.

Kevin:

The whole thing is a conversation, isn't it? There's a story to be told, and if we tell it to the right people in the right way and have all the right supporting backup to it, it's never about telling people porkie pies. It's always about telling people the genuine, authentic story. And people want to hear that. You know, the very simplest. I mean, some of the things we've done recently have talked to people about putting video online and they go, oh, I don't want to be on the camera. And I said, do you know what? I wasn't thinking of you. I was thinking about your team. One of the best types of video to put online to get people interested in your business is the behind-the-scenes video. How does that business actually work? And if you show people behind the scenes, if a customer comes to your business, if you've got a factory or office building, whatever, I've done it many times over the years. I insist on showing people around the business. I tell people what goes on in what area and why and what changes we're making. And that story is great, but we can't wait for everyone to come for a walk around the building. So get people to make a video of it. And we love short videos, don't we? A two-minute videos. We live for it these days in China now. The short form TikTok type videos. I think in the last year it's been a seven billion dollars business, which is quite incredible. But get your staff to do it, get your team involved and start showing off your business. And at the very least, you start annoying your competitors, which is always good fun. Yeah, a video is not going anywhere anytime soon.

Maria:

It's definitely the easiest way to make a connection with someone is through video. They can see you. They feel they know you. So yeah, absolutely. All in on video. Now, as we said at the start, you are based in reading, aren't you? Why did you choose reading and does reading stand out business wise? Are you seeing patterns in reading that aren't taking place anywhere else?

Kevin:

Right. So our head office is actually in Salisbury and our first office in the UK, because we're aiming to have thirty is in reading and yes, I live here. What a coincidence. It is very convenient, but actually there's a good commercial reason for it as well. Starting a business that you want to have offices throughout the UK. If you start it in London, it's not typical. The London environment, the speed, the scale, the way people work in London is not typical of the UK and reading has always been for as long as I've been in. Marketing has presented itself as almost the average economy for the UK in that if you look at the demographics, if you look at the mix of ages in reading, if you look at the fact we've got a solid academic community, we've got professional services firms, we've got businesses that are more manual labour, blue collar stuff. The profile of reading is really good. Southampton used to always be another one as well, that if you wanted to do a test marketing campaign, it was a great city to go to because it approximated to an average for the UK, so that's why we chose reading. It didn't take us long to decide. But you know, reading is a wonderfully self-contained town, the largest town in the UK. Personally, I'm pleased not a city, but that's another story. We are a great place and we've got such a blend of great businesses that it's a good place for us to be, and it's a good place for us to be to demonstrate to other people how our system works.

Maria:

You said you want to open thirty offices in the UK? How long is the time frame you're hoping to do that in? What are your plans going forwards?

Kevin:

I thought you were going to say, Kevin, did you start this lot with the exit in mind? We did. By the way, um, the time span, it's an interesting one because we've got more than one business plan depending on who we're talking to, but realistically we should get that number in around about five years. We've got a list of ninety-two people that have expressed an interest to open an office with us at the moment. They won't all come to fruition at all. I know they won't. But you know, the interest levels are high. And with what we're doing today, we only started on this in January. We only opened the reading office and we're on track now. I quite like the idea of setting targets that are a bit higher than you actually need. So we might do a bit of that as well, but we're in an area. This exit planning sector is a relatively new thing. It's vast in the US and oddly, more businesses fail to sell in the US than in the UK. It's about eighty percent here. It's about eighty seven percent in the US, but they're much more literate in business exits in the US, and they're probably there between five and fifteen years ahead of us, I guess. And

twenty twenty six is kind of the right year for us to be doing what we're doing. If you start looking through LinkedIn and put business exits in there, the number of things that come up is dramatically higher than it was a year ago. People are starting to go, this is a thing. This matters. I think Covid helped us. A lot of people thought, you know what? I've had enough of all this. I just want out of it. And they realized it wasn't so easy to do, especially during Covid. And there's, you know, there's a whole bunch of people in the logistics industry that saying the way things are going, I don't see myself carrying on doing this for another ten, fifteen years. How could I change my options? And I think what we do really though, is that we don't try and run people's businesses, their businesses. What we do is work alongside them, help them find the ambition, help them focus on what they want, and then come up the steps to get there. And then it's up to them how fast they want to go through that. We'll help them on every stage if they want, and if we're not the right people, we'll bring in other people that that can help for specific things. And the idea of being able to make some money out of your business is good. It's if you don't sell your business at the end of that journey, it's very like just having had a job for forty years with no pension. That doesn't sound right, does it? Really? People that have worked in the sort of pay sector and have been employees all their life, we've probably got a very good pension. Thank you very much. That's because someone planned it for them. So I guess, you know, we're kind of helping people plan their pension. Oddly, we do get people not that many, but we do get people that go, I know I said I wanted to leave, but since we've been making this business run more smoothly and it's become a better place to be, and I'm enjoying it again now. And we go, well, that's great, isn't it? We don't have to sell it, just carry on running it like that and you've got yourself a business that's match fit, that is attractive to a buyer. Keep it like that. And if you change your mind that's that's fine. Most people don't have choices. What we do is put people into a situation where they have choices and they can make them, and they can exit their business on their terms.

Maria:

And that's what I love about what you're doing, Kevin, because this whole idea of preparing your business so you can exit, well, it just means, as you said, that effectively you're going to have a business that is run more efficiently, that is more enjoyable, where you can go off for a month and do travel if you want, because it can run without you and you can bring in people when you need to because the process is in place for a nice clean takeover. So it just makes the business more enjoyable to run more than anything. So even if you're not planning to sell, having that in place just seems to make it a more enjoyable thing to do all around.

Kevin:

You summed my words up very well there, Maria. Thank you.

Maria:

Well I'm going to turn over to you now to say, do you have any takeaways or things you can leave business owners with? I can think of a fair few, but I'll leave the floor to you. What would you like to leave our listeners with?

Kevin:

Well, first of all, don't put it off because it will cost a large amount of money and your choices will get more and more and more restricted. Everyone leaves their business one day, even if they're carried out in a box. It's inevitable that people will exit their business, even if it's just being transferred down to the next generation of the family that needs planning. How many family businesses do we see where the generation that next takes over doesn't do an optimal job? There are ways of making even that smoother by making a business run properly. So don't put it off is the big advice. I would also say people need to say, if it's worth that much money, it's probably worth getting a conversation going. I mean, nearly all our business starts with a cup of coffee and a chat. When I met you a few weeks ago and those doodles you've still got, which is very impressive. It's about showing people some things and going, is that you? Do you relate to this? What step of the journey are you at? And that kind of cup of coffee moment is a mild level of therapy. People go, ah, I get it now. I know what's going on. They still don't know quite how to fix it. But getting that first stage of a almost a diagnosis and into that exit assessment, that should be done really as fast as possible because then you know what you're dealing with. There are people around that hopefully will listen to your program and go, yeah, but I've done all that. Well, good for you. Well done. Go around telling people about it. Help other people realize they've got choices. But the number of people that have got it all tickety boo is a very small percentage compared to the ones that really need to start focusing on this parting message. Really just get on with it.

Maria:

Oh, brilliant. Kevin as well. Thank you so much for your time. Every time I speak with you, I get something new and inspirational. I want to go away and start writing a standard operating procedure or something. So thank you for your time. And yes, if you're listening to this, please connect with Kevin. Check out X factor. I'll put all the information on the landing page. And yeah, just make sure you look after yourself and your business and your business will then look after you.

Kevin:

Wonderful words. Thank you very much. Maria.