

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

EP Play #3

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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.