Complete Playbook Guide

All 10 Plays: Master the Art of Partner for Equity Deals

Partner for Equity Playbook
Comprehensive Business Acquisition Strategies

Table of Contents

Play 1: Establishing Your Dealmaker Identity

Play 0-1, establishing your dealmaker identity. Getting clear on your path before you pursue deals. A note from Chris Moore, when I first started helping people secure equity and businesses without traditional acquisitions, I noticed something interesting. Those who struggled the most weren't lacking skills, connections, or even opportunities. They were missing clarity about themselves. They hadn't defined what I now call their dealmaker identity. I've spent years refining this concept, watching thousands of students transform their results simply by getting clear on who they are as dealmakers before chasing a single opportunity. This foundational step might seem basic, but I've seen it make the difference between years of frustration and rapid success. Take your time with this chapter. It's the cornerstone everything else we will build upon. Think of your journey to becoming a business buyer like planting a garden. You wouldn't just scatter random seeds and hope for the best, right? You'd first decide what you want to grow, understand your soil conditions, and make a plan. Business acquisition works the same way. Before you start looking for businesses to acquire or partnerships to secure, you need to answer a few crucial questions about yourself. What do you want buying a business to do for you? What does business ownership look like in your vision? What change are you seeking in your life? Are you planning to acquire businesses solo or with partners? How might financing options like SBA loans shape your approach? These aren't just casual questions to brush aside. They form the foundation of every decision you'll make from this point forward. Without this clarity, I've watched countless ambitious entrepreneurs waste months, sometimes years, chasing deals that didn't align with their strengths, resources, or goals. I remember working with Michael, a marketing executive who jumped straight into looking at businesses for sale. He spent nine months and nearly $20,000 on due diligence for three different companies, before realizing none of them aligned with his actual goal of creating passive income. Had he defined his deal maker identity first, he would have immediately filtered out these businesses that required his full-time presence. Successful deal makers don't just buy businesses. They execute a predefined intentional acquisition strategy based on their unique skills, experience, financial position, and long-term goals. So before you even think about sourcing deals, let's establish your deal maker identity. The path to deal clarity. Many people get excited about the prospect of business ownership and jump straight into searching for businesses. Without first understanding what type of business is right for them specifically, how acquisitions fit into their broader life goals, or which strategies align with their particular skills and resources. This enthusiasm is understandable, but it often leads to frustration. You might find yourself pursuing deals that require capital you don't have, exploring industries where you lack crucial experience, or structuring acquisitions that clash with your ideal lifestyle. When you take the time to establish your deal maker identity first, something powerful happens. Decision making becomes easier, your focus sharpens, and the right opportunities begin standing out from the noise. Let me guide you through this process. Crafting your deal maker vision. First, let's talk about your motivation. Not everyone pursues business acquisitions for the same reasons. You need to get crystal clear on why you're doing this and what you expect from it. Some people want time freedom. They're looking to own a business that runs without their daily involvement, so they can focus on other priorities or simply enjoy life. Others are focused on cash flow creating reliable monthly income streams. Many are interested in wealth building, growing a portfolio by increasing business value, and eventually selling for substantial exits. Some simply want a lifestyle business they can build around their passions. Some others already own various assets and want to add businesses for portfolio diversification. Your primary goal will dictate your entire acquisition strategy. If time freedom is what you're after, you'd be miserable buying a business that demands 60 hour work weeks. If immediate cash flow is your priority, then your deals must generate income right away, not just promise future returns. Think of your motivation as your North Star. It guides every decision that follows. Next, consider what role you want to play in the businesses you acquire. This isn't a one size fits all journey. There are multiple ways to be involved, and finding the right fit is essential. You might see yourself as an owner operator, running the business day to day, deeply involved in operations and strategy. This works perfectly if you enjoy being hands on and want to immerse yourself in the business, or perhaps you're better suited as an owner investor, where you own the business but hire capable people to run it. This creates more passive income without demanding your daily attention. Maybe you see yourself as a strategic partner, leveraging your specific expertise, relationships, or capital to help businesses grow in exchange for equity, what we call partnering for equity. Some people thrive as roll up investors acquiring multiple businesses in the same industry to increase market share and create a more valuable combined entity. Users prefer a board member role, taking an equity position without operational involvement, providing guidance and oversight instead. Getting clear on your preferred role prevents you from pursuing deals that demand a type of involvement you don't want or aren't equipped to provide. Now, let's assess what resources you bring to the table. Contrary to popular belief, you don't need millions in the bank to acquire businesses, but you do need to honestly evaluate what you're working with. Do you have capital ready to deploy, or will you need to use creative financing? Are you planning to utilize SBA loans or traditional bank financing? Have you considered partnering with others who have complementary resources? What specific industry experience or specialized skills can you leverage to add value? Have you built a network that can open doors to deals? Are you prepared to be hands-on? Or do you prefer a more passive approach? Your available resources shape how you'll structure acquisitions. If you're a marketing wizard, that skill becomes leverage and partnering for equity deals. If you have access to capital or strong relationships with lenders, you can consider more traditional acquisitions. If you've developed deep industry expertise, you can partner with operators who need your specific knowledge. I worked with Sarah, who initially felt she had nothing to offer because she lacked capital. When we dug deeper, we discovered her 15 years in healthcare administration gave her unique insights into operational efficiencies that many medical practices desperately needed. She's now built a portfolio of equity partnerships with healthcare businesses by solving their operational challenges. Understanding your resources helps you target the right opportunities and position yourself effectively in negotiations. You also need to carefully consider which industries and business models align with your strengths and experience. What sectors are you genuinely familiar with? Which types of businesses complement your skills and background? Do you have existing relationships in particular industries? One of the biggest mistakes new buyers make is chasing deals in unfamiliar territory. I call this the stay in your lane principle. If you've spent your career and software development, acquiring a restaurant will likely be challenging. If you've built marketing agencies, a manufacturing company presents an entirely different set of challenges. Focus on what you know or partner with someone who brings the industry expertise you lack. This approach significantly shortens your learning curve and helps you spot both problems and opportunities that others might miss. Finally, it's time to visualize your ideal acquisition. With your goals, preferred role, available resources, and industry focus defined, you can now paint a picture of your perfect deal. Think about the cash flow you want from your first acquisition. Whether you prefer active involvement or a business that runs without you, determine what size business you're comfortable with, is it a $500,000 revenue operation, a $1 million company, or something larger, define your preferred deal structure, whether it's seller financing, partnering for equity, or another creative arrangement. Are you planning to leverage SBA financing or work with angel investors for the downpayment? This visualization acts as a filter, screening out deals that don't align with your vision and helping you focus only on opportunities that truly serve your goals. Let me share another example of a fully defined deal maker identity. Rebecca is a former corporate finance executive who wants to acquire a business in the professional services sector. Her goal is to apply her financial expertise while maintaining work-life balance to spend time with her family. She's planning to utilize an SBA loan for the acquisition with an angel investor providing the 10% downpayment in exchange for a 20% equity stake. She's looking for a business with $2 to $5 million in revenue, strong management already in place, and potential for growth through improved financial systems. Her ideal role is as a strategic leader rather than day-to-day manager, focusing on growth initiatives while her team handles operations. She plans to hold the business for five to seven years before executing an exit strategy. This level of clarity immediately eliminates businesses that would require her constant presence or that fall outside her financial parameters. It also shapes how she'll structure her search negotiations and transition planning. Your deal maker blueprint. When you've worked through these questions thoughtfully, you'll have a clear picture of what you should be looking for in an acquisition or equity partnership. This becomes your deal maker identity, your personal blueprint for successful deals. Here's what a fully defined deal maker identity might look like. My goal is building a portfolio of cash flowing businesses that don't require my daily presence. I want to be an owner investor hiring strong operators rather than running businesses myself.

My key resources include a network of investors and expertise in scaling through digital marketing. I'll focus on digital businesses, SaaS companies, lead generation, and service-based businesses. My ideal acquisitions are businesses with $1 million plus in revenue and at least $200,000 in EBITDA, where I can add value through marketing and rapid scaling. I prefer structures like partnering for equity, performance-based buyouts, and seller financing arrangements. With this clarity, every decision about which deals to pursue, how to structure them, and who to partner with becomes much more straightforward. You'll save countless hours by quickly identifying which opportunities deserve your attention and which ones to pass on. Take some time now to reflect on these questions and craft your own deal maker identity. This foundation will make everything else in your business buying journey more focused and productive. Dealmaker Checkpoint Before moving on to the next play, take a moment to solidify your deal maker identity by answering these questions. 1. What primary outcome do you want from business acquisitions? System freedom, cash flow, wealth building, etc. 2. What role do you ideally want to play in the businesses you acquire? 3. What unique resources, skills, or advantages can you leverage in deals? 4. Which industries or business models do you have experience with or knowledge about? 5. What specific characteristics would make a deal perfect for your situation? 6. Are you planning to acquire businesses solo or with partners? If partners, what complementary strengths would they ideally bring? 7. What financing methods are you considering? SBA loans, traditional financing, seller financing, angel investors, etc. 8. What is your timeline for acquisition and eventual exit? 9. How much time can you realistically commit to your business or businesses weekly? 10. What specific value do you bring that would make you attractive for partnering for equity arrangements? Now combine your answers into a concise deal maker identity statement that will guide your acquisition journey. Keep this statement visible as you search for opportunities. It will be your compass for finding the right deals and avoiding the wrong ones. Also, to help you on this journey, I would like to provide you with my proprietary taking inventory self-assessment worksheet. I designed it to help you identify exactly what you have to trade for equity in partnerships. You can download a copy here at partner for equity.com slash taking inventory. In the next play, we'll explore how to define your buy box and ideal win scenario. The specific criteria that will determine which businesses are worth your time and resources.

Play 2: Defining Your Buy Box and Ideal Win Scenario

Play 2. Defining your buy box and ideal win scenario. Now that you've established your deal maker identity, it's time to get even more specific about the types of businesses you'll target for equity partnerships. Before we dive in, I want to clarify something important. This chapter focuses specifically on consulting for equity partnerships, not traditional leveraged buyouts. While many principles overlap, the criteria, priorities, and approaches for equity partnerships differ in key ways from outright acquisitions. If you were pursuing only leveraged buyouts, I'd guide you somewhat differently, emphasizing different factors in your selection process and financial analysis. This is where we define your buy box. Think of it as your personal deal filter that helps you quickly determine which opportunities deserve your attention and which ones you should pass on without a second thought. Your buy box isn't just some abstract concept, it's a practical tool that prevents you from wasting time on poor fit deals, helps you focus your energy on high potential opportunities, and ultimately accelerates your path to ownership. I've seen too many aspiring deal makers spin their wheels evaluating businesses that never had a chance of working for them. They spend weeks on due diligence, get emotionally invested, and then realize the fundamental mismatch too late in the process. Your buy box prevents this costly mistake before it happens. Creating your personal deal filter Your buy box can be tailored to either acquiring a business outright or partnering for equity. In many cases, the criteria might be similar for both paths, but don't assume they must be identical. The beauty of the partner for equity approach is that it often allows you to work with businesses that wouldn't make sense for a traditional acquisition. For example, if you're looking to acquire a business outright, you might focus on companies with strong cash flow and an absentee owner ready to exit. But if you're pursuing equity partnerships, you might specifically seek out businesses with solid revenue but poor marketing systems, where your expertise can unlock massive growth potential. Let's break down the key components of your buy box so you can create a filter that's perfectly tailored to your goals and capabilities. Industry focus, the safe pair of hands. Principle. Every industry operates according to its own rules and dynamics. Some sectors depend heavily on operational excellence while others thrive or die based on marketing prowess, sales processes, or financial engineering. The first step in defining your buy box is identifying which industries align with your background, knowledge, and strengths. This brings us to what I call the safe pair of hands principle and the importance of staying in your lane. The power of staying in your lane. When you partner with a business owner in exchange for equity, you're essentially promising to deliver specific results, growth, operational improvements, or other value-adding changes. The owner is trusting you with their business, often their life's work. They need to see you as a safe pair of hands, someone who truly understands their industry, challenges, and opportunities. This is why staying in your lane is so crucial for consulting for equity deals. When you operate within industries, you deeply understand, you spot problems and opportunities that others would miss. Speak the language that resonates with owners in that industry. Make connections that only an insider would recognize. Avoid costly mistakes that come from industry and experience. Build immediate credibility and conversations with business owners. I worked with a client named Jason who spent 15 years in construction management before pursuing business acquisition. Initially, he was looking at everything from retail stores to online businesses, casting a wide net in hopes of finding a deal, but he was getting nowhere fast. When we narrowed his focus to specialty construction services and building supply companies, something remarkable happened. His conversations with business owners immediately improved. He spoke their language, understood their challenges, and could quickly spot both problems and opportunities that others would miss. Within six months of tightening his industry focus, he closed his first equity partnership with a commercial roofing company. Leveraging Beards and Co-consulting Now you might be thinking, but what if I see a great opportunity outside my lane? This is where the concept of Beards or Co-consulting becomes invaluable. A beard is someone with the skills, expertise, or credibility you might lack in a particular area. By partnering with these individuals, you can expand your range of opportunities while still maintaining the safe pair of hands advantage. Instead of saying, I can help with this, you can truthfully say, we have expertise in this area. The shift from me to we opens doors that might otherwise remain closed. I recently worked with Sarah, a marketing expert who identified a tremendous opportunity with a manufacturing business. While she understood the marketing challenges, she lacked manufacturing operational experience. Rather than walking away from the opportunity, she partnered with Tom, a former manufacturing executive in her network. Together, they secured a consulting for equity arrangement that neither could have landed individually. This Co-consulting approach allows you to pursue opportunities outside your direct experience. Build a more compelling value proposition, share the workload and responsibilities. Combine complementary skills for better results. Reduce risk through diversified expertise. When considering your industry focus, think both about where you have direct expertise and where you could leverage partnerships to expand your reach. Your industry focus should consider industries you know best from past experience, previous acquisitions, or existing networks, sectors with recurring revenue models, strong cash flow potential, and clear growth levers, industries where your specific expertise or your team's expertise can solve common problems or accelerate growth. At the same time, be honest about which industries you should avoid, those with high regulatory hurdles, unpredictable cash flow, or dynamics you don't understand well. For a concrete example, your industry buy-box might include digital agencies, home services businesses, SaaS companies, or B2B services with strong lifetime customer value. You might explicitly exclude retail operations, low margin e-commerce businesses, or restaurants, unless you have specific experience that gives you an advantage in these areas. Business size and revenue. Finding your sweet spot. Not all businesses are structured appropriately for equity partnerships or acquisitions. Some are too small to justify your time and energy. Others might be too large and complex for your current resources or experience level. The next component of your buy-box involves defining the size range of businesses you'll consider. This typically involves setting minimum thresholds for revenue and profitability. For most first-time equity partners, I recommend looking at businesses with at least $500,000 in annual revenue. Below this threshold, companies often lack the infrastructure, systems, and margin to make them viable targets. They're typically too dependent on the owner, which creates significant risk if anything changes. On the upper end, be realistic about what you can handle based on your experience, capital access, and bandwidth. If you've never operated or invested in a business before, jumping into a $20 million company might be biting off more than you can chew. Your size criteria should also consider whether the business is profitable or merely generating revenue. If the company has clear bottlenecks, you can help solve how dependent the operation is on the current owner unless replacing them is your strategy. A well-defined size component of your buy-box might specify businesses with $500,000 to $5 million in annual revenue, consistent profitability, and an owner who's open to partnership arrangements. You might explicitly exclude businesses with less than $300,000 in revenue or those currently operating at a loss unless you have a specific turnaround strategy. Ownership versus cash flow, balancing short and long-term benefits. When pursuing consulting for equity deals, you'll need to decide what balance of immediate cash flow versus long-term ownership makes sense for your situation. Some equity partnerships offer upfront compensation plus future equity cash now ownership later. Others are heavily weighted toward equity with minimal immediate payment betting on bigger future returns. Still, others might provide ongoing revenue shares that start immediately but don't include traditional equity. Your personal financial situation and goals should guide this part of your buy-box. Can you afford to work primarily for equity or do you need deals that generate cash flow from day one? What's the minimum equity percentage that would make a partnership worth your time and energy? I remember working with Michelle, who initially insisted she needed deals with substantial upfront cash components because she was transitioning from a corporate job. After analyzing her finances, we realized she had enough runway to prioritize higher equity percentages with less immediate compensation. This shift allowed her to land deals with much greater long-term upside. Within three years, her equity positions were worth substantially more than she would have earned through cash-focused arrangements. Your ownership versus cash flow criteria might specify partnerships offering 10 to 30% equity with some upfront compensation. You might choose to avoid deals offering less than 10% equity unless there's significant immediate cash flow or a clear path to increasing your ownership stake over time. Time commitment. Managing your most precious resource. The final major component of your buy-box addresses how involved you want to be in each business. Are you looking for a hands-on operational role, a strategic advisory position, or something in between? Be brutally honest with yourself about your available bandwidth and how many businesses you can meaningfully impact at once. I've seen ambitious entrepreneurs try to juggle too many equity partnerships simultaneously, ultimately delivering poor results for everyone involved, including themselves. Consider whether you're seeking a board-level advisory role requiring limited time commitment. A strategic position focused on specific growth initiatives. An operational role with day-to-day responsibilities. A hybrid arrangement that evolves over time. Your time commitment criteria might specify advisory or strategic growth roles requiring three to five hours per week per business. You might explicitly exclude opportunities demanding full-time operational involvement unless that aligns with your goals. Identifying your ideal win scenario. Your buy-box helps you filter which deals fit your criteria. But your ideal win scenario ensures that every deal you pursue actually delivers the specific benefits you're seeking. This is a critical distinction. Many deal makers focus so intently on closing a deal. Any deal. That they forget to ask whether it genuinely serves their personal goals. They get caught up helping the seller win while neglecting their own success metrics. You must solve for your win first. If a potential partnership doesn't align with your lifestyle preferences, financial objectives, and available bandwidth, it's the wrong deal regardless of how promising it might seem on paper. Ask yourself, what would have to be true for this specific opportunity to be a massive win for me personally? Does this business fit into my long-term vision? Can I predict success based on my particular skills and resources? Will this deal provide the cash flow, equity, or leverage I'm looking for? Your ideal win scenario looks beyond the deal itself to consider how this acquisition or partnership impacts your wealth, time freedom, and future opportunities. It ensures you're building a portfolio that serves your life goals, not just closing deals for the sake of transaction volume. Win win. But solve your win first. Every successful deal must benefit both parties. That's non-negotiable. But your win comes first in your analysis. If you can't clearly articulate how a potential deal gets you exactly what you want, you shouldn't move forward. Period. Being ruthlessly selective about which opportunities you pursue is what separates successful deal makers from those who never achieve their financial goals. Before proceeding with any deal, ask yourself, does this business truly match my buy box criteria or am I making exceptions? Can I add value quickly and see measurable results within a reasonable time frame? Does this opportunity align with my broader wealth building strategy? Do I have sufficient leverage in the negotiation to secure favorable terms? If you can't define a clear win for yourself, walk away. There will always be another deal. I worked with Robert, an experienced sales leader who was evaluating a partnership with a manufacturing company. The business checked nearly all his buy box criteria, and the owner was eager to bring him on board. But when we analyzed his potential win, something was missing. He couldn't get excited about the industry or product. Despite the favorable terms, he ultimately passed on the deal. Three months later, he found a technology services company where he could leverage his sales expertise in an industry he was passionate about. That partnership has since generated both substantial cash flow and significant equity appreciation, a true win-win that aligned perfectly with his goals. Here's an insight that served me well throughout my career. The best deals happen when the business needs exactly what you're uniquely positioned to provide. When you find an opportunity where your specific skills or resources solve a critical problem, structuring an equitable partnership becomes remarkably straightforward. Putting it all together. Let's recap how these elements work together to guide your deal-making journey. First, you identify your buy box, establishing clear criteria for the types of businesses you'll seriously consider. This includes industry focus, size parameters, ownership cash flow balance, and time commitment expectations. Next, you define your ideal win scenario, ensuring each opportunity aligns with your personal and financial goals. This helps you prioritize deals that serve your broader strategy, not just transactions that look good on paper. Finally, you commit to the win-win principle while solving for your win first, recognizing that the best partnerships benefit everyone involved, but your success metrics must be satisfied before proceeding. With these frameworks in place, you'll never waste time pursuing partnerships that don't serve your interests. You'll be positioned to quickly identify high potential opportunities and confidently pass on deals that others might chase, but that don't fit your specific criteria. Dealmaker Checkpoint Before moving on to the next play, take a moment to define your buy box and ideal win scenario. One, which specific industries will you focus on and which will you avoid? Two, what size range, revenue and profitability will you target? Three, what balance of immediate cash flow versus equity ownership are you seeking? Four, how much time are you willing to commit to each business? Five, what specific outcomes would constitute a win for you personally? Six, if you're considering partnerships outside your direct expertise, who might serve as potential beards or co-consultants? Seven, how will you verify that businesses meet your criteria before investing significant time? Eight, what minimum equity percentage would make a deal worthwhile for you? Nine, what are your non-negotiable requirements for any consulting for equity arrangement? Ten, how will you ensure your first priority is solving for your win in every potential deal? Capture these parameters in writing and keep them visible as you evaluate opportunities. This simple practice will save you countless hours and help you focus exclusively on deals with genuine potential to transform your financial future. In the next play, we'll explore the eight proven strategies for landing consulting for equity deals, the specific approaches that have helped our students secure partnerships across diverse industries.

Play 3: The 8 Ways to Land Consulting for Equity Deals

Play 3. The 8 ways to land consulting for equity deals. If you've been following along, you now understand your dealmaker identity and have defined your buy box. You know exactly what you're looking for and why. Now it's time to get tactical about how to actually land these partnerships. Before we dive in, an important note will be introducing several strategies in this chapter that will expand upon significantly in later chapters. If something feels unclear or you feel like you're missing some context, trust the process and keep reading. The following chapters will provide deeper frameworks, scripts, and implementation details for each approach. This chapter gives you the high level overview of your options. This is where theory meets practice where we translate your aspirations into actionable strategies that get results in the real world. I'm about to share 8 proven ways to land consulting for equity deals. These aren't theoretical concepts or untested ideas. These are the exact strategies I've used personally and that my most successful students have implemented to secure dozens of equity partnerships across various industries. Think of these as different paths up the same mountain. You don't need to master all 8 approaches. In fact, I recommend starting with the one that best aligns with your specific skills and resources. Once you've closed your first deal, you can expand your repertoire. Let's dive into the playbook. Strategy number one, solve a bleeding problem in their business. This is the fastest and most straightforward path to landing a consulting for equity deal. Why? Because of a simple truth about human nature, business owners don't prioritize fixing small problems. They focus their energy and resources on issues that are actively causing pain. What I call bleeding problems. Your job is to identify that bleeding problem and position yourself as the solution. This could be anything from broken marketing systems and declining sales to operational inefficiencies or leadership challenges. Ask yourself, what's keeping this business owner up at night? What problem if solved would dramatically improve their situation? Where are they losing money, customers, or opportunities right now? Once you've identified the bleeding problem, the path forward is clear. Demonstrate your understanding of the issue. Show them how you can solve it, ideally with examples of where you've done it before. Structure an equity deal where you step in, fix the problem, and create a win-win outcome. I'll never forget working with a business that was hemorrhaging money on poorly managed advertising campaigns. The owner was losing over $60,000 monthly on ineffective ads with no clear strategy or performance tracking. I stepped in, completely restructured their marketing approach, and within 60 days we'd not only stop the bleeding, but added over $1 million in new revenue. That partnership earned me a 25% equity stake in a business that continues to generate substantial returns. The key insight here is simple but powerful. Business owners will gladly share equity when you solve problems that make them significantly more money. When the math makes sense, when your contribution clearly creates more value than it costs, these deals become surprisingly easy to structure. Strategy number two, flip your current deal flow. If you've been pursuing traditional business acquisitions, you're already talking to numerous sellers. Some of these businesses might be perfect candidates for outright purchase, but let's be honest. Most of them have issues that make traditional financing challenging. Maybe their financials are messy or inconsistent. Perhaps the owner's valuation expectations are unrealistic, or maybe banks simply won't fund the deal due to industry concerns or customer concentration issues. Instead of walking away from these businesses, consider flipping the conversation toward a consulting for equity arrangement. This is where the Catch 22 talk track becomes incredibly powerful. However, I want to emphasize that this strategy requires mastering specific conversation techniques and negotiation frameworks that will cover extensively in later chapters. Attempting this approach without understanding the nuanced psychology and specific language patterns can lead to awkward conversations or missed opportunities. In plays number five, number six, and number seven will provide detailed scripts and frameworks for navigating these sensitive transitions effectively. The basic concept involves helping the seller understand that while traditional acquisition might not be viable right now, you could help fix the issues preventing it and partner with them in the meantime. I really like your business, but there are a few issues preventing me from acquiring it outright right now. If I were already involved in the operation, I could help fix these problems, cleaning up the financials, making the business more attractive to lenders, and potentially increasing its value. What if we partnered now, address these challenges together, and create a path where I could potentially buy you out later at a higher valuation? This approach transforms what would have been a dead end acquisition conversation into a win-win partnership opportunity. The owner gets help solving problems they've likely been avoiding, and you secure an equity position in a business that could become significantly more valuable under your guidance. When executed properly, this strategy also creates a natural path to eventual acquisition. Once you've helped fix the critical issues, you'll be perfectly positioned to purchase the business with the added advantage of intimate knowledge about its operations and true potential. Strategy number three, help business owners exit and get paid when they sell. Here's a startling reality. Thousands of business owners want to sell their companies but can't. Despite their desire to exit, they face significant obstacles. Messy or inconsistent financial records, operational issues that make the business unattractive to buyers, lack of systems and processes that would allow for smooth transition, no clear exit strategy or understanding of how to prepare for sale. This creates a perfect opportunity for consulting for equity partnerships. If you understand how to prepare a business for sale, you can create enormous value for owners who want to exit but don't know how to get there. Carl Allen, my co-author and veteran dealmaker, recently worked with a manufacturing company generating about $4 million in annual revenue. The owner had been trying to sell for three years with no success. The business had strong fundamentals but lacked the documentation, systems and financial clarity that buyers require. Carl structured a partnership where he received a modest monthly retainer plus 15% equity with his primary focus on making the business saleable. He implemented standardized operating procedures, created proper financial reporting, diversified the customer base to reduce concentration risk and developed a leadership team that could operate without the owner. 18 months later, the business sold for $7.2 million, nearly double what the owner had originally hoped for. Carl's 15% stake plus his exit bonus resulted in a seven-figure payday from a business he never actually owned outright. The approaches straightforward find businesses with owners looking toward eventual exit, help clean up their financial reporting, operations and profitability, create the systems and documentation that make the business transferable, assist in the actual sale process, and take a percentage of the proceeds. This strategy is particularly powerful because it's low risk for both parties. The owner only shares equity or sale proceeds if you actually help them achieve their goal of selling the business, and you have the potential for a substantial payday when the exit occurs in addition to any ongoing compensation during the preparation period. Strategy number four, help businesses grow through acquisition. Most small business owners don't know how to acquire other companies. They might understand their industry and core operations, but the mechanics of finding, valuing, negotiating, and integrating acquisitions remain a mystery. If you understand how to originate deals, structure acquisitions, and manage the M&A process, you possess a skill set that can be extremely valuable to growth-oriented business owners. One of our students, Larry, had spent years working in corporate acquisitions before deciding to pursue his own deal-making career. While searching for a business to buy, he connected with the owner of a large commercial landscape company who mentioned his desire to expand regionally. Rather than walking away when he realized the business wasn't for sale, Larry proposed a partnership. He would lead an acquisition strategy to help the company expand into three new markets over 24 months. They structured a deal where Larry received a monthly consulting fee plus 5% equity in the parent company, with an additional 3% for each successful acquisition he facilitated. Within 18 months, Larry had helped the company acquire two competitors in neighboring markets, growing revenue by 73%, and significantly improving profit margins through operational synergies. His combined equity stake, now over 11%, is valued at more than $1.6 million, and he continues to receive ongoing distributions as a part owner. The strategy works like this. Identify businesses that could benefit from acquiring competitors or complementary operations. Show them how strategic acquisitions can accelerate growth faster, and often cheaper than organic expansion. Partner with them to lead their acquisition strategy in exchange for equity, and potentially a piece of each deal you help close. This approach works particularly well with established businesses in the 5-plus-million-dollar revenue range that want to dominate their market or expand geographically. These companies typically have the financial resources to execute acquisitions, but lack the expertise to identify opportunities and close deals effectively. Strategy number 5 Consulting for Equity Roll-ups Why acquire or partner with just one business when you can create value across an entire industry segment? If you've developed expertise in solving a particular problem, you can potentially apply that solution to multiple companies in the same sector. This strategy creates tremendous leverage as you implement similar solutions across different businesses, potentially combining them for an even larger exit. One of our students, Dr. David, named Change for Privacy, discovered a powerful way to add new profit centers to medical practices. He developed an approach that could add 3 to 5-million dollars in annual revenue to establish practices through a specialized service offering that most weren't providing. Instead of simply consulting with practices individually, he created a roll-up strategy. Dr. David approached multiple practices with his profit-boosting methodology. For each practice, he negotiated substantial upfront fees plus equity stakes in exchange for implementing his system. What made his approach particularly powerful was the inclusion of drag rights in his agreements. These provisions gave him the ability to drag all the practices into a collective sale agreement when the time was right. He explained to each practice owner how participating in a larger roll-up would likely result in a much higher valuation multiple four to five ex earnings versus the two to three ex they might receive selling independently. Within three years, Dr. David had acquired equity in seven practices, all implementing the same profit center methodology. Each business saw revenue increases of 30 to 70 percent, and the combined entity is now being prepared for a private equity exit at a substantially higher multiple than any individual practice could command. The concept is simple but powerful. Identify a niche where you can add significant value, e.g. dental practices, roofing companies, SaaS businesses, approach multiple businesses in that space with the same solution, acquire equity positions in each one, potentially combining them under a management company or shared resources model, create economies of scale, implement best practices across the portfolio, and dramatically increase the value of all participating businesses. This strategy works best when you can solve the same high impact problem across multiple businesses in the same sector. The key is quantifying your impact in a way that makes the equity share an obvious win for the business owner. When you can add substantial profit centers or solve expensive problems, owners are much more receptive to partnership discussions. Strategy number six, take over a business for a retiring owner. Many business owners reach retirement age without a clear succession plan. They don't have children interested in taking over, can't find qualified buyers willing to meet their valuation expectations, and don't want to simply shut down the operation they've built over decades. This creates a perfect opportunity for a consulting for equity arrangement that transitions toward full ownership. Jay Trailer, one of our most successful students, built his business portfolio primarily through this approach. In his mid-30s, Jay didn't have extensive capital or decades of industry experience, but he brought energy, dedication, and a willingness to learn. He connected with the owner of a profitable plumbing company who was in his late 60s with no family interested in the business. The owner had received offers to buy, but none that reflected what he believed the business was worth, and more importantly, none that would preserve the legacy he'd spent 40 years building. Jay proposed a different approach. He would work alongside the owner, learning every aspect of the operation, while gradually assuming management responsibilities. They structured a five-year transition where Jay would earn increasing equity based on performance metrics, with the owner reducing his involvement proportionally. This arrangement gave the owner what he truly wanted, not just financial compensation, but a worthy heir to continue his legacy. Jay has since replicated this model with two other businesses, building a portfolio worth several million dollars without requiring significant upfront capital. This strategy is particularly well-suited for younger dealmakers or those who have more time than money or specialized skills. It leverages your energy, commitment, and willingness to learn as your primary assets. The approach works like this. Find business owners approaching retirement with no clear succession plan. Offer to step in, learn the operation, and eventually take over leadership. Structure a deal where you earn increasing equity over time, while the owner gradually reduces their involvement, create a path for them to exit on their terms while preserving their legacy. This strategy essentially allows you to inherit a business without an upfront purchase. The owner gets to transition out gradually while maintaining income and you gain ownership in an established operation without the immediate need for acquisition capital. Strategy number seven. Get paid for your network and connections. Sometimes your most valuable asset isn't what you know, but who you know. If you have access to major clients, investors, or powerful industry connections, you can potentially trade these relationships for equity in businesses that would benefit from these introductions. Karl's story time. The food manufacturing connection. One of the most powerful ways to secure equity is by leveraging connections. Sometimes a single introduction can transform a business overnight. I was involved with a food manufacturing company in the UK that produced various baked goods, soups, and ready-made food items. The operation was solid, but struggling to break into major retail chains where the real volume opportunity existed. In the UK, there's a popular high street food retailer. Think of it as the British equivalent of Panera bread in the US, but with a more working class clientele. This retailer doesn't manufacture any of their products. Everything is prepared elsewhere and brought in daily. One of their biggest sellers, particularly during cold weather months, is soup. Despite numerous attempts, our manufacturing company couldn't get a meeting with this national retailer. The buyer wouldn't return calls, emails went unanswered, and our products, which we knew were superior to their current suppliers, weren't getting any consideration. While browsing a website that connects businesses with non-executive directors, essentially board members who advise companies in exchange for equity or compensation, we found someone named Terry who had formerly been a senior executive in the food retail industry. After several conversations, we discovered Terry had a direct personal relationship with one of the directors at the national retail chain we were targeting. This was our opportunity. Rather than simply hiring Terry as a consultant, we structured a performance-based equity deal. We brought him on as chairman with base equity that would increase significantly if he could help us land the national soup contract. Within weeks, Terry arranged a meeting with the retail chain's purchasing team. Thanks to his credibility and relationship, we bypassed the typical lengthy vendor approval process. Three months later, we had secured the national soup contract and account that instantly doubled our revenue. The impact was transformative. Terry owned his 25% equity stake by delivering exactly what we needed, access to a relationship we couldn't establish ourselves. But the story didn't end there. The competitor who had previously held the soup contract was furious about losing the business. They were a much larger operation with a broader product range, including pastries and baked goods that we didn't produce. Rather than trying to win back the account, they approached us with an acquisition offer, seeking to own the contract relationship rather than compete against it. This single connection not only doubled our business, but ultimately created an exit opportunity, we hadn't anticipated. What began as a strategic partnership based on relationships transformed into a complete acquisition, creating significant returns for everyone involved. The lesson is clear. Sometimes your most valuable asset isn't what you know, but who you know. When you have access to relationships that can transform a business, structure deals that reward you properly for those connections rather than giving them away. Getting paid for your network or connections often works because access to the right relationships can transform a business overnight. However, there are important caveats to consider. In many industries, middlemen or connectors are not always appreciated or respected. Be aware of this perception issue and position yourself as a strategic partner rather than just an introducer. This means clearly articulating the value of your relationships and being selective about which connections you facilitate. It's also crucial to have proper agreements in place before making introductions. Without clear terms, you risk being cut out of the deal once the connection is made. I cannot stress enough the importance of seeking guidance from an attorney who specializes in M&A or contract law for these arrangements. With the global market of legal talent available through platforms like Upwork, finding qualified legal help is more accessible than ever. A note of caution, be careful, swimming with sharks. In high value deals, especially with sophisticated players, there's always a risk of being cut out once your relationships are established. Proper legal agreements and milestone-based terms can help protect your interests. Strategy number eight. Structure mergers and take a stake. You don't need to own a business to profit from strategic deals. Sometimes just connecting the right companies and facilitating their combination can create enormous value. Mergers between complementary businesses often create entities worth significantly more than the sum of their parts. By identifying these opportunities and facilitating the transactions, you can earn equity without investing capital. You don't need to own a business to profit from strategic deals. Sometimes just connecting the right companies and facilitating their combination can create enormous value. Carl's story time, the paper merger. Sometimes the most valuable deals come from seeing opportunities that business owners themselves miss. This was certainly the case with what I call a paper merger between two complementary agencies in Australia. While traveling through Broad Beach Australia, I was evaluating a potential acquisition, a traditional advertising agency that handled campaigns for various clients ranging from education to consumer products. They organized promotional events, hired models for product launches, created marketing materials and managed advertising placements. During due diligence, it became clear the owner had minimal motivation to sell. When I asked about his real goals he admitted, I just want to get bigger. I want to expand into PR and branding, but I can't be bothered with building those capabilities from scratch. What he didn't realize and what changed everything was that literally next door to his office was a public relations agency that complemented his services perfectly. On a hunch I knocked on their door, introduced myself and discovered they were facing similar challenges wanting to expand their service offerings, but lacking the advertising capabilities their clients increasingly requested. Rather than walking away from both opportunities, I saw the potential for what dealmakers call a paper merger. Combining complementary businesses to create an entity worth more than the sum of its parts. I worked with both owners to agree on valuations for their respective businesses, which were surprisingly similar in size and profitability. Then I proposed a structure neither had considered, forming a new company where each owner would hold 25% equity, I would receive 25% for orchestrating and managing the merger, and the remaining 25% would be allocated to raising capital for additional acquisitions. We secured $500,000 from an angel investor using those funds to acquire a third PR firm located in downtown Brisbane about 35 miles away. This acquisition gave us geographic expansion, additional clients, and increased service capabilities. The combined operation now offered integrated advertising, PR, branding, and marketing services. A complete solution their competitors couldn't match. Clients who previously worked with multiple agencies could now handle all their communications needs through one relationship. Although I spent virtually no time operating the business after facilitating the merger, the value creation was substantial. The following year, the original owners bought out my 25% stake at a significant premium, recognizing the transformation the merger had created in their business. This approach, identifying complementary businesses, facilitating their combination and taking equity for your deal making expertise requires no capital investment yet can create substantial returns. You're essentially monetizing your ability to see strategic opportunities that business owners themselves often miss. Like strategy number seven, this approach requires careful legal structures and agreements. Always work with qualified legal counsel to ensure your interests are protected throughout the process. The agreement should clearly outline your role, compensation, and equity stake before substantive merger discussions begin. This approach leverages your strategic thinking and deal structuring abilities rather than specific operational expertise or capital. You're essentially creating value through your ability to see opportunities that the business owners themselves might miss. Final thoughts, choose your path and take action. You now have eight proven strategies for landing consulting for equity deals. Each one has created significant wealth for entrepreneurs who have implemented them effectively. But here's what separates the dreamers from the doers. Implementation, all the knowledge in the world means nothing without action. I recommend selecting one of these strategies, the one that best aligns with your specific skills, resources, and interests, and focus exclusively on implementing it until you land your first deal. Don't fall into the trap of constantly jumping different approaches without mastering any of them. Pick a lane, commit to it, and start having meaningful conversations with business owners. Momentum builds quickly once you get started. The beauty of these strategies is that they can be applied across virtually any industry. Once you understand the fundamental principles, you'll start seeing opportunities everywhere. The business landscape is filled with owners facing challenges. You can help solve in exchange for equity. I want to emphasize that this chapter provides only the high level overview of these strategies. The following chapters in this playbook will dive much deeper into the frameworks, scripts, psychological triggers, and implementation details you'll need to execute these approaches successfully. Simply understanding these concepts without mastering the execution details in the coming plays would be like trying to fly a plane after only reading about the cockpit. Stick with us through the entire playbook. We have a lot more to teach you about how to effectively implement these strategies in the real world. Dealmaker checkpoint. Before moving to the next play, take a moment to reflect on these strategies and determine your path forward. One, which of the eight approaches best aligns with your current skills, experience, and resources. Two, can you identify at least three specific businesses or industries where you could implement this strategy? Three, what's your first action step toward implementing your chosen approach? Four, which aspects of your chosen strategy do you need to learn more about before implementation? Five, what legal or contractual considerations do you need to research for your preferred approach? Commit to your chosen strategy and set a specific goal for initiating conversations with potential partners. Remember, every equity deal starts with a simple conversation. In the next play, we'll explore exactly what you have to trade for equity, helping you take inventory of your skills, experience, and unique assets that make you a valuable potential partner.

Play 4: What Do You Have to Trade for Equity

Play 4. What do you have to trade for equity? The taking inventory process. If you want to land equity partnerships, you need to start by answering one crucial question. What do you have that business owners want? This isn't about ego or self promotion. It's about taking a clear-eyed inventory of what makes you valuable to a potential partner, your skills, experience, connections, and expertise all contribute to your worth in an equity partnership. Here's the challenge many aspiring dealmakers face. If you don't know what you have to trade, neither will the business owners your approaching. You'll come across as uncertain or worse desperate, neither of which positions you as a valuable potential partner. The critical paradigm shift. From what you do to problems you solve. Before we dive deeper, I want to introduce a paradigm shift that will transform how you present yourself to potential partners. Most people instinctively talk about what they do. I'm a digital marketer with 10 years of experience. I run operations for a manufacturing company. I'm a financial consultant specializing in small businesses. This approach immediately puts you in the service provider category in the business owner's mind, but successful equity partners position themselves differently. They talk about the problems they solve. I help businesses eliminate customer acquisition bottlenecks that are preventing growth. I implement systems that allow manufacturing businesses to operate without the owner's daily involvement. I create financial clarity that helps businesses increase their valuation by 30 to 50%. Do you see the difference? The first approach positions you as a vendor. The second positions you as a solution to specific valuable problems. One of my top focuses in this playbook is to teach you a new language and retrain the way you speak about yourself and how you position yourself to others. Throughout this journey, remind yourself, don't talk about what you do for a living. Instead, talk about the problems you solve, the playbooks you've created, or the profit centers you add. This shift in language creates a completely different perception of your value. One that makes equity partnerships far more attainable. Confronting the voice of doubt. I've had countless conversations with talented professionals who struggle with a fundamental question. Am I even worthy of equity in someone else's business? They reach out feeling uncertain asking, do I really have anything worth trading for ownership? Why would a business owner want to partner with me? I have experience, but I'm not sure how to package it into something valuable. Let's call this what it is in posture syndrome. And it affects almost everyone at some point in their journey, even highly accomplished individuals. Most people dramatically undervalue what they bring to the table. You might possess skills, experience, or connections worth hundreds of thousands or even millions to the right business, but because these capabilities come naturally to you, you assume they're nothing special. I remember a particularly revealing conversation with one of my students. She was a highly accomplished technologist who had successfully helped numerous tech startups develop business momentum. Unlike many, she didn't lack confidence in her abilities, quite the contrary. Yet there was still that nagging voice of doubt. What I do doesn't really translate outside my industry. I don't think anyone would take me seriously in other sectors. During our coaching session, I guided her to truly recognize what she had to offer business owners across industries. The breakthrough came when she finally saw herself from an outside perspective. The key shift was moving away from talking about what she had done or the specific industry she worked in, and instead focusing on the universal problems she could solve. This simple reframing opened her eyes to how businesses across dozens of different sectors struggle with these same fundamental challenges. It provided her with new clarity and vision on how to package and position herself differently. Once she started presenting herself as a solution to common business problems, rather than a tech industry specialist, doors began opening in markets she had never considered accessible before. The skills that seemed ordinary to you could be exactly what certain businesses desperately need and would gladly share equity to access. Let me be absolutely clear, your experience is valuable. Your expertise is valuable. You are valuable. But if you don't recognize and own your worth, business owners won't either. That's why we're going through this taking inventory process. We need to uncover your skills, experience, and unique assets, articulate them clearly, and help you fully embrace what makes you an attractive potential partner. Understanding what business owners really want. Before we dive into your inventory, let's clarify something important. Business owners don't just want more money. Yes, growth and profitability matter. But what they truly want goes much deeper than financial metrics. Business owners are human beings with hopes, fears, frustrations, and dreams. They want relief from pain, solutions to problems, and pathways to their personal goals. Here's what I've found business owners consistently want. Symptom relief. Many are overwhelmed, overworked, and desperately seeking solutions to problems they haven't been able to solve themselves. They want the pain to stop. More time. Very few people start a business intending to work 80 hour weeks indefinitely. Yet many find themselves trapped in exactly that situation, unable to step away without everything falling apart. More freedom related to time but distinct, freedom is about choice and flexibility. Many business owners feel imprisoned by the very operation they built to provide freedom. A path to exit. Countless owners want to transition out of their business but have no idea how to prepare it for sale or transfer of leadership. Better profit margins. It's not just about generating more revenue. They want to keep more of what they make. Efficiency and profitability often matter more than top line growth. Spreading out risk. Many owners feel like they're carrying the entire weight of the business alone. They want partners who can share both the burdens and the rewards. Operational support. They've hit ceilings in their growth and don't know how to break through to the next level. A stronger team. They're exhausted from hiring, training, and losing people who don't work out. They need help building a reliable, capable team. A visionary or an integrator. Depending on their natural skills, they need a complimentary partner. Visionaries need someone to execute and implement. Integrators need someone to provide direction and big picture thinking. Expansion. They want to grow but lack the roadmap, resources, or confidence to make it happen. Capital and resources. Some need funding but more often they need strategic guidance on how to deploy resources effectively. A buyer or successor. They want someone they trust to eventually take over the business they've built in nurtures. The deeper benefits business owners seek. Beyond these specific needs, business owners are often seeking the very benefits that attracted them to entrepreneurship in the first place. A proven system. They don't have to master. Many business owners recognize they need systems but don't want to develop them from scratch. They want proven playbooks they can implement with confidence. Strategic connections that unlock growth. The right relationship or introduction can transform a business overnight. Owners value partners who can open doors to new markets, customers, or strategic alliances. Time and location. Freedom. The dream of business ownership often includes freedom from the constraints of time and place. Owners want partners who can help make this vision a reality rather than another unfulfilled promise. This understanding is critical because consulting for equity isn't about convincing someone to give you a piece of their company. It's about becoming the solution to problems they already have. Problems that keep them up at night and limit their success. When you solve these fundamental challenges, you don't have to sell yourself. Business owners will actively seek you out as a partner. Becoming the solution they need. The goal of taking inventory isn't to create a pitch where you beg for equity or try to convince business owners you're valuable. It's about developing such clarity about your strengths and how they solve specific problems so that you become magnetic, attracting opportunities rather than chasing them. When you truly understand your ideal win scenario, the specific problems you can solve better than almost anyone else, something remarkable happens. You can confidently command premium compensation plus equity. Business owners come to you instead of you chasing deals. You become a high value asset that the right companies eagerly pursue. You gain access to bigger opportunities with more significant potential upside. I've seen this transformation countless times. Professionals who once struggled to land even modest consulting gigs become sought after partners who can selectively choose which equity deals to accept and which to politely decline. It's important to note that this approach must be coupled with a process I call gaining authority, establishing yourself as an expert in solving specific problems rather than just someone with skills for higher. We'll cover this critical process in detail in a later chapter, but keep it in mind as you develop your inventory. Authority is what transforms your skills from commodities into sought after solutions. The taking inventory process, your value blueprint. This exercise is an optional. It's a fundamental step that will transform how you see yourself and how business owners perceive you. By systematically identifying your strengths, you'll create a clear value proposition that makes potential partners say, I need you on my team. Let's explore the 10 key categories that determine what you can trade for equity. One, skills, your business capabilities. What specific business functions can you perform at a high level? Consider areas like marketing and customer acquisition, sales processes and team leadership, operations and systems development, financial management and forecasting, technology implementation, product development, human resources and team building. Strategic planning. Don't just list generic skills like marketing. Be specific about what aspects of marketing you excel at. Is it digital advertising, content strategy, conversion optimization. The more precisely you can define your skills, the more valuable they become to the right partner. Two, experience and expertise, your professional journey. What industries, business models or company stages do you deeply understand? Have you scaled businesses from startup to maturity, led turnarounds of struggling operations, manage teams of a certain size or composition, navigated specific regulatory environments, worked in particular business models, SAAS, service, manufacturing, etc. Your experience creates pattern recognition that helps you anticipate challenges and opportunities others might miss. This foresight is incredibly valuable to business owners, venturing into unfamiliar territory. Three, track record, your proven results. What measurable outcomes have you achieved? Can you point to revenue or profit growth you've generated, cost reductions you've implemented, successful exits you've been part of, teams you've built or improved, systems you've created that produced measurable results? Nothing speaks louder than documented results. When you can say, I helped company X increase sales by 42% in 18 months, you're not making claims, you're stating facts that demonstrate your value. Four, connections and networks, your relationship capital. Who do you know that could benefit potential partners? Do you have relationships with potential clients or customers, industry influencers or decision makers, investors or funding sources, talented potential team members? Strategic partners or suppliers? The right introduction at the right time can transform a business overnight. Your ability to open doors that would otherwise remain closed can be worth significant equity to companies that need those relationships. Five, resources, your assets and access. What tangible resources can you bring to partnerships? This might include technology, tools or proprietary systems, distribution channels or platforms, physical facilities, capital or funding access, intellectual property, existing customer bases. Sometimes what you own or have access to can be just as valuable as what you know. Physical or financial resources can provide immediate leverage that makes you an attractive potential partner. Six, knowledge and wisdom, your intellectual capital. What specialized knowledge have you developed that others would value? This might include industry specific insights that aren't widely available, proprietary methodologies or frameworks you've created, solutions to complex problems you've mastered, forward looking perspectives on where markets are heading. Knowledge becomes particularly valuable when it's both specialized and applicable. The more directly your insights can solve specific business challenges, the more equity they're worth. Seven, ability to create change, your implementation skills. Many people know what businesses should do differently. Far fewer can actually make those changes happen. Do you have proven ability to implement new systems that stick, drive organizational change that overcomes resistance, turn strategies into practical executable plans, measure and adapt as implementation proceeds? The gap between knowing and doing is where most businesses struggle. If you can bridge that gap consistently, you possess a rare and valuable skill set.

Eight, leadership and vision, your directional guidance. Can you provide the guidance businesses need to move forward confidently? This includes setting compelling visions that motivate teams, making difficult decisions when paths aren't clear, integrating disparate perspectives into coherent strategies, building cultures that sustain long-term performance. Leadership isn't just about being in charge, it's about creating clarity and confidence when they're most needed. Business owners often seek partners who complement their leadership style or can step in when they're ready to step back. Nine, solving problems, your analytical abilities. What specific bleeding problems can you identify and fix that business owners struggle with? Are you exceptional at diagnosing underlying issues, others miss, creating practical solutions to persistent challenges, preventing future problems before they arise, turning problems into opportunities? Problem solving goes beyond general business acumen. It's about having a methodical approach to identifying root causes and developing sustainable solutions. Ten, predicting success, your business intuition. Have you developed the ability to identify businesses with high growth potential, spot specific obstacles to scaling before they become critical, recognize patterns that indicate future challenges or opportunities? Make accurate projections about market or competitive developments. This predictive capability often called business intuition but actually the result of pattern recognition from extensive experience can be invaluable to business owners navigating uncertainty. Completing your inventory, honest self-assessment. Take time now to thoroughly assess yourself across all ten categories. Be brutally honest but also recognize your genuine strengths. Most people underestimate their valuable capabilities while overestimating what they still need to learn for each category list specific examples and results. Don't just write, I'm good at marketing. Detail exactly what aspects of marketing you excel at and what results you've produced. The more specific and results oriented your inventory, the more compelling your value proposition becomes. Remember the paradigm shift we discussed earlier. Instead of listing what you do, focus on the problems you solve. Instead of I'm skilled at content marketing, try, I solve the problem of inconsistent lead generation through systematic content strategies that create predictable customer acquisition. A well-completed inventory might include entries like, I solve customer acquisition challenges by implementing digital marketing systems that reduce acquisition costs by 43% while increasing qualified leads by 67%. I address sales team under performance by building and training teams that consistently exceed targets by 20% plus using my proven playbook. I solve the owner dependency problem by developing operational systems that allow owners to reduce direct involvement from 60 plus hours weekly to less than 10 hours while improving profit margins. Notice how these statements combine specific problems solved with measurable results in defined context. This precision makes your value concrete rather than theoretical. I will provide a link to download my taking inventory worksheet a bit later in the chapter. Finding your ideal win scenario where you create maximum value. Once you've completed your inventory, it's time to define your ideal win scenario. The sweet spot where your abilities create maximum value for potential partners. Your ideal win scenario isn't just about what you can do. It's about what you can do exceptionally well in specific context. It answers questions like, what types of businesses can you transform most dramatically? What specific problems can you solve better than almost anyone else? What business situations does your particular combination of skills and experience create disproportionate impact? How can you quantify the impact you'll have on their business? The last point is particularly crucial. Being able to quantify your impact transforms vague promises into concrete value propositions. Rather than saying I'll improve your marketing, you can say, based on my previous results with similar businesses, I can typically increase qualified leads by 30 to 45% within 90 days, translating to approximately $X in additional revenue. Think of a baseball analogy. A great hitter doesn't swing at every pitch. They know exactly where they have the highest probability of making solid contact and focus exclusively on balls thrown in that zone. Your equity partnership strategy should follow the same principle when you clearly understand your ideal win scenario decision making becomes simpler. You'll quickly recognize opportunities that align with your strengths and confidently pass on situations where you're less likely to create substantial value. I worked with David, a former technology executive who initially struggled to land equity deals despite extensive experience. When we defined his ideal win scenario, helping service businesses with two to ten million dollars in revenue implement technology systems that improved delivery efficiency and client satisfaction, everything changed. He stopped pursuing general business improvement opportunities and focused exclusively on companies matching this profile. Within six months he had landed two equity partnerships that perfectly matched his ideal win scenario. Both businesses saw dramatic improvements in profitability and David secured significant ownership stakes that continue to generate passive income years later. Final thoughts. Own your value. The most common mistake I see among aspiring equity partners isn't lack of skill or experience. It's failure to recognize and articulate their true value. When you complete this inventory and define your ideal win scenario, you'll discover that you bring far more to potential partnerships than you initially realized. The clarity this process provides transforms how you approach conversations with business owners. Instead of tentatively suggesting ways you might help, you'll confidently outline the specific problems you solve and the measurable results you can deliver. This confidence backed by genuine self-awareness is magnetic to business owners seeking solutions. Remember three key principles as you move forward. One, know what you have to trade, complete your inventory thoroughly and honestly. Two, get clear on who you can help. Define your ideal win scenario with precision. Three, position yourself as the solution. Not just a generic partner, but the specific answer to the business owner's most pressing challenges. With this foundation in place, you'll start seeing equity opportunities everywhere you look. More importantly, business owners will start seeing you as the partner they've been searching for even if they didn't realize it until meeting you. Dealmaker, checkpoint. Before moving to the next play, complete these essential steps. One, take inventory of your skills, experience and unique assets across all 10 categories using our worksheet at partner for equity.com slash taking inventory. Two, for each category list specific examples with measurable results whenever possible. Three, define your ideal win scenario, the specific types of businesses and situations where you can create maximum value. Four, craft a clear statement of the problems you solve and the results you deliver for your ideal business partners. Five, practice articulating your value in terms of problems solved rather than skills possessed. This foundation will serve as your compass throughout the deal sourcing and negotiation process, helping you focus on opportunities where you can create genuine win-win partnerships. In the next play, we'll explore how to conduct powerful discovery sessions that uncover the critical problems business owners need help solving, setting the stage for equity partnership discussions.

Play 5: Mastering the Discovery Session

Play 5. Mastering the Discovery Session How to uncover pain, misalignment, and fear of loss that lead to equity partnerships? Discovery sessions are where powerful equity partnerships are born. These conversations reveal whether there's genuine alignment between what you offer and what the business owner truly needs. More importantly, they uncover the emotional drivers that motivate business owners to take action and consider bringing on a partner. Since this is the business buyer's partner for equity playbook, we'll focus primarily on discovery conversations with business owners who are already considering selling their business. The very deals you're likely originating in your search for acquisitions. Understanding how to navigate these conversations effectively can transform dead end acquisition talks into lucrative equity partnerships. Understanding the two different discovery paths. Not all discovery conversations start the same way and recognizing the context is crucial for your approach. There are two primary scenarios you'll encounter. Scenario 1. Talking to business owners already looking to sell. When you're speaking with someone who's already expressed interest in selling their business, they're in a different mindset than someone who hasn't considered exiting. They're likely focused on valuation, deal structure, and what happens after they leave. Your discovery approach needs to acknowledge their exit mindset while exploring whether a partnership might actually better serve their goals. As Carl often points out, these sellers frequently have a defensive posture in conversations. They're trying to present their business in the best possible light to maximize value, which means they're unlikely to volunteer information about problems or weaknesses. Your job becomes more challenging, requiring a special approach to break through this barrier and uncover the real issues that might make an equity partnership more appropriate than an outright sale. Scenario 2. Talking to business owners not currently looking to sell. This scenario involves business owners who aren't actively seeking to exit but may be open to strategic partnerships. These conversations typically focus more on growth challenges, operational issues, or strategic opportunities. Business owners in this situation are often more forthcoming about their challenges because they're seeking solutions, not trying to position for a sale. Your discovery approach here can be more direct about identifying problems and exploring collaborative solutions. The owner doesn't have the same defensive posture, making it easier to get to the heart of their challenges. Understanding which scenario you're in fundamentally changes how you approach the discovery session. Let's look at how to navigate these conversations effectively, particularly when dealing with sellers who might benefit more from a partnership than an outright sale. The psychology of discovery breaking down walls. Matching your superpower to a bleeding problem. As Carl always emphasizes, consulting for equity starts with matching your superpower to a business owner's bleeding problem. This fundamental principle guides every discovery conversation you'll have. A bleeding problem isn't just any business challenge. It's an issue causing significant pain, stress, or limitation that the owner can't solve themselves. The discovery session's primary purpose is to break down walls, establish trust, and determine if such a problem exists that you're uniquely positioned to solve. This is fundamentally a determination session. You're assessing whether there's a case for you to receive equity in exchange for solving critical issues. At its core, discovery is about one. Establishing yourself as an expert and safe pair of hands, too. Identifying bleeding problems that align with your capabilities? Three. Beginning to calculate and quantify your potential impact. Four. Building the emotional case for partnership. The Wall Street vs Main Street mentality. There's a crucial distinction between how decisions are made in larger businesses, Wall Street deals, vs. smaller owner-operated companies, Main Street deals. Wall Street deals are driven primarily by numbers and logical analysis. Main Street deals, the ones most of us work with, are fundamentally driven by emotion. Business owners make decisions based on fear of loss. If I don't fix this, I could lose everything I've built. Stress and burnout. I can't keep running this business this way. It's killing me. Desperation for change. Something has to give. I need a different approach. Misalignment. I'm spending all my time on things I hate and am not good at. These emotional drivers are far more powerful than pure financial calculations and motivating owners to consider equity partnerships. If there's no emotional pain, there's rarely enough motivation for a deal. People take action to solve bleeding problems, not minor inconveniences or theoretical opportunities. Question clusters. The art of emotional discovery. The most powerful tool in your discovery arsenal is what I call question clusters. Rather than asking isolated questions that might lead to superficial or tangential answers, I group-related questions that guide the conversation toward revealing deeper emotional triggers. For example, if I simply asked what keeps you up at night, the business owner might respond with something irrelevant like the election or AI taking over. By asking questions in strategic clusters, I can guide them toward revealing specific business-related pain points and emotional triggers. These question clusters aren't meant to be read verbatim from a list. Their framework is to help you navigate the conversation naturally while ensuring you uncover what truly matters. The emotional drivers that will motivate partnership decisions. Let's explore the five fundamental discovery question clusters that form the backbone of effective discovery sessions. Cluster 1. What keeps you up at night. This first cluster focuses on uncovering what causes the business owner the most stress and anxiety. It helps identify the emotional pain points, driving them to consider making a change. What keeps you up at night? What are you most worried about breaking in your business? What's making you most nervous about your business right now? These questions are designed to lead the business owner toward discussing their deepest concerns, not surface-level issues, but the things that genuinely cause emotional distress. By starting with a general question and then narrowing to business-specific concerns, you guide them toward revealing their true pain points. When someone starts discussing what truly worries them, pay close attention to nonverbal cues and emotional reactions. These often reveal more than the words themselves. Follow up with probing questions like, can you tell me more about that? Or how long has that been a concern to dig deeper into the issues they mention? Cluster 2. What are your superpowers? This cluster helps the business owner reflect on their strengths and more importantly, recognize where they may be misaligned in their current role. This misalignment is often a powerful motivator for change. What are your superpowers? Does your current role in the business align with what you do best? What hats are you wearing right now that you shouldn't be? The concept of misalignment deserves special attention because it's often the most powerful emotional trigger for business owners. When someone is forced to spend significant time on activities that don't match their strengths or interests, it creates profound sense of psychological discomfort. Research and organizational psychology has consistently shown that role misalignment is a primary driver of burnout, decreased satisfaction, and ultimately major business decisions. By highlighting this misalignment through careful questioning, you help the owner articulate something they likely feel but haven't fully acknowledged. When a business owner says out loud, I'm spending 70% of my time on things I hate and am not good at, it creates a powerful moment of self-realization that can be the turning point in considering a partnership. Cluster 3. What are you spending time on that you shouldn't be? This cluster focuses on identifying tasks draining the business owner's time and energy that could be delegated or eliminated. What are you spending time on in your business that you know you shouldn't be? Are there any tasks that could easily be outsourced to a lower skilled employee? Is there anything you're holding on to that you know you should delegate? These questions help quantify the opportunity cost of the owner's current allocation of time and attention. When owners realize they're spending $300 per hour executive time on $15 per hour tasks, it creates both logical and emotional momentum for considering a partnership that could free them from these misaligned activities. Cluster 4. What happens if you don't make a change? This cluster taps into fear of loss. A psychological trigger that research has shown is 7 to 10 times more powerful than the prospect of gain. By asking the owner to articulate the consequences of inaction, you help them confront the urgency of their situation. If you don't make a change, what are the consequences? What happens if you don't figure out how to solve, refer to the problem they mentioned earlier? What could go wrong if this issue continues? These questions serve multiple purposes. They help the owner verbalize fears. They may only be feeling subconsciously. They create a sense of urgency around addressing the identified problems. They help distinguish between nice to solve issues and true bleeding problems. They begin building the case for why action is necessary now, not later. A critical insight about human psychology. People often don't fully recognize or accept a problem until they hear themselves articulated out loud. I call this holding up the mirror, creating space for the owner to see their own situation clearly, perhaps for the first time. Cluster 5. What have you been ignoring that needs attention? This final cluster reveals backburner issues that the business owner has been avoiding, but knows could become significant problems if not addressed. Is there anything in your business that you've been ignoring that needs attention right away? Is there anything you've known you should do, but haven't started? What's been sitting on your backburner that you're worried might catch up to you? These questions often uncover the most powerful emotional triggers, because they tap into an owner's fear of what they know they should be doing but haven't prioritized. The psychological weight of these postponed responsibilities creates significant stress that the owner is often eager to relieve. An additional powerful question to include in your discovery sessions is, what used to work that no longer works? This question helps identify systems, strategies, or approaches that have become outdated or ineffective, creating frustration for the business owner and potential opportunities for your expertise. The base discovery session framework. Now that you understand the psychology behind effective discovery, let's explore a practical framework for conducting these crucial conversations. This approach will help you control the conversation flow, position yourself as a knowledgeable expert, uncover the emotional triggers driving business decisions, set up the next steps toward a successful equity partnership. This isn't a rigid script you need to follow. Verbatim, think of it as a flexible framework that ensures you cover the essential elements while allowing the conversation to flow naturally. You don't need to address these steps in strict sequence, but you should hit all these key points to conduct an effective discovery session. Step 1. Setting the intention. Before diving into detailed questions, start by setting the proper context. This brief introduction frames the conversation and puts you in control of its direction. If you're speaking with someone who originally approached you about buying their business outright, you might say, I appreciate you considering me as a potential buyer for your business. My goal today is to truly understand what you've built, what's working well, what challenges you're facing, and what you're hoping to achieve through a sale. This will help me determine if there might be a good fit, whether that's through a traditional acquisition, or perhaps a different type of partnership that could better serve your goals. For a business owner, not actively looking to sell, you might say, thank you for taking the time to speak with me today. My goal is to understand your business deeply, what's working, what's challenging you right now, and where you see the biggest opportunities. I want to explore whether my expertise might be valuable in helping you address specific issues, or achieve your growth objectives. This approach works for several reasons. It positions the conversation as collaborative rather than interrogative. It signals that you're there to help, not just to evaluate. It creates space for honest discussion about challenges, without implying criticism, it establishes you as a thoughtful professional, not just someone looking for a transaction. Step 2. Asking the question clusters. The heart of discovery is systematically working through your question clusters, while remaining flexible enough to follow promising threads. The goal isn't just to gather information, but to guide the conversation toward revealing genuine pain points and emotional triggers. A few key principles for this stage. Listen more than you speak. Discovery is about uncovering the owner's situation, not showcasing your expertise. Dig deeper with follow-up questions. Don't accept surface level answers. Use phrases like, tell me more about that, or can you give me a specific example? Watch for emotional reactions. Nonverbal cues often reveal more than words. Connect dots they might not see. It sounds like these issues might be related. Have you noticed that connection? Quantify problems when possible. How much time does that issue consume weekly? What's the approximate cost of that problem in dollars? Remember to lead with the emotional rather than the logical. While financial metrics matter, the decision to partner often hinges more on emotional factors like reduced stress, better alignment with passions, or increased freedom. Step 3. The walk away strategy. One of the biggest mistakes people make during discovery sessions is trying to close the deal too quickly. Instead, I recommend what I call the walk away strategy. Deliberately ending the first conversation without pushing for an immediate commitment. After conducting a thorough discovery, you might say something like, you've shared some really valuable insights about the business. I'd like to take some time to reflect on what we've discussed, do some additional research, and put together some thoughts on potential approaches. Then we can reconvene to discuss whether there might be a way for me to help address some of these challenges. This approach offers several advantages. It positions you as a thoughtful professional rather than a desperate salesperson. It gives you time to formulate a customized proposal based on what you've learned. It creates anticipation for the next conversation. It subtly shifts the dynamic so the owner is waiting for your assessment rather than the other way around. Step 4. Setting up the next exposure. Before ending the conversation, it's essential to schedule the next meeting. If you don't lock in this next step, momentum often dissipates and the potential partnership dies in limbo. A simple approach is to say, let's schedule a follow-up conversation for next week after I've had time to process what we've discussed and put together some initial thoughts. Would Tuesday or Thursday afternoon work better for you? This specific scheduling approach maintains momentum in the relationship, creates a clear next step with a defined time frame. Positions the next conversation as a continuation rather than a new beginning demonstrates your seriousness and professionalism. Applying this to LBO conversations. If you're primarily focused on buying businesses outright, you might wonder how these discovery techniques apply to your existing deal flow. The answer is perfectly. When you're evaluating businesses for potential acquisition, you'll inevitably encounter some that don't make sense as traditional buyouts due to various transfer of value issues, which we'll discuss in the next chapter. Rather than walking away from these opportunities, you can pivot to exploring equity partnerships. The discovery approach I've outlined helps you. 1. Identify whether the business has issues that would prevent traditional financing. 2. Uncover specific problems you could solve as a partner. 3. Begin shifting the sellers thinking from all cash exit to strategic partnership. 4. Establish your credibility as a potential value adding partner, not just a buyer. This allows you to monetize a much higher percentage of your deal flow rather than discarding opportunities that don't fit a traditional acquisition model. Dealmaker checkpoint. Before moving to the next play, take these essential preparation steps. 1. Create your personalized version of each question cluster, tailoring the language to your natural speaking style. 2. Practice delivering these questions conversationally until they flow naturally. 3. Prepare a specific setting the intention opening tailored to both acquisition conversations and non-acquisition opportunities. 4. Develop your walk away statement that leaves the door open while maintaining your position of strength. 5. Download the complete five fundamental discovery questions worksheet and base discovery session framework to guide your conversations at partner for equity.com slash five questions sheet. The mastery of discovery is what separates successful equity partners from those who struggle to land deals. Invest time in perfecting this skill and you'll uncover opportunities others miss entirely. In the next play, we'll explore how to leverage transfer of value issues, the very problems that prevent traditional acquisitions as opportunities for equity partnerships.

Play 6: Transfer of Value Issues

Play 6. Transfer of Value. Why businesses can't be acquired traditionally, and why that creates partner for equity opportunities. When you're looking to buy a business, one of the most critical skills you can develop is the ability to quickly identify transfer of value issues. These are the fundamental problems that prevent businesses from being acquired through traditional means, and they're the exact issues that create perfect opportunities for equity partnerships. You need to know these issues by heart and be actively looking for them from your very first conversation with a business owner. Unlike unsophisticated buyers, who rely on lengthy due diligence processes to uncover these problems months into a deal, savvy equity partners spot them immediately during initial discovery sessions. This early identification gives you a tremendous advantage in pivoting the conversation toward partnership rather than acquisition. Understanding Transfer of Value, the core concept. Transfer of Value is fundamentally about whether the actual value of the business would transfer to you or any buyer upon acquisition. This concept goes far beyond standard financial valuation. It's about how a bank investor or any rational buyer would assess the business as an acquisition target. If the operation has significant red flags that make it a risky investment, traditional financing becomes difficult or impossible, and that's precisely where your opportunity lies. When banks won't finance an acquisition and other buyers can't make the numbers work, the seller finds themselves stuck, often with no viable path to exit. This is the perfect moment to pivot from acquisition discussions to partnering for equity. Instead of walking away from the deal entirely, you position yourself as the solution that can help them achieve their goals through a different structure. The fundamental question that changes everything. When evaluating a business with significant transfer of value issues, ask yourself this simple but powerful question. If the bank won't finance this business in its current state, why should I risk my own capital? This isn't about being negative or dismissive, it's about acknowledging reality. A reality the seller often doesn't want to face but needs to understand. Instead of arguing with the seller about valuation or nitpicking problems, you simply make it clear that no buyer can get this deal financed in its current condition. And that's exactly why they should consider a partnership structure that addresses these fundamental issues. This realization sets the stage for a pivotal conversation. I won't be acquiring your business today under traditional terms, but there's a way for us to work together that could help you achieve the exit you ultimately want. Common transfer of value issues, the deal killers. Let's explore the most common issues that prevent traditional financing and create opportunities for creative partnerships. Each of these should be on your radar from the moment you begin speaking with a business owner. One, customer concentration risk. This is perhaps the most common transfer of value problem in small and mid-sized businesses. When a single customer or small group of customers represents a disproportionate percentage of revenue typically more than 15 to 20% lenders get nervous.

The logic is simple. If that major customer leaves after acquisition, the entire business could collapse. Banks and traditional buyers see this as an unacceptable risk. Karl's story time, the one customer manufacturing business. When evaluating potential deals, I'll never forget walking into a precision engineering shop in the industrial heartland of England. The owner had built an impressive operation over 25 years with gleaming machinery, skilled technicians and a spotless shop floor. The business was generating about 3 million pounds in annual EBITDA, with healthy profit margins that would make most manufacturers envious. On top of that, they had nearly 4 million pounds in cash reserves sitting in the bank. The owner was confidently asking for a 30 million pound valuation, which his accountant had suggested was reasonable at 10 times EBITDA plus the cash reserves. Is that the deal he asked with assurance after showing me around? After digging deeper into their customer base, I discovered the fatal flaw. Nearly 99% of their business came from one automotive client. They manufactured a single specialized component, a chrome light panel used in high-end vehicles and had only one customer relationship. Your business isn't worth 30 million pounds, I told him. It's worth 3 million pounds. His confidence evaporated instantly. How can you say that? We've got consistent profits and millions in the bank. The truth was harsh, but necessary. You don't have a business. You have a contractual relationship with one client and that relationship hinges on a personal connection that's about to disappear. What the owner hadn't volunteered during our initial conversations was that his brother-in-law's wife's brother was the purchasing director at the automotive company and that person was leaving for a competitor the following month. Even more concerning, the auto manufacturer was undergoing financial difficulties and planning to completely restructure their supply chain. This is why the owner was suddenly interested in selling. He knew the foundation of his business was about to collapse but hoped to cash out before potential buyers discovered this reality. This wasn't just a traditional customer concentration issue. It was an extreme case where the business had essentially built its entire existence around a single relationship. No traditional buyer or lender would touch this deal under these circumstances. I offered to help him diversify both his product line and customer base through a consulting for equity arrangement but manufacturing wasn't my area of expertise. So I connected him with someone better suited to help with that specific challenge. The lesson remains powerful for any deal maker, no matter how impressive the profit margins or balance sheet might appear, a business dependent on a single customer represents an unacceptable risk for traditional acquisition. But these same businesses create perfect opportunities for partnering arrangements where you can help solve that concentration issue before pursuing a traditional exit. Two, owner dependency. Many small businesses essentially are the owner. They handle sales, operations, key relationships, and strategic decisions. If they leave, what remains often has questionable value. Banks understand this reality. They won't finance the acquisition of a business that's really just a job dependent on the departing owner's skills, relationships, and daily involvement. Real-world example. As someone who has been buying and selling businesses for quite some time, I've encountered numerous owner dependent operations that are essentially jobs rather than transferable businesses. One particularly illuminating example was a marketing agency I evaluated. Based on the impressive revenue figures and profitability metrics, I initially assumed the owner had built a structured organization with middle management and scalable systems for their paid traffic and advertising services. After just two conversations with the seller, the reality became clear. The owner was the business. He personally handled all project management, account management, and sales. While he had created a solid lead generation funnel through advertising, he hadn't developed the operational infrastructure needed for a true business. The root issue became apparent quickly. Despite intentions to build a team, his control issues prevented him from effectively delegating. He couldn't retain employees because he struggled to train people properly and wouldn't allow them the autonomy to perform their roles. I ultimately passed on this opportunity entirely. Despite the attractive financials, the business wasn't acquirable in its current state, and I didn't see the owner as someone willing to address these fundamental issues. However, this scenario represents a perfect opportunity for the right equity partner. Through a consulting for equity arrangement, you could gradually transfer the owner's responsibilities, relationships, and knowledge to systems and team members before pursuing a traditional exit. Assuming the owner is ready to relinquish some control and truly build something transferable. Three, inconsistent financials. Banks and investors require clear, documented evidence of financial performance. Businesses with erratic revenue, inconsistent profit margins, or poorly maintained financial records present too much uncertainty for traditional financing. Many small business owners run personal expenses through the business, maintain inadequate records, or have experienced dramatic fluctuations in performance. While they might understand the real profitability, lenders need clean, consistent documentation, not explanations and adjustments. Karl's story time, the tax-efficient landscaping company. One of the most common transfer of value issues I encounter involves businesses with inconsistent financials, particularly those where owners run substantial personal expenses through the company. A student in our deal-maker program was evaluating a landscaping business that appeared promising on the surface. The company had grown to approximately $2.1 million in annual revenue with a solid customer base and good reputation in their market. However, during the red light, green light analysis, our deal evaluation process, we discovered a significant issue. The business's tax returns showed barely break-even performance, yet the seller was claiming the adjusted EBITDA was around $1 million. Nearly 50% of revenue, which would be extraordinary for this industry, the gap between reported and claimed profitability raised immediate red flags. During deeper financial review, we found the owner had been running substantial personal expenses through the business for years. Multiple vehicles for family members. Travel expenses unrelated to business operations, cell phones and service plans for the entire extended family, home renovations disguised as office improvements, personal mortgage payments justified as a home office expense. While these practices had saved the owner's significant personal income taxes over the years, they created a serious obstacle for selling the business. No bank would finance an acquisition based on the owner's verbal assurances about the real profitability. They needed documented financial performance. The seller wanted a five times multiple of his claimed $1 million EBITDA, but without clean financials, no traditional buyer could secure financing at anywhere near that valuation. The business was essentially unfundable as it stood. This created a perfect opportunity for a consulting for equity arrangement. Rather than walking away entirely, our student proposed helping the owner clean up the financials, separate personal and business expenses, and created a documented track record of true profitability over an 18-month period. The arrangement included a modest monthly retainer plus 20% equity with the explicit understanding that they would prepare the business for sale once the financials showed the true performance. This approach, one, gave the owner a path to eventually realize the value he believed existed in his business, two, created an opportunity for our student to gain equity without upfront capital, three, address the fundamental issue preventing traditional acquisition. After 18 months of proper financial management and documentation, the business was eventually sold at a valuation much closer to what the owner had initially wanted, but now supported by clean financial statements rather than verbal explanations. This story illustrates why understanding transfer of value issues isn't just theoretical knowledge. It's a practical skill that helps you identify opportunities others miss. When a business can't be funded through traditional means due to issues like inconsistent financials, creative partnership structures can create win-win solutions. 4. Declining Profits A few things scare potential buyers more than downward trends. If revenue and profit margins have been shrinking, why would anyone believe that trend will magically reverse after acquisition? Even if the owner has explanations for the decline, we lost a big client but were replacing them, or we invested a new equipment that will pay off soon, lenders typically want to see the reversal documented before approving financing. Karl's story time, the technology transition challenge. Few things make lenders more nervous than declining financial performance. Even when there's a logical explanation for the downturn, banks typically want to see the reversal documented before approving acquisition financing. I evaluated a technology services company that perfectly illustrated this challenge. The business had been generating solid results for years, with revenue peaking at $3.8 million. However, by the time I reviewed it, revenue had declined to $2.9 million, over a two-year period, a nearly 25% drop that would send most buyers running. The owner had a compelling explanation. The company was transitioning from providing legacy on-premises technology systems to cloud-based solutions. This strategic pivot required retraining staff developing new service offerings and gradually transitioning clients to new platforms. While the explanation made perfect sense and the long-term prospects look promising, the financial statements told a different story. One of consistent decline that no traditional lender would finance. I understand why revenue has dropped, I told the owner, but banks don't lend on explanations and future projections. They lend on documented historical performance. This presented a classic transfer of value problem. The business couldn't be sold at a reasonable valuation until the turnaround was complete and documented, but the owner wanted to exit before going through the entire transition process. Rather than walking away, I saw an opportunity for an equity partnership. I proposed a structure where I would, one, help accelerate the cloud transition by implementing proven migration strategies. Two, develop marketing specifically for the new cloud services. Three, create case studies documenting successful client transitions. Four, establish a documented growth trajectory over 12 to 18 months. In exchange, I would receive a modest monthly retainer plus 30% equity with clearly defined performance metrics tied to revenue recovery and growth. Once we achieved specific financial targets, we would position the business for sale to a strategic buyer. The arrangement benefited both parties. The owner got expert help completing the difficult transition while maintaining significant ownership. I secured a substantial equity position in a business that could potentially return to and exceed its previous performance. After 14 months, we had successfully shifted the business model, stabilized revenue and begun showing consistent growth again. The documented turnaround made the business attractive to acquires and we ultimately sold to a larger technology services provider at a multiple that seemed impossible when we started. This experience reinforced a key insight. The very issues that make a business unsellable through traditional means often create the perfect opportunities for equity partnerships. By addressing the fundamental transfer of value problem, in this case, declining profits, we transformed an unfundable business into an attractive acquisition target. 5. Owner-dependent sales process If the owner is the primary or only rainmaker, the business faces fundamental challenges that make acquisition risky. When owners sell their own services, they bring a unique, often irreplaceable confidence that resonates with prospective customers. This natural authority reduces sales resistance and creates comfort for buyers, a dynamic that rarely transfers easily to new sales personnel. I witnessed this challenge firsthand with a business carlin I acquired last year, a specialized sales management, recruiting and training company that serve businesses like our own deal maker wealth society. Since they already handled sales management for several of our brands, acquiring them seemed like a natural extension of our relationship. Eager to grow, we decided to expand their services into new industries. Initially, things looked promising. The company quickly landed two new clients in the marketing agency space, and we were excited about the potential. What we hadn't properly understood, however, was how deeply these marketing agencies depended on their owners as salespeople. Though we recognized upfront that the owners had been handling all sales personally, we underestimated how difficult it would be to replicate their success rates with our team. Surprisingly, our veteran sales representatives, despite having far more formal training and experience than these business owners, couldn't achieve comparable results. The personal connection and implicit authority the owners brought to sales conversations proved impossible to duplicate through traditional sales techniques. Recognizing the pattern, I connected one of these agencies with a colleague who specializes in developing sales systems for marketing firms. He structured a consulting for equity arrangement with the owner to document and enhance their sales process, then helped them hire and train an internal sales representative to gradually replace the owner. Now, my colleague is on track to fully acquire the business within a few years, once the sales dependency has been properly addressed. This scenario demonstrates how owner-dependent sales processes create perfect opportunities for equity partnerships, where you can systematically transfer client relationships and build replicable sales systems before pursuing a traditional exit. Six. Week or unpredictable customer acquisition. Related to sales dependency but distinct, many businesses lack systematic ways to generate customers. They rely on referrals, the owner's personal outreach, or sporadic marketing efforts without clear ROI tracking. Banks view these businesses as inherently risky because the new owner has no proven system to rely on for generating revenue, implementing effective, measurable customer acquisition processes creates significant value and addresses a major transfer of value concern. Real-world example. I evaluated a profitable electrical contracting business with consistent revenue around $1.8 million annually. However, they had no systematic approach to generating new customers. They relied entirely on word-of-mouth and the owner's personal network developed over 25 years in the industry. When asked about their marketing strategy, the owner proudly stated, we've never had to advertise. While this sounded positive on the surface, to a buyer, it represented a significant risk. Without the owner's reputation and relationships, what would drive new business? This situation created a perfect equity partnership opportunity. By implementing a systematic lead generation process, targeting property managers and general contractors, establishing referral systems with complementary trades, and creating case studies of past projects, we transformed an owner-dependent business into one with predictable customer acquisition that any new owner could continue. 7. Lack of documented systems and processes. If the entire business runs on the owner's intuition and undocumented processes, it's extremely difficult to transfer operations to new leadership. Without standard operating procedures, training materials, and documented workflows, the business becomes a collection of tribal knowledge that walks out the door when the owner leaves. Real-world example, a specialty manufacturing company I worked with, had been built entirely around the owner's technical expertise. Despite generating $3.2 million in revenue with strong margins, they had virtually no documented processes. Production methods, quality control, supplier relationships, and customer specifications all existed primarily in the owner's head. When employees needed guidance, they asked the owner directly. When problems arose, the owner personally solved them. The business was profitable but completely dependent on his daily presence and problem-solving abilities. This presented a tremendous opportunity for an equity partner to systematize the operation, creating process manuals, training programs, and clear workflows that would allow for smooth transition to new leadership. By documenting the owner's knowledge and building systems around it, we transformed an owner-dependent job into a transferable business that could ultimately be sold. 8. Financial constraints. Businesses that are barely breaking even have significant debt obligations or struggle with cash flow present obvious challenges for acquisition financing. Banks want to see that debt service on acquisition loans can be comfortably covered by existing operations. Carl's Story Time. From thin margins to bankable business, financial constraints present obvious challenges for acquisition financing. Banks want to see that debt service on acquisition loans can be comfortably covered by existing operations, which means businesses with thin margins often struggle to find buyers who can secure traditional financing. I remember a value rating a retail business that illustrated this challenge perfectly. On the surface, the operation appeared successful, generating approximately $2.7 million in annual revenue with a loyal customer base and prime location. However, digging into the financials revealed an EBITDA margin of barely 4%, far below what lenders typically require for financing approval. The thin profitability stemmed from several operational issues, inefficient inventory management resulting in excess stock and frequent stockouts. Poor supplier terms compared to industry standards, suboptimal pricing strategy that left money on the table, excessive shrinkage and waste throughout the operation. When I discuss these issues with the owner, he acknowledged the problems but lacked the expertise to address them effectively. He had built the business based on product knowledge and customer relationships, not operational efficiency or financial optimization. No lender will finance this acquisition at your asking price with these margins. I explained. The business simply doesn't generate enough cash flow to service the debt that would be required. Rather than walking away, I saw an opportunity to create value through an equity partnership. I proposed a structure where I would. One, implement inventory management systems to reduce carrying costs and stockouts. Two, renegotiate supplier agreements to improve terms and reduce cost of good soul. Three, optimize pricing strategy based on customer segmentation and competitive analysis. Four, implement loss prevention measures to reduce shrinkage. In exchange, I would receive a monthly consulting fee plus 25% equity with the explicit goal of preparing the business for sale within 18 to 24 months. Within the first year, we increased EBITDA margins from 4% to 11%, nearly tripling the business's profitability without significant revenue growth. This improvement transformed an unfundable business into an attractive acquisition target. The story illustrates how financial constraints that prevent traditional acquisitions can create perfect opportunities for equity partnerships. By addressing the fundamental issues affecting profitability, we significantly increased the business's value while creating a viable path to exit. When the business eventually sold, both the original owner and I benefited substantially from the improved valuation. What had been an unlikely candidate for acquisition became a sought after opportunity once the financial performance supported traditional lending requirements? Nine, absence of succession planning. If the owner has no plan for transitioning leadership and customer relationships, the business represents a significant risk for buyers. Without a structured approach to transferring knowledge, responsibilities, and relationships, the likelihood of post acquisition diminishes dramatically. Real-world example. I spoke with the owner of a specialized consulting firm who wanted to retire within two years. Despite having a team of capable consultants, he had made no preparations for leadership transition. He personally managed all key client relationships, handled all business development, and made all strategic decisions. When asked about who might take over, he had no answer. This absence of succession planning made the business essentially unsalable through traditional means. Who would buy a business that had no leadership pipeline and was completely dependent on the departing owner? This scenario created a perfect opportunity for a partner to implement a thoughtful succession plan, gradually assume leadership responsibilities, and create a smooth transition that preserved business value. Why these issues create partner for equity opportunities? Here's the critical insight that changes everything, the very issues that make a business unbiable through traditional means create perfect opportunities for consulting for equity partnerships. These problems are generally fixable. They're just not fixable by someone outside the business. You can't clean up messy financials, implement sales systems, or reduce customer concentration as an external buyer, but you can address all these issues as a partner working inside the business. This is why 95% of small businesses that list for sale never actually sell, and why you should be looking for businesses with these specific issues if you want to land equity partnerships. While most buyers walk away from businesses with transfer of value issues, informed dealmakers recognize them as openings for creative structures that provide solutions to the seller's problems, equity for the partner without upfront capital, a path to eventual exit or acquisition. The importance of knowing these issues cold. Understanding transfer of value issues isn't just theoretical knowledge. It's a practical skill that transforms how you evaluate businesses. By keeping these issues top of mind during every conversation with business owners, you'll, one, identify partnership opportunities that others miss, you'll spot the signs of these issues during initial discovery, not months into due diligence, two, avoid wasting time on deals that can't close, you'll quickly recognize which businesses can be acquired traditionally and which are better suited for equity partnerships. Three, position yourself as an expert. When you can clearly articulate why traditional financing won't work and offer alternatives, you demonstrate sophisticated understanding that builds trust. Four, create leverage in negotiations. When the seller realizes their business isn't bankable as is, your partnership proposal becomes much more attractive. Successful equity partners don't stumble upon these issues accidentally. They proactively look for them in every business conversation. Make these transfer of value concepts second nature and you'll start seeing partnership opportunities everywhere you look. Deal maker checkpoint. Before moving to the next play, make sure you, one, can identify each of the major transfer of value issues without referring to notes. Two, begin actively looking for these issues in your very next conversation with a business owner. Three, research any industry specific transfer of value issues that might be relevant to your target market. Four, consider which of these issues aligns best with your specific expertise and capabilities. Remember, the businesses most buyers reject often represent your greatest opportunities for equity partnerships. Look for problems you can solve, not perfect businesses you can buy outright. In the next play, we'll explore how to leverage these transfer of value issues to create compelling partnership proposals through the Catch 22 Talk Track that makes equity deals irresistible to business owners.

Play 7: Leveraging Transfer of Value - The Catch-22 Talk Track

Play 7. Leveraging transfer of value issues to secure equity deals. The Catch22 Talktrack that turns unbiable businesses into equity partnerships. Now that you understand the transfer of value issues that prevent traditional acquisitions, let's focus on the critical skill that transforms these obstacles into opportunities. The Catch22 Talktrack. This powerful conversational framework helps business owners see why traditional exits aren't viable for them right now, and why partnering with you is their best or only path forward. When executed properly, this approach positions you as the solution, rather than just another buyer who can't make the deal work. The Transition. From rejection to partnership. Most business owners react defensively when told their business isn't suitable for acquisition. They've invested years in building their company and naturally resist hearing about its flaws. The Catch22 Talktrack navigates this emotional minefield by reframing the conversation from rejection to opportunity. The core concept is simple but powerful. The bank won't finance this deal because of these issues, but I could actually fix these problems if I was inside the business. This creates a logical paradox, hence Catch22, that makes partnership the obvious solution. The business can't be sold until certain problems are fixed, but those problems can only be fixed by someone working inside the business. Let's break down how to execute this conversation effectively. The Magic phrase, setting the partnership context. Before diving into specific transfer of value issues, many successful equity partners establish their partnership orientation up front with what I call the Magic phrase. This simple statement creates the right context for everything that follows. I only work with businesses I own or am a partner in. This powerful phrase, when delivered at the right time, accomplishes several critical objectives. It positions you as selective rather than desperate, it establishes partnership as your standard operating procedure, it eliminates the hired gun, consultant dynamic, it plants the seed of equity partnership before discussing specific issues. Timing is essential with this statement. Say it too early and it can seem presumptuous. The ideal moment is when the business owner has already expressed interest in working with you, when they've recognized your expertise and are exploring how you might help them. When they say something like, I'd love to pick your brain sometime, or we should talk about how you might help us with issue. You can respond, I'm flattered you'd consider working with me. Before we go further, I should mention that I only work with businesses I own or am a partner in. I no longer take on clients or consulting projects. I found I'm most effective and committed when I have skin in the game through ownership. When delivered at the right moment, this statement often receives an immediate positive response. Many business owners have already considered the possibility of bringing on a partner, but weren't sure how to broach the subject. Your statement gives them permission to explore this option. Even if they're not immediately receptive, you've established an important boundary that positions any future discussions in the partnership context rather than a service provider relationship. The Catch 22 Talk Track Step-by-Step With the partnership context established, you can address specific transfer of value issues using the Catch 22 Talk Track. This typically unfolds in five stages. One, reaffirm their goal. Start by acknowledging their desired outcome and show you understand their perspective. I know selling your business is your top priority, and I understand you'd ideally like to get most of your money upfront so you can move on to what's next. This demonstrates empathy and ensures they know you're not dismissing their goals. Two, set the expectation. Next, establish the reality of how business acquisitions work. Just like when buying a property, a business acquisition is typically funded by a bank or investor, and just like with a home, lenders will only finance a business based on what they determine its worth, not what a seller hopes its worth. This creates a framework they understand and introduces the concept of external validation. Three, blame the bank, not the owner. Now, address the specific transfer of value issues without making it about the owner's shortcomings. Based on our due diligence, traditional lenders simply won't finance this deal at your asking price, and it's important to understand that this isn't just an issue with me, any potential buyer will run into the same challenges. The specific concerns include your customer concentration with those three major clients representing 70% of revenue, the fact that you personally handle all sales and key client relationships, the inconsistent financial performance over the past three years. By blaming external factors rather than criticizing their business, you avoid triggering defensiveness while still addressing reality. Four, the hard truth. Make it clear that the obstacle isn't your unwillingness, but rather objective factors. Even if I wanted to, I couldn't acquire this business through traditional financing given these issues, the funding simply isn't available due to these specific concerns. This establishes that the obstacle isn't your unwillingness, but rather objective factors beyond either party's immediate control. Five, the pivot to partnering for equity. Finally, offer the solution, a partnership that addresses these issues. That said, I genuinely like your business and see tremendous potential here. Under the right circumstances, I'd be open to rolling up my sleeves and actually working with you to address these issues so we can eventually get to a place where a traditional exit makes sense. I could partner with you, help optimize the business and then either help you exit to a third party or potentially buy you out when the operation becomes financeable. Would that approach be worth exploring further? This transforms what would have been a rejection into a potential path forward. You're not just identifying problems. You're offering solutions. The compelling logic. Why this approach works. The Catch 22. Talktrack works because it creates an undeniable logical sequence. One, the business owner wants to sell. Two, banks won't finance the acquisition due to specific issues. Three, these issues can only be fixed by someone working inside the business. Four, therefore, a partnership that addresses these issues is the only viable path to the owner's desired exit. When presented this way, the partnership isn't you asking for a favor or a piece of their business. It's you offering the only logical solution to their problem. Real-world example. The Catch 22 in Action. Let me share a real example of how this played out with a service business I worked with. The owner had built a successful operation generating about $2.2 million in revenue with Healthy margins. He was ready to retire and wanted a clean exit with most of the purchase price up front. During discovery, I identified several significant transfer of value issues. One, the owner generated 85% of the new business through personal relationships. Two, there were no documented systems or processes for service delivery. Three, three customers represented 45% of annual revenue. After completing due diligence, I used the Catch 22 talk track. John, I understand your goal is to sell the business and enjoy retirement. Ideally, you'd like to get most of the purchase price up front so you can move on to that next chapter. The challenge we're facing is that lenders simply won't finance this acquisition given the current structure of the business. The main concerns are your personal role in generating almost all new business, the lack of documented systems, and the high concentration of revenue among just three customers. Even if I wanted to buy the business outright, which I do, I couldn't get traditional financing approved, and it's not just me, any buyer would face these same obstacles. That said, I really like what you've built here, and I see tremendous potential. What if instead of a traditional sale, we considered a partnership where I come in and help address these specific issues? I could work on implementing sales systems, documenting your processes, and diversifying the customer base. Once we've fixed these issues, probably over 12 to 18 months, we could then structure a traditional exit either to me or to a third party at what would likely be a higher valuation. During this period, you could begin stepping back from day-to-day operations, essentially beginning your transition to retirement while we're preparing the business for sale. Would that approach be worth exploring further? The owner initially wanted to push back. He had his heart set on an immediate, clean exit, but as we discuss the reality of the situation, he recognized that no traditional buyer would be able to meet his terms given these issues. He eventually agreed to a partnership structure where I received 30% equity initially, with clearly defined performance benchmarks for solving the transfer of value issues. 18 months later, we sold the business to a strategic buyer for substantially more than his original asking price. The partnership approach not only made the exit possible, it enhanced the final value significantly. Adapting to different owner responses. Not all business owners immediately embrace the partnership concept. Here are common responses and how to address them. But another buyer might not care about these issues. Response. You're right. There's always a chance someone might overlook these concerns, but traditional lenders won't, and that dramatically reduces your pool of potential buyers to those who can pay all cash, which is a tiny fraction of the market. Even cash buyers typically want a discount to compensate for these risks. Our approach addresses the underlying issues, making your business attractive to the entire market of potential buyers. I'm not looking for a partner. I want out completely. Response. I understand your desire for a clean break. The challenge is that banks don't finance the acquisition of businesses with these particular issues, which severely limits your exit options. The partnership I'm suggesting isn't permanent. It's a stepping stone to the exit you want. By addressing these specific concerns together, we create a clear path to your complete exit, likely at a better valuation than you could achieve today. Why should I give up equity when I could just fix these issues myself? Response. That's certainly an option, and I'd encourage you to consider it. The question becomes, if these issues were easy for you to address, wouldn't you have fixed them already? Most of these challenges require specific expertise or an outside perspective to solve effectively. Additionally, demonstrating improvement to potential buyers usually requires 18 to 24 months of documented performance after the changes are implemented. Our partnership approach allows you to leverage my expertise while creating an immediate path toward your exit, rather than delaying it for several more years. The eight ways to structure a partnering for equity deal. Once the business owner sees the logic of partnership, you need to suggest a specific structure that addresses the transfer of value issues you've identified. Here are eight proven approaches. One, solve a bleeding problem in their business. The most straightforward approach is to identify their biggest pain point and focus exclusively on solving it. Based on what we've discussed, your most pressing issue is the customer concentration risk. I propose focusing on diversifying your customer base by implementing the systematic business development process I've used successfully in similar companies. A reasonable structure would be a monthly retainer plus 20% equity that vests as we reduce your top three customers from 45% to less than 25% of total revenue. Two, flip your current deal flow. When you've been pursuing traditional acquisition but discovered transfer of value issues, you can pivot to a partnership with an eye toward eventual purchase. While I can't acquire the business outright today, I believe we could structure a partnership where I come in, implement the necessary systems, and prepare the business for an eventual acquisition, either by me or a third party. This gives you the opportunity to start stepping back while still participating in the growth and improve valuation we create together. Three, help business owners exit and get paid when they sell. For owners focused on exiting, position yourself as the bridge to that outcome. What if we structured a partnership where my primary focus is making this business saleable? I would receive a modest monthly retainer plus 15% equity and a success fee if we sell within three years. My specific focus would be addressing the exact issues preventing a traditional sale today. Four, help businesses grow through acquisition. If the business has growth potential through acquiring competitors, offer to lead that strategy. Given your market position, acquiring smaller competitors could accelerate growth dramatically. I propose a structure where I lead an acquisition strategy to expand into new territories. I would receive 10% equity in the core business plus 5% additional equity for each successful acquisition I facilitate, capped at 25% total. Five, consulting for equity rollups. When you see an opportunity to solve similar problems across multiple businesses in the same sector, propose a rollup strategy. I've developed a proven system for adding new profit centers to businesses in your industry. I'm currently implementing this in several similar companies with the goal of eventually creating a group that can exit at a higher multiple than any individual business could achieve alone. Would you be interested in being part of this strategy? Six, take over a business for a retiring owner. For owners seeking to retire without an immediate exit, offer a gradual transition plan.

What if instead of an immediate sale, we structured a five-year transition plan? I would come in, learn every aspect of the operation, and gradually assume management responsibilities. My equity would increase as your involvement decreases, with a predetermined formula for buying your remaining stake at the end of the transition. Seven, get paid for your network and connections. If you have valuable relationships that could benefit the business, leverage those as your equity contribution. Based on our discussions, access to major retail chains is your biggest growth constraint. Given my existing relationships with purchasing directors at several national chains, I propose a partnership where I facilitate these introductions and help close these accounts. I would receive a base compensation plus 10% equity that increases based on the revenue we generate from these new relationships. Eight, structure mergers and take a stake. If you see complementary businesses that could create more value together, propose facilitating that combination. I've identified three businesses that would combine perfectly with yours to create a regional leader with significantly more value than the sum of the individual companies. I propose facilitating this merger, helping integrate the operations, and receiving 15% equity in the combined entity for my role in conceiving and executing this strategy. Maintaining leverage throughout the conversation. Throughout this process, it's crucial to maintain leverage by positioning yourself as selective about partnerships. The business owner should feel fortunate to have you considering their company, not the other way around. Frazes that help maintain this positioning include, I only take on two to three partnerships per year, so I need to be very selective. I'm looking for the right fit in terms of both the business and the owner. I have several opportunities I'm currently evaluating. My approach isn't right for every business or every owner. This positioning prevents you from appearing desperate or willing to accept any terms just to get a deal. The business owner should feel that they need to sell you on the partnership as much as you need to sell them. Dealmaker checkpoint. Before moving to the next play, make sure you, one, practice the catch 22 talk track until you can deliver it confidently and conversational. Two, memorize the magic phrase about only working with businesses you own or partner in. Three, identify which of the eight partnership structures best aligns with your specific skills and the transfer of value issues you're most equipped to solve. Four, prepare responses to common objections you might encounter when proposing equity partnerships. Remember, the transition from acquisition discussions to equity partnerships is a delicate conversation that requires both logical persuasion and emotional intelligence. Master this skill and you'll transform unbiable businesses into your most valuable partnership opportunities. In the next play, we'll explore how to frame the future for business owners, helping them envision a better path forward through partnership than they could achieve on their own.

Play 8: Framing the Future

Play 8, Framing the Future. Getting the seller to envision a better exit. Now that you've positioned partnering for equity as the logical solution to the business's transfer of value issues, it's time to help the seller emotionally and intellectually invest in this new path. At this point in the conversation, they've likely realized several uncomfortable truths. They can't get the dream all cash exit they initially hoped for. A traditional buyer won't be able to finance the acquisition as things stand, shutting down and walking away would mean leaving significant value on the table. What they don't yet fully appreciate is how much better this new partnership structure could be for them. Your job is to help them see it without appearing desperate, without overselling, and without showing your cards too soon. Why this step makes or breaks the deal? This Framing Conversation is critical for several reasons. It creates excitement and buy-in. Instead of feeling stuck with a business they can't sell, owners begin to see a path forward that potentially leads to an even better outcome. It shifts the narrative from loss to opportunity, rather than focusing on what they're giving up. The immediate all cash exit, they start envisioning what they could gain through partnership. It positions you as their advocate. You're no longer perceived as just another buyer seeking a deal, but rather as someone genuinely interested in helping them achieve their goals. It maintains your leverage. Throughout this process, the business owners should feel that working with you is a privilege, not something you desperately need. When done correctly, this conversation transforms a potentially disappointing situation into an exciting new possibility. The seller moves from reluctant acceptance to genuine enthusiasm about partnering with you. The transition. What if we did this a smarter way? This is the pivotal moment where you shift from this business isn't financial as is to, but there's a way for us to create the exit you want together. Let me walk you through how this conversation typically unfolds with the exact language I've used successfully in numerous deals. The talk track, maintaining leverage while building vision. One, acknowledge their situation. I completely understand why you're looking to sell. You've built something valuable here, and you deserve to get a return on all the work you've put into this business. This simple acknowledgement shows empathy and validates their desire for an exit. It creates a foundation of mutual understanding before presenting alternatives. Two, highlight the problem, but with optimism. The challenge we're facing is that, given how the business is currently structured, traditional financing just isn't going to work at the valuation you need, but that doesn't mean you can't achieve your goals. It just means we might need to take a different approach to get there. Notice how this frames the issue as a shared challenge we're facing rather than their problem alone. It acknowledges the reality while immediately offering hope. Three, introduce the smarter path. What if instead of settling for less than you deserve or walking away frustrated, we work together to get your business to a place where it's truly ready for the exit you want? This question opens the door to a new possibility without pushing a specific arrangement yet. It plants the seed that partnership could lead to a better outcome than an immediate but compromised sale. Four, paint the vision. Imagine this scenario. Twelve months from now, your business is running smoothly with systems that don't depend on you personally. Profits are up significantly. The customer base is diversified so banks aren't worried about concentration risk. And instead of struggling to find a buyer who will pay what you're asking, you have multiple interested parties competing for the opportunity. This vivid picture helps them visualize a concrete future, one that solves their current challenges. It's specific enough to be compelling but realistic enough to be believable. Five, lean out and keep leverage. Now, I want to be completely straightforward with you. I don't typically take on projects like this unless I really believe in both the business and the person running it. I already have several revenue generating ventures, so stepping in would mean putting something else on pause, but I see real potential here and I think we might work well together. This crucial step establishes that you're not desperate for the deal. It positions your involvement as selective and valuable, which maintains your negotiating leverage. Never appear more eager for the partnership than they are. Six, pivot to the offer. If you're open to exploring this approach, I'd be willing to bring my expertise, my team, and my connections to help address the areas that are currently holding the business back. We could focus on growing revenue, making the business more attractive to lenders and buyers, and setting you up for a much stronger exit, whether that's to a third party or potentially to me when the time is right. This outlines the potential arrangement in broad strokes without getting into specific equity percentages or terms yet. It emphasizes the value you'll bring while keeping the exit as the focal point. Seven, reinforce that this needs to be a fit for both parties. I want to be clear that I don't know yet if this is the right fit for either of us. I'd want to take a deeper look at the opportunities, get clearer on what success would look like for both of us, and make sure this is worth our combined time and energy. But if it is the right fit, I believe we could create a plan that gets you where you want to be without forcing you into a fire sale or walking away empty-handed. This final element reinforces your selectivity while acknowledging that mutual fit is essential. It prevents the owner from feeling that you're pushing them into a decision while keeping the conversation moving forward. Customizing the offer based on their true goals. At this stage, you need to align your proposed structure with what the seller genuinely wants. This requires careful listening during discovery to understand their deeper motivations. Different owners have different primary concerns, and your framing should address their specific situation. If they're overwhelmed and burned out, this partnership would allow you to step back from the day-to-day operations that are consuming all your time while I handle those aspects of the business. You could focus on the parts you actually enjoy while we build more value together. If they're stressed about revenue, my primary focus would be fixing the customer acquisition issues and stabilizing cash flow. Imagine not having to worry about meeting payroll or whether next month will bring enough business. If they want more money but can't sell now, by addressing these specific issues, we could potentially increase the business's value by two to three times before selling. That means even after accounting for my equity stake, you could walk away with substantially more than you'd get in a sale today. If they're tired but don't want to shut down, this approach gives you a gradual transition where you can reduce your involvement over time while still benefiting financially from the business you've built. If they're still ambitious but stuck, together we could take this business to levels that would be difficult to achieve alone. I can bring the growth strategies and systems that could transform this from a solid local business into a regional or even national player. The key is customizing your message to address their specific pain points and aspirations. This demonstrates that you've truly listened and understood what matters to them personally. Maintaining the right mindset. You're not selling, you're allowing. Throughout this conversation, maintain the mindset that you're not trying to sell the owner on this arrangement. You're simply presenting an option that might work for both of you. If and only if there's genuine alignment, the subtle psychological difference is crucial when you're selling, you push and persuade. When you're allowing, you present and permit. The latter approach maintains your leverage while creating a pull rather than a push dynamic. The business owner should feel drawn toward working with you rather than being convinced to do so. I found that this leaning out approach where you express interest but maintain professional distance creates far more successful partnerships than eager persuasion. Business owners intuitively value what seems selective and exclusive. Your next implementation steps. As you incorporate this framing approach into your conversations, use storytelling, share examples, without breaching confidentiality of other owners who took this path and achieved successful outcomes. Real-world examples make the opportunity more tangible. Get them to imagine their improved future. Ask questions like, what would it mean for you personally if you could finally take a real vacation without worrying about the business falling apart? Or how would it feel to eventually exit with twice the valuation you might get today? Maintain power and leverage. Consistently reinforce that you're selective about partnerships. Instead of saying, I can help. Say, if this is the right fit, we might be able to create something valuable together. Make the next step simple and low-risk. Don't ask for commitment to a full partnership immediately. Suggest a natural next step. Let's map out what this could look like in more detail. No commitment yet. Just a conversation to see if the approach makes sense for both of us. Why this approach works so effectively? This framing strategy works because it avoids chasing. The owner feels pulled toward you as the solution rather than pushed into a decision. Prevents loss aversion. Instead of focusing on giving up equity, which triggers psychological resistance, it emphasizes gaining a better outcome. Preserves your leverage. The owner understands that working with you requires mutual fit and involves a trade-off on your part as well. Builds genuine momentum. Rather than forcing a premature decision, it creates natural progression toward partnership. By the end of this conversation, if executed properly, the business owner should be actively interested in exploring the partnership further. They should see you not as someone trying to take advantage of their situation, but as potentially the key to achieving what they truly want. With this vision established and thereby insecure, you're ready to move into more concrete discussions about structure, terms, and implementation.

Dealmaker checkpoint. Before moving to the next play, ensure you've mastered these key elements. One, practice painting a vision of a better future that specifically addresses the owner's unique situation and goals. Two, develop your lean-out language that positions you as selective about partnerships rather than eager for any deal. Three, prepare stories of similar situations where this approach led to successful outcomes for all parties. Four, create a simple next step that maintains momentum without pushing for premature commitment. Remember, your ability to help the owner envision a better future through partnership than they could achieve alone is often the difference between deals that advance and conversations that stall. In the next play, we'll explore how to negotiate terms and set proper expectations, locking in the structure while preventing future misunderstandings.

Play 9: Structuring the Deal's Paperwork

Play 9, structuring the deal's paperwork and choosing the right path. How to legally secure your equity stake and align your compensation for maximum upside. At this point, you and the business owner agree in principle that a partnering for equity deal makes sense, but until the deal is legally structured, it's not real. Before we dive into specific structures, I want to clarify something important. Consulting for equity is a loose term that we use as shorthand for what's really value for upside. This approach isn't limited to traditional consulting services. It encompasses any situation where you provide value, expertise, connections, systems, strategies, in exchange for potential upside, equity, revenue share, exit bonuses. The key is designing an arrangement that works for your specific situation while giving you the compensation and protection you deserve. The biggest mistake new equity partners make, assuming a handshake deal is enough. As David Jeroe, one of the top M&A attorneys I work with frequently says, if you think it's expensive to hire an attorney, try not hiring an attorney. Those words have saved me and my clients millions of dollars over the years. Verbal agreements invariably lead to misunderstandings, missed payments, and ownership disputes. A properly structured deal ensures everyone is aligned, protected, and incentivized for long-term success. This step ensures your equity stake, revenue share, and compensation are clearly defined and legally enforceable. Solve for your win first. Before we explore specific structures, I need to emphasize a principle that will save you years of frustration. Solve for your win first. Too many aspiring equity partners get so excited about the possibility of a deal that they accept terms that don't actually serve their needs. They're so focused on making the business owner happy that they forget to ensure the arrangement works for themselves. Ask yourself these fundamental questions. Does this deal structure fulfill my current financial needs? Does it provide the right balance of immediate compensation and long-term upside? Do I have sufficient control over the factors that determine my compensation? Is this deal worth my time relative to other opportunities? If you can't answer yes to these questions, you need to rethink the structure, regardless of how promising the business seems or how enthusiastic the owner is. Remember, a deal that doesn't work for you ultimately won't work for anyone because you'll eventually become resentful, disengaged, or forced to walk away. Immediate Cash vs Future Equity Immediate Cash vs Future Equity. Finding the right balance. One of the most crucial decisions in structuring your deal is determining the balance between immediate cash compensation and long-term equity upside. The reality that most equity partners don't want to acknowledge. Even with the best intentions, many businesses never reach the ambitious goals they project. The exit that seems certain today may never materialize. The valuation increase that appears inevitable might not happen. This isn't cynicism, it's pragmatism, born from experience. For those bridging from employment to deal making. If you're currently leaving a job and looking to replace your income while building your deal making career, I strongly recommend focusing more heavily on upfront cash flow rather than long-term equity. A structure that provides a substantial monthly retainer with modest equity upside will serve you better than one that promises a large equity stake, but minimal immediate compensation. Consider this approach, monthly retainer that meets your basic income needs. Performance-based bonuses tied to specific measurable achievements. Modest equity position, 10-15% that vests over time. Clear exit mechanisms if the arrangement doesn't work out. This structure ensures you can sustain yourself financially while building equity positions across multiple businesses. For those with financial stability seeking maximum upside. If you're already financially stable and don't need immediate income, your strategy might look different. You might prioritize getting as many horses in the race as possible through equity heavy arrangements with companies likely to exit. With this approach you recognize that not every company will succeed, but the ones that do could provide substantial returns. Your structure might look like minimal or no monthly retainer. Larger equity positions, 15-30%, performance triggers tied to specific milestones, clearly defined rights and acquisition scenarios. While this approach offers greater potential upside, it also carries significantly more risk. Only pursue this strategy if you have the financial runway to sustain yourself through the inevitable ups and downs. The 5 Most Effective Deal Structures There are almost infinite ways to structure partnering for equity deals. The key is understanding what you want the deal to do for you, and designing a structure that achieves those goals while protecting your interests. Here are 5 proven structures I've found most effective across different situations. 1. Hybrid Retainer Plus Equity Model This balanced approach combines immediate cash flow with long-term ownership, how it works. You receive a monthly retainer for your ongoing services. You also receive equity that vests based on specific performance milestones. The retainer ensures you can meet immediate financial needs. The equity provides long-term upside if the business grows or exits. 4. Those who need some immediate income but also want ownership upside Example. A marketing expert partners with a service business generating $2 million in revenue. She receives $5,000 monthly plus 2% equity vesting. Each quarter she achieves agreed growth targets up to 20% total over 2.5 years. Pro tip. Ensure the retainer is sufficient to justify your time investment even if the equity never becomes valuable. This protects you from becoming dependent on uncertain future outcomes. 2. Revenue Share Plus Exit Bonus This structure focuses on directly measurable financial contributions rather than traditional equity. How it works You receive a percentage of revenue that your efforts directly generate. You also receive a predetermined percentage of proceeds if the business sells. Our compensation is tied directly to measurable results. You avoid complications of formal ownership while maintaining upside potential. Best 4. Those who want clear alignment between their efforts and compensation with less emphasis on governance or control. Example. A business development expert partners with a software company to expand into new markets. He receives 20% of revenue from clients he brings in for the first two years, scaling to 10% for years 3 to 5 plus 7% of any acquisition price if the company sells within 5 years. Pro tip. Clearly define how revenue attribution works to avoid disputes. Specify which revenue streams you'll receive a share of and how long that share continues. 3. Milestone-based equity vesting This performance-focused structure ties equity directly to specific achievements. How it works. You receive no equity upfront. Predetermined equity percentages vest when you hit specific measurable milestones. The business owner only gives up ownership as tangible value as created. You receive equity proportional to your proven contributions. Best 4. Situations where the path to value creation is clear and can be broken into discrete milestones. Example. An operations expert partners with a manufacturing business. She receives 25% equity upfront plus the option to buy the remaining 75% at 3.5 times the trailing 12 months EBITDA. Once annual revenue exceeds $3 million and EBITDA margins reach 20%. Pro tip. Ensure milestones are objectively measurable and within your ability to influence. Avoid milestones that depend heavily on factors outside your control. 4. Sweat equity with Founder Shares This structure provides equity in exchange for your work without cash compensation. How it works. You receive founder class shares or membership units upfront. These shares come with specific rights, voting, distributions, liquidation preferences. You contribute agreed upon services rather than capital. Your equity is treated similarly to that of a founding partner. Best 4. Early stage businesses with significant growth potential but limited cash flow where you can afford to work without immediate compensation. Example. A CFO joins a promising startup with 500K revenue but limited cash instead of a salary he receives 15% Founder Shares with full voting rights and pro-rata participation in all future funding rounds in exchange for 15 hours weekly of financial management. Pro tip Since this structure provides no immediate cash flow it should only be used when. One, you have other income sources. Two, the business has exceptional potential. And three, you have strong conviction about its future success. Five, performance-based buyout option. This structure creates a path to full ownership based on business performance. How it works. You receive minority equity initially, typically 20-30%. You gain the right to purchase the remaining equity at a predetermined formula if specific performance targets are met. The formula typically rewards both parties for business improvement. You create a clear path to full ownership without upfront capital. Best 4. Situations where you ultimately want to own the business outright but can't finance a traditional acquisition immediately. Example. A digital marketing expert partners with an agency owner approaching retirement. She receives 25% equity upfront plus the option to buy the remaining 75% at 3.5x. The trailing 12 months EBITDA once annual revenue exceeds three malders and EBITDA margins reach 20%. Pro tip include clear timelines for exercising purchase options and consider securing financing commitments in advance so you're ready when performance targets are achieved. Control matters. Be cautious of profit share arrangements. One structure I specifically caution against is the simple profit share without appropriate controls. Here's why. Profit can be easily manipulated. Unlike revenue, which is relatively straightforward to track, profit can be significantly affected by expense decisions, hiring, capital investments, owner compensation, discretionary spending, etc. Without control over these decisions, you're tying your compensation to factors you can't influence. This creates a fundamental misalignment that often leads to frustration and conflict. I've seen countless scenarios where a business owner promises a percentage of profits, then proceeds to invest heavily in growth initiatives, increase their own compensation, or make discretionary purchases that eliminate profits entirely leaving their partner with nothing despite significant value creation. If you're considering a profit-based arrangement, ensure you have clear definitions of how profit is calculated. Vito writes over major expense decisions, caps on owner compensation and benefits, transparency into all financial decisions, regular financial reporting and audit rights. Without these protections, I'd strongly recommend a revenue share arrangement instead. Revenue is easier to track, harder to manipulate, and provides clearer alignment between your efforts and compensation. As I often tell my students, if you can't control it, don't tie your compensation to it. The legal agreement that protects your stake. Once you've selected the appropriate structure, you need legally binding documentation to formalize the arrangement. This is where professional legal help becomes essential. Working with the right attorney. Not all attorneys are created equal when it comes to equity partnerships. You need someone with specific experience in the business entity type you're dealing with, LLC, S-Corp, C-Corp. Equity compensation structures, shareholder or operating agreements, your specific industry, if it has unique regulatory considerations. A good attorney won't just document what you've already agreed to. They'll identify potential issues you haven't considered and suggest protective provisions that serve your long-term interests. The few thousand dollars you might spend on proper legal documentation can protect millions in future value. I've seen too many equity partners lose significant value because they relied on handshake deals, template agreements, or inadequate documentation. Key legal documents you may need. Depending on your chosen structure, you'll need some combination of equity agreement, defines ownership percentage, vesting schedule, voting rights, and exit provisions. Operating agreement, amendment for LLCs, modifies the existing operating agreement to include your ownership and rights. Shareholder agreement for corporations establishes your ownership, voting rights, and relationship with other shareholders. Revenue or profit share agreement specifies how revenue or profit is calculated when payments occur and reporting requirements. Service agreement defines your specific responsibilities, time commitment, and performance expectations. Bysel agreement establishes terms for potential future ownership changes, including exit scenarios. Right of first refusal gives you the right to purchase additional ownership before outside parties. Non-compete and confidentiality provisions protects the business from competitive activities if the partnership ends. The terms that align incentives and avoid future conflict. Even with the right structure and proper documentation, equity partnerships can fail if the incentives aren't properly aligned. The best agreements create ongoing motivation for both parties to support the partnership's success. Critical elements to include performance-based triggers. Clearly define when your compensation or equity begins to vest. Revenue or profit thresholds that must be reached. Specific milestones that trigger equity tranches. Time-based vesting with performance accelerators. Reporting and transparency requirements. Establish how you'll verify that calculations are being made correctly. Access to financial statements and backup documentation. Regular reporting cadence. Monthly quarterly etc. Right to audit or request independent verification. Specific metrics that must be tracked and reported. Dispute resolution clause. Define in advance how disagreements will be handled. Initial attempt at direct resolution within a specified time frame. Mediation requirements before litigation. Arbitration provisions. Binding or non-binding. Selection process for neutral third parties. Action steps. Finalizing your deal structure. To complete this phase of the process. Choose the right structure. Select the approach that best aligns with your value contribution, current financial needs, and the business owner's comfort level with various forms of partnership. Get proper legal agreements in place. Work with a qualified attorney to draft comprehensive documentation that protects your interests and clearly defines all aspects of the arrangement. Structure for long-term success. Include provisions that maintain alignment through performance triggers, transparency requirements, and dispute resolution mechanisms. A word about timing. Don't rush this phase of the process. It's better to spend an extra week getting the documentation right than to move forward with inadequate protection. However, don't let the paperwork stage drag on indefinitely either. Maintain momentum by setting clear timelines for document drafting, review, and signature. If the business owner seems to be stalling at this stage, it might indicate hesitation about the partnership that should be addressed directly. I typically aim to complete documentation within two to three weeks of reaching agreement on general terms. This provides sufficient time for thoughtful drafting and review without losing the enthusiasm generated during earlier conversations. Key takeaways. As you structure the legal aspects of your deal, document everything. Verbal agreements and handshakes are recipes for future disputes. Get everything in writing no matter how strong the relationship seems. Balance immediate needs with long-term upside. Structure your deal to provide the cash flow you need today while maintaining appropriate equity upside for tomorrow. Ensure you can control what affects your compensation, avoid tying your rewards to factors you can't influence or control. Invest in professional legal help. The right legal advice is an investment in your future security, not an unnecessary expense. Solve for your win first. If the deal doesn't work for you, it ultimately won't work for anyone. With a carefully structured agreement in place, you've laid the foundation for a successful equity partnership that can generate significant value for years to come. In the final play, we'll explore how to close the deal officially, get signatures on your agreements, and set expectations for the first 90 days of your partnership.

Play 10: Closing the Deal and Securing Your Partnership

Play 10, closing the deal and securing your first partnership. How to make it official, lock in your arrangement, and set the deal up for long-term success. This is it, the final step in your journey to landing a partnering arrangement with a business owner. You've done the hard work, built trust, positioned yourself as the perfect partner, and structured a performance-based deal that aligns everyone's incentives. You've handled objections and removed any lingering doubts. Now it's time to cross the finish line, get signatures on the paperwork, lock in your partnership, and set up the relationship for successful execution. Remember, equity isn't always the answer. Before we dive into finalizing your deal, I want to emphasize something important. You don't need to pursue equity in every business you work with. Often, a well-structured revenue share or success fee arrangement can better serve your goals while simplifying the legal and tax complexities. I frequently focus on upside-and-profit sharing rather than direct equity because it achieves what I want the deal to do for me, provide financial returns without unnecessary complications. There's nothing saying you must go for equity every time, and often it's not the best approach depending on whether the business plans to sell in the near future. Your level of desired involvement. The company's existing ownership structure, tax implications for both parties, your personal financial goals. Simple consulting agreements with revenue share components can be executed much faster, with less paperwork, and fewer potential complications. When the business owner box at giving up equity, which many do, having alternative structures ready can save deals that might otherwise fall apart, the key is designing a deal structure that gives you the returns you want without unnecessary complexity. Sometimes that's equity, sometimes it's not. The three-part closing process. With that perspective in mind, let's break down the three critical components of successfully closing your deal. One, get the agreement signed and official, turn verbal agreements into legally binding contracts. Two, set expectations for the first 90 days. Ensure the business owner is fully aligned on implementation. Three, avoid last-minute deal killers. Handle hesitation, doubts, and stalling tactics. Let's explore each component. One, get the agreement signed and official. The professional approach, higher an attorney. I cannot emphasize this enough. Work with a qualified attorney to draft and review your agreements. This isn't the place to cut corners. Many business partnerships fall apart within the first year, not because of bad intentions, but because of poor documentation that leads to misunderstandings and conflicts. A good attorney will help you. One, structure agreements that protect your interests. Two, anticipate potential problems before they arise. Three, ensure documentation complies with relevant laws. Four, create clarity around terms that might otherwise be ambiguous. For simpler arrangements like revenue shares, you might need just a basic consulting agreement with revenue share provisions. Even these should be professionally drafted to ensure enforceability and protection. Many quality attorneys can create these agreements for $1,000 to $2,500. A small investment compared to the potential value at stake. For equity arrangements, expect to invest more in proper legal documentation, typically $2,500 to $7,500 depending on complexity. This might sound expensive, but it's typically less than 5% of the value you'll ultimately create or protect through the partnership. If the business owners suggest using their attorney politely insist on having your own legal counsel review any agreements before signing, the business's attorney represents their interests, not yours. The right way to get your agreement signed. Working with a good attorney is just the start. You also need to manage the signing process effectively. One, present agreements in person when possible. This allows you to address questions immediately and create social pressure to complete the signing. Two, use digital signing tools for efficiency. Services like DocuSign or Pandedoc make the process seamless and eliminate excuses about printing difficulties. Three, create urgency through deadlines. Be clear about when the offer expires. We need to wrap this up by Friday so we can start implementation next week. Four, make it easy for them to say yes, eliminate friction points by walking them through the agreement and explaining key terms. When presenting agreements frame them as the natural conclusion of your previous discussions. These documents simply formalize what we've already agreed to during our conversations. They protect both of us and ensure we're aligned on expectations. Two, set expectations for the first 90 days. The first 90 days set the tone for the entire partnership. Once the agreement is signed, you need to immediately establish what happens next. Without clear next steps, even well-intentioned partnerships can stall before they begin. The most important question to ask after signing, what does success look like in the next 90 days? This question serves multiple purposes. It shifts focus from negotiation to implementation. It creates shared understanding of immediate priorities. It establishes concrete metrics to track progress. It prevents misaligned expectations about pace and outcomes. Your 90 day action plan should include Phase 1. Priorities be specific about the first problems you'll tackle. Based on our discussions, I'll focus initially on rebuilding the marketing funnel, starting with customer journey mapping in week 1, followed by new campaign development in weeks 2 and 3. Owner responsibilities clearly define what you need from them to be successful. To make this work, I'll need complete access to your customer database by Wednesday, an introduction to your current marketing team by Friday, an approval authority for ad spend up to the budgeted amount. Key metrics to track, establish how you'll measure progress, will track lead generation volume weekly, cost per acquisition daily once campaigns are live, and conversion rates at each funnel stage. I'll provide a dashboard showing these metrics updated in real time. I recommend creating a simple one-page 90-day implementation plan that outlines. Week by week priorities. Key milestones and deadlines. Required resources and access. Decision making processes. Communication cadence. How often you'll meet report. Having this plan ready to implement immediately after signing maintains momentum and demonstrates your preparedness. 3. Avoid last minute deal killers. How to handle cold feet and objections that pop up at the last second. Even after expressing enthusiastic agreement throughout the process, some business owners develop hesitation just before signing. This is normal human psychology. The moment of commitment often triggers second thoughts, recognizing these last minute hesitations as natural rather than problematic helps you address them effectively without becoming frustrated. Common last minute objections and how to handle them. I need more time to think about it. This vague hesitation often masks specific concerns the owner hasn't articulated. Rather than simply accepting the delay, probe deeper. I completely understand wanting to feel comfortable with this decision. Could you share what specific aspects you're still considering? That would help me address any concerns directly rather than leaving things uncertain. This redirects them from general hesitation to specific issues you can resolve. I'm worried about giving up control, revenue, etc. This reveals fear of making an irreversible mistake. Remind them of the protections built into your agreement. That's exactly why we structured this as a performance based arrangement. You're not giving up anything until we've actually delivered the results we discussed. The business has to grow and improve before any significant sharing occurs. This reinforces that they're not taking a significant risk. What if this doesn't work out? This expresses fear of failure and being stuck in a bad arrangement. Address both aspects. We've built several protection mechanisms into our agreement. If the results we expect don't materialize within our timeline, you'll retain control. And if for any reason our working relationship isn't successful, we have the separation provisions we discuss that allow either of us to exit cleanly. This demonstrates that you've already thought through contingencies together. Let me run this by my spouse, partner, friend, etc. While reasonable on the surface, this often indicates they're seeking permission to say no. Address this by agreeing while maintaining momentum. That makes complete sense. Important decisions should involve your trusted advisors. Let's schedule our kickoff meeting now for next week contingent on their input. That way, if they're supportive, we don't lose. This approach respects their process while creating gentle pressure to move forward. Maintaining momentum through the final stages. If you encounter resistance during the closing process, remember these key principles. Don't take hesitation. Personally, last minute doubts rarely reflect on you specifically. They're typically about the owner's own fears and comfort with change. Address this by agreeing to the end of the process. Address specific concerns, not vague hesitation. Always redirect general uncertainty towards specific issues you can actually resolve. Remind them why they wanted this partnership. Gently restate the problems and opportunities that led them to consider partnership in the first place. Be willing to walk away, really. Paradoxically, your genuine willingness to walk away from a deal that stalling often brings it back to life. When owners sense you're not desperate for the partnership, their perception of your value typically increases. Final action steps. Closing and launching the partnership. To successfully complete this final play. One, send the contract and get it signed ASAP. Use digital signing tools and set a clear deadline for completion. Two, a line on the first 90-day execution plan. Create a detailed implementation roadmap so everyone knows what happens next. Three, address any final concerns and lock in the deal. Handle last minute objections directly and confidently without becoming defensive. Once these steps are complete, congratulations. You've successfully landed your first partnership. This achievement represents not just a business transaction, but the beginning of a relationship that could create significant value for years to come. Next steps. How to scale and land multiple deals. Closing your first partnership is a tremendous milestone, but why stop at one? The fastest way to build substantial wealth through these arrangements is to systematize your process and develop a portfolio of positions across multiple businesses. This becomes significantly easier after your first successful deal. You'll have. Practical experience with the entire process. A clear understanding of what works in real world situations. Confidence that comes only from actual implementation. A case study you can reference in future discussions. With each partnership you add, your credibility grows, your expertise deepens, and your opportunity pipeline expands. Many of our most successful students have built portfolios of three to five partnerships within their first two years, creating multiple streams of income and equity appreciation simultaneously. The journey you've completed through this playbook is just the beginning. You now have the framework, strategies, and tactical approach to build a portfolio of partnerships that can transform your financial future. Final thoughts. Execution Trump's knowledge. You now have the complete 10-play playbook for landing partnering arrangements that create both immediate income and long-term wealth. You understand the psychology of business owners, the structure of effective deals, and the mechanics of implementation. But knowledge alone isn't enough. Execution is what gets results. The most successful partners aren't necessarily the most knowledgeable. They're the most consistent in applying what they know. They have regular discovery conversations, make clear proposals, negotiate win-win structures, and close deals efficiently. The difference between those who succeed and those who don't comes down to one factor. Taking consistent, focused action. Start having conversations, make proposals, negotiate terms, and close your first deal. Then repeat the process, refining your approach with each iteration. This approach has created life-changing wealth for thousands of entrepreneurs who recognized its power and took action. Now it's your turn to join them. Dealmaker Checkpoint. As you complete this final play, one, work with an attorney to finalize your agreements. Two, create your 90-day implementation plan with specific milestones and metrics. Three, schedule your kickoff meeting to align expectations and begin execution. Four, start planning your next target partnership even as you implement the first. Remember, your first deal isn't the destination. It's the beginning of a wealth-building journey that can create financial freedom through strategic partnerships. Congratulations on completing the partner for equity playbook. You now have the complete framework for landing partnerships that create both immediate income and long-term wealth.