

# BUSINESS MADE EASY

A man with short, light-colored hair, wearing a blue and white checkered button-down shirt, is smiling broadly. He is positioned in the center of the frame, appearing to be splashing in water. The background is a light, textured grey.

**Episode 89**

## Why You Should Seek Professional Advice Before Starting a Business

Full Episode Transcription

Have you joined yet?

The Business Made Easy Facebook Business Community

[www.businessmadeeasypodcast.com/community](http://www.businessmadeeasypodcast.com/community)

Good day, good day and welcome to the Business Made Easy podcast where we make business easy, Jason Skinner your host here for another week of the podcast. It is all about growing your business, growing your bottom line profit and giving you a better life as a result.

How're you doing out there? Thank you so much for joining me this week. I am glad you're here with us. If you're new to the show, and you've just found us welcome. I'm so so wrapped that you have found us uh. Don't forget to hit the subscribe button uh, on your listening device of choice just so that uh it makes sure you get each episode as we bring it out to you. If you are a returning listener to the show, thank you for coming back. I really appreciate you coming back and tuning in each week as you do as well. And I hope businesses pumping along for you.

Speaking of business we have had a huge week here at Business Made Easy headquarters. We've been busily uh implementing some new systems and new uh, technology, and new systems coming into the uh, into the world. So uh we--it always uh seems like it's going to be an easy task when you changed some technology around because it--but I always seem to just underestimate how many of our existing systems rely on various pieces of technology. [laughing] So anyway, we're getting there, we're getting there having fun doing them.

Before I get into today's episode, if you have a question in businesses you're uh struggling with, or having an area of your business that you want additional help with, by all means, uh don't forget to just drop me a line at [jason@businessmadeeasypodcast.com](mailto:jason@businessmadeeasypodcast.com). And I'm more than happy to help you with that question or trouble that you're having. Will even answer the question on the show, if it's a question that's going to help everyone. Because one thing I

have found in business um, and when I talked to various business designers is that, even though we are all in the same or in different is the same--all in different industries and professions and vocations. We all do different things, fundamentally in business, we tend to have the same uh issues and problems that crop up from time to time.

So uh by all means, let me know if you've got a problem or a question that you uh, need help with. There's a number of ways you can get that help from me, you can just as I said, email me at [jason@businessmadeeasypodcast.com](mailto:jason@businessmadeeasypodcast.com) or you could go to the uh the web page website at [businessmadeeasypodcast.com](http://businessmadeeasypodcast.com) and hit the red record button and record your question there. And more than happy to help you uh in that format. If that's better for you, or there's a group discussion you're going to have over at our Facebook community. And there's a great, great group of supporting entrepreneurs and business owners over there. And you can join that by free of charge by just going over the [businessmadeeasypodcast.com/community](http://businessmadeeasypodcast.com/community). So there's three excellent ways that you can get help with your business if need be. Alrighty.

Let's get into today's show. And today I want to talk about um, the importance of um seeking and paying for professional advice when you're going into business. Now, I'm raising this topic, not because I'm an accountant, and a professional that charges for for this sort of advice. But because uh it's an area that I see so so many clients and business owners fall foul of because they they they feel it's all too expensive, or it's not appropriate for them to pay for professional advice in different aspects of their business. Now--what--and I guess there's the obvious reason that they don't do that. And the reason is, is obviously it costs money to do that, it costs money to pay for a professional to give you advice and assistance in particular areas.

And that money is usually being you know that--those charges and things that usually having it happening at a time where you can least afford them. So if you're buying a business, you got a lot of outliers and things happening and you're not maybe not quite sure of your business, um, and why you know, not quite sure of the venture that you're going into. So you might have some doubt as to whether or not you want to spend a lot of money. Um, there's a number of different reasons people don't pay for professional advice, when they're starting out in business, or going to buy a business, or even when they're in business.

There's just--people prefer to try and do things themselves. Get on Google, uh I have a lot of clients that are doctors and they're always complaining that a lot of patients uh, go to Dr. Google to look up their medical conditions before--We are in an in an age where there's a lot of free information, and a lot of content and templates and all sorts of things out there that you can use to um, to- to get answers to the to the problems that you you may be experiencing. But here's the thing with this, um, professionals that understand you and understand what it is that you're doing--the right professionals can really make a big difference and a big um cost saving to your actual business and the venture that you're going into.

Now again, I want to be very, very clear and perfectly clear and open and transparent with you. I'm not raising this topic for my own self interest. I'm raising this for your benefit. I don't want you to--this isn't about come and see me because I'm a professional person. This is this is seek out professional advice wherever you feel comfortable, this is what my point to today's topic is all about. Because like like a doctor, like any professional skill or service, they are there to help you, they are there they are experts in their field of whatever their chosen

field is to help you to, get a better outcome for for the money that you are uh, investing in your business.

So I'm going to talk about some of the professional services that and why I think they're important today. And I want to go over go over them with you so that you can sort of get a bit of a feel of when you need various people to come in and uh, and help you out. Now before I get into that to sort of the types of people that the professionals that you can engage to help you with the business, I want to share a story with you where I know of uh, tsk, a business owner that uh, bought a whole business um, without the proper professional advice. And it has been the complete difference between having a smooth no risk um problem, you know, isn't a fairly seamless um transition into into this business, as opposed to the to what they have now experienced where it's just nothing but a minefield of uh, problems consistently arising.

And look, there's so many things that can just go wrong, particularly if you are buying an existing business, that if you do not look at them carefully uh and appropriately before putting pen to paper, you can really end up costing yourself a lot of money. And I've seen business owners over the years, they buy a business blindly and get in there and find out that you know, most of the staff are leaving, all the equipments are old and need replacing it's never been serviced. I've seen people buy a building and didn't realize there was an elevator in it, until they'd sort of committed too far and realized that um the elevator needed upkeep, and it was a cost that they hadn't factored in.

There's so many aspects to uh, things that can go wrong when you're buying a business or starting a business I've seen them business owners where they've gone and started a business but didn't know that they needed a particular

regulations or like licensing, to actually do that from respective councils and the like. So you know, it's a little bit like um, building your house upon the sand, if you like without solid foundation. If you don't have that sound, structured advice to to support you on your journey, then I really um--I think you're really potentially wasting and putting at risk a lot of money that could be wasted.

So I really want you to um, I guess, say the importance of my whole purpose of putting this episode today is just to highlight the importance of the various professional services, and what they can actually do for you, because um, the right person really should be working with you. Um, they should have empathy with you, they should empathize with your ideas. They shouldn't be shutting you down with it should actually be empathizing with your ideas, listening to your ideas and your vision and embracing that vision. And then being able to get that vision and overlay their respective professional judgment, or, and the laws etc, that are associated with that, with uh, and best practices with what you're trying to achieve to help you to get to that end outcome there.

Their job as a professional person is not to just take money off you and charge a lot of money, their job is to be a professional uh specialist in a particular area to help you to grow um, helps you to grow your be your vision, and achieve your vision in a particular area. So that's why I want to share with--share this with you today because I just want to highlight the importance and some of the areas that um, that these these sorts of services can help you. So let's start with um, we'll sort of go through sort of the business purchasing or business startup process.

But probably the one--and I'm not so I'm not raising this just because I am an account, but I'm raising this because easily is the first port for a call in terms of, when you're starting or buying a business, what sort of um advice you would

need from a starting perspective. And generally um, the accountant or business adviser would be your very first port of call, okay? The business adviser or accountant's role is really to help you to understand clearly what it is that you're trying to achieve, what you want to what you want to do. They've got to get a good underlying understanding of what your current situation is. What your uh current um, financial position is.

Um are you currently employed, working somewhere and you want to start a business? Are you uh, wanting to take your passion project to turn it into a business? Are you wanting to buy an existing business? Whatever it is that you want to do, and then marry that up with what your current situation is, and look for the gaps in that and see where you need the most help. And some of the things I will look at sort of, and I need to be looking at them objectively for you. So don't go to someone that you um don't feel is going to object--give you an honest objective opinion.

Make sure you go to someone who has empathy, as I said. Listens and and seeks understanding from you. But doesn't just uh, just doesn't agree with you necessarily for the sake of it. So make sure you get someone that--don't get you, your mom or someone [laugh] close by--someone close to you uh, to do this. Get someone who's is quite objective to go through this process with you. But will be looking at your--the type of business model you're looking to um, to implement. Your cash flow model, you're budgeting. How are you going to pay? How's this business kind of function? Um, working capital.

Now, you can you can put this stuff together yourself. Absolutely you can. There's plenty of templates online where you can get this but you need someone who's going to look at the numbers and ask you the right questions. I think it's

the probably the most important thing. And that's my next point, though, you want someone who's going to ask you, thought provoking questions around what it is that you're seeking to do. What--You want them to challenge your thinking, and so that you can get to a level of um, depth around uh, all the things that can go wrong and right for what it is that you're looking to do. You want someone who's going to be able to do that for you.

Um, if you're buying a business, you want them to be able to do a due diligence for you around the existing business that you're buying. You want them to be able to go in and drill down on the numbers and ask again, the right questions around--What is it in this business that could potentially um, be harmful to you? Um, are you paying the fair price for the business? Are you paying a fair market value for what it is that you're buying? And is is that uh, equipment going to be um right for you going forward? Is the business going to generate the profits that that are being projected, that um you're paying for?

You know, you're going to be basically having someone from a professional capacity to advise you in that space. Now, this is an area, -due diligence, I cannot tell you how many business owners will come into me and say, "I want to buy this business X, Y and Z." And and then I say, "Right, well let's you know--how far are we or whatever we get to this point of due diligence and we get get to the point where I say right, well, we really should do a due diligence before you commit too far, the contract should be subject to successful due diligence. So that you have time to do your exploratory um investigation into all the inner workings of the business, the contracts, the the finances, the health of the business, the the staffing, how long--you need to be able to get to the bottom of that energy."

And you know how many people say, "Oh no, I won't worry about a due diligence." We have spoken about this before on the show. And really, it's like getting--if you--if the average business costs \$300,000 to buy, it's like getting \$300,000 and putting it on the edge of the fence and hoping it doesn't blow away. Like it's just so dangerous um, to be doing and can just cause so many issues if--without proper due diligence. And we're talking about the cause, you know, we're talking about for the cost of a couple of couple of thousand dollars um a proper due diligence can can really save you tens and hundreds of thousands of dollars.

Um, so it's a well worthwhile insurance. But you do need a professional to do that. Don't go and get a template and don't do it yourself. Certainly work with the professional. Yes, absolutely. And that's an area that you can actually save a lot of costs. The more groundwork you do to help that professional put that due diligence together, the more money you can actually sort of save. So um, because you're saving them in time. I don't have to go and do all that work themselves. So you know, so that--work with a partner that you can work trust, and um he's going to uh, help you in that area.

Another area that the accountant and business adviser can help you with, is the operating structure of the business. How is this business going to operate? What entities best for the uh, for conducting of the business? What tax consequence consequences and tax efficiencies need to be in there? What asset protection needs to be in there? What um, other protection needs to be there in terms of purchasing or if you're buying with an unrelated party? So in counselor and adviser will help you uh in getting that structure right too.

They'll also help you with finance your finance structure. So if you're going to be borrowing to buy the business, what's the best way to borrow? What's the best type of finance to have while you're going and buying this business? Do you need equipment finance? Is there plant equipment, trucks, machinery, um you know, what's going to be security for the for the financing? And that will help you to get all that together so that you can then take that to the appropriate place. And now even have contacts that can help you to get the best possible outcome for your finance, and that's going to work for you to allow you to run the business fluently.

Um tsk, it's very, very important that you you get that that pace, right because that will affect your working capital will affect your your cash flow and the in the ability for the business to run. So you want to make sure that piece is structured correctly and the most effectively for the type of business or industry etc, that you're buying into. Um, and then importantly, they'll help you establish proper accounting and record keeping procedures, and set you up with the right systems so that you can keep track of your um business performance as efficiently as possible and and accurately as possible, without sort of taking up a ton of time.

There's some amazing, amazing systems out there in the marketplace these days. And I encourage you to um certainly talk--get professional advice around setting that up. I have seen so many business owners think, "I'll just go and get an off the shelf accounting program, I'll set it up myself." And I end up in an absolute mess, it gives them no information whatsoever. And uh, it's just not right for them and literally cost them thousands and thousands of hours in time.

Now one of the things um to be mindful of to where we're talking about these professional services, is, as you get into um, as you get into your business, and as you get up and running and things are running along, your time has a value. A dollar value on it. And this is something that I've had to realize over the years is that my time is worth a certain dollar value to me. So for me to go and do um a task or an activity that is of a lower value or is not going to improve that value to me at all, then I really need to outsource that or get someone else to do that.

So while I'm talking about professional services here, I'm also talking about outsourcing in general to have skills and services. I see people doing you know, doing their basic book work, and that you know, their their time would be so much better spent actually talking to a customer and turning prospects into sales, you know marketing or doing those sorts of things, as opposed to sitting down uh writing, you know filling in entering checkbox into a computer system, or you know--I see all sorts of crazy things.

So be conscious of your time value as well while we're talking about this. But certainly um an accountant or business adviser will help you establish proper accounting and record systems. So there you go. There's some some fairly um important tasks they win in any business purchase or setup or startup, even running day to day that um, an accountant and business a proper accountant and business adviser should be able to help you with and as I said do you want someone who's going to help you objectively, not someone who's just going to say, "Yes, yes, yes."

Um, and they're not going to just say no either. They're going to help you they're going to understand your vision, understand what it is you're trying to achieve. Be empathetic with that and read the landscape and read the whole picture for

you, and work with you to achieve it. That's what you want. Someone like that. That's going to do that. And those people are out there for you. Tsk so use them. Um, don't do it yourself. Legal advice. Here's another area. Most people do need legal advice. When you're buying a business--they get--your lawyers are going to help you with contracts and agreements. Um, they're going to make sure that your contracts are sound and tight and they're going to work for your protection.

Um, if you're renting your premises, your lease is probably one of the most important documents you can have in your business. Because if you don't have a premises to operate out of, then you're going to not be able to make too many sales so and customers won't have anywhere to go. So if you're leasing premises, very, very important that you get appropriate legal advice around that lease. Making sure you got good terms and conditions and preferably good options in there, that you can renew the lease um as it falls due. So definitely make sure you get good sound legal advice.

And other area that the lawyers will help you with, and the legal teams will help you with the are, in your employment agreements. Now employee law is getting more and more litigious. Employees, uh rights and uh ability to be able to uh sue their employers um for ferret, various um breaches of the various employment laws is an absolute minefield. So you want to make sure you have sound contracts that really stipulate between you and your team members, exactly what your agreement is that together--to work together in your business and make sure that everyone's clear as to the appropriate um, way things are to be handled.

So make sure you have sound employment agreements. And again, use lawyers to do this. Do not go on the internet, and get some downloadable templates and fill them in yourself. They are out there, but I encourage you to seek out an employment specialist so that um uh, you get the right advice. Now, not all lawyers are going to do employment law. So you want to make sure that the the lawyer or legal person you are using is across employment law with sound knowledge so that you get the best protection.

There are specialist lawyers that just do employment law. So get--engage those people up front, so that you have um, the protection you need. And then you've got also a fallback if something does go wrong, we can get back to them and say, "Hey, what do we--how do we handle this given the situation". And they can help you through through that I've seen so many people again, just um just ignore this aspect. And they just think I'll just start them on the way just books to start paying, and we'll work it out later. And then things go wrong. And you only need one person. Just need one person to do the wrong thing, and you can be up for you know tens of thousands of dollars. Hundreds of thousands in some cases. So depending on the number of staff you have. So definitely make sure you get appropriate legal documents around your employees if you're going to be employing people.

Asset protection and estate planning is another big area. Now you don't want to go and taking on a business and set up a business, or set up a business or buy a business whatever way you do it, and then not protect it or protect your assets. So you want to make sure that your estate planning is in order. Um, here's an area--this is an area that I see so happen so many times where--particularly where it's unrelated parties. So you might have one family, it's called family A, and another family, family B, and they come together and they say hey, "Let's

buy this businesses joint, you know, as as partners together." And then it's all great. And I call that the honeymoon stage, everything's going to be rosie nothing's going to go wrong. And then they get together and they working along.

Now, we don't know how long each of us has to live on this earth, we just don't know that. We don't know, when our time's up. It could be today, could be in 10, 20, 50, let's hope it's a long, long time away. But so many people go into business together and they do not get proper agreements in place as to what is to happen if someone is to pass away. If one of the parties is to pass away. Now the um downside of this is that, if someone does pass away, and you're in partnership with them, you could very well end up in partnership with somebody you don't want to be in partnership with.

Let's say you're partner, partner number B and you don't like partner number A's wife. And in his wills, he's got um, "Upon my death as partner, I transfer my interest in my business with partner B, to my wife." And now all of a sudden partner B is in partnership with partner A, with absolutely no ability to buy her out. So or to get rid of and that could be detrimental to your business. So you want to make sure that you have appropriate estate planning um uh, in place and make sure you have proper buy sell agreements in place.

What has to happen to your to the business should one of you pass away? You basically would want to have first right of refusal to buy, by that interest of this--of the estate. So that you stay in partnership with the right people. So lots of ways that can be structured--I'm not a legal adviser, so I'm not getting into that too deeply. But certainly, you want to make sure that you've got appropriate asset protection, and estate planning in place. Uh, and we've covered this in our previous episodes of the podcast, but you really want to

make sure you do because you um tsk, it's just a minefield, if you do it with--if you don't do it. It really is.

Alright, he said legal advice, very very important that you have the appropriate legal agreements in place. And you want to make sure your legal adviser can also put in place the right licenses for you and help you with the right legal requirements around what it is that you need to be doing. So they'll do various searches and property searches and all sorts of stuff for you. So yeah, make sure you seek appropriate legal advice, uh when buying a business. Don't just wing it go, "I'll look, I'll just do a handwritten handshake agreement. We'll go from there."

The other important area that I've seen get wrong over the years, just to highlight this, um with the contracts for purchase of a business, um not having the appropriate warranties and remedies in place, should the business not do what the previous owner says it's going to do. A legal adviser will help you with that. So you want to make sure that you've got the appropriate remedies and warranties in there, that are going to protect you, so you don't lose your hard earned money. Worse still, your borrowed money; if you're borrowing to buy the business.

Okay, so uh that's legal advice. And then on an ongoing basis, and certainly starting up a business, I will be making sure I had the appropriate business coaching and advisory um, professional on side as well. And what they're going to do, is basically help you set the strategy and direction of your business. Now this could be your accountant as well, they might do this work as well. Some accountants just do particular types of accounting, but you want to make sure you got someone who's going to do coaching and advisory as well. And basically,

they're going to help you set up your strategy and the direction of the business. Point the business in the right direction, and put you on the right road and right track so that you can head off down the right path from the outset.

So many businesses get in there--business owners get in there and they go, "Right now what? Where do we go?" You really want to have that well thought out and we'll planned out. Um, and that comes from a business plan; having a proper business plan in place, business strategic plan in place, making sure that um the vision is clear for the business where you want to go. Uh, all the drivers of the business are the critical drivers; are identified and, what's going to make the business work? What's not going to make it work? What are the threats of the business to the business uh, and the industry that you're operating in? What are the opportunities that exist that the previous owners haven't um haven't tapped into that potentially could be?

So business coach is going to help you explore those and flesh those things out. And very, very important role for you in going to business. And so many people um, don't engage a business coach and usually comes down to our look at, "I can't afford it." But I'll tell you what, a good business coach should be earning you know, tenfold in what it is that you're paying them. So very worthwhile investment. Um, they'll also help you with growth and performance management. So they'll help keep you focused on um, what's going on with the numbers, the critical drivers of the business, as I mentioned, in the performance of the business, as well as keeping you accountable.

Um, they're going to keep you accountable and focused on what's important and really act as a sounding board for you. That, so you've got someone that you can bounce ideas off, and they can help you with um, making sure that business stays

on track and grows to its potential and then achieves the returns that you're looking for in your business. So and you've got three very, very important professional roles. Again, I must stress, I'm not raising these, because I do a lot of this work myself.

I'm raising them because these are problem areas that I see in business where business owners think that will just go and do it themselves to save a few dollars. And I end up getting birds. And I don't want that for you. Is why I don't mind--here you go and see. But please just seek out appropriate advice. Um, if you're doing any of those things, particularly if you're trying to grow your business, you know, get a coach, get someone who's going to keep you accountable and focused. So that you can um, so that you can get the results and achieve the results that you used to trying to achieve and trying to say.

If you if you don't know of anybody, and you do want a hand with it, certainly I'm more than happy to help you and point you in the right direction. But um, yes, get someone is what I'm saying. And um yeah you--the sky's the limit from there. But get that appropriate advice, and and make sure you covered from there. Alrighty. So I hope that helps you we've covered the importance of um, getting professional advice, why you shouldn't be doing it yourself. Um, get those professionals in there that know what they're talking about, have seen it before and know what they're doing. And know that they--and they they will listen to you and empathize with what it is that you're trying to achieve and understand what you're trying to achieve and work with you objectively to get there in the safest possible way.

And then some of the important advice is that can be given and should be sought before um moving too far forward with buying the business and tsk, yeah

starting a business as well. Alrighty. That's it a longer episode than I actually thought it will be on that on that particular topic, but I hope you've had some value from it. I've certainly tried to give you as much um uh, information there to help you as possible. And as I said, if you need any further help or further information, I am here for you. Just a matter of dropping me alone at [jason@businessmadeeasy podcast.com](mailto:jason@businessmadeeasy podcast.com) and I can help you further from there. Alrighty. That's all we had time for this week. And uh until next week, I wish you every success in your business. And I'm going to hand you over to Mia. Take us out Mia. Here's to your success guys. Bye

**Thank you for Tuning In**



We hope you enjoyed this episode.

If you have any feedback or questions about the content in this episode please don't hesitate to drop me a line at [jason@businessmadeeasy podcast.com](mailto:jason@businessmadeeasy podcast.com) I would love to hear from you.

Other things that you might like to help grow your business.

We have a very active Facebook community that is free to join for business owners and entrepreneurs. You can get access here

[www.businessmadeeasyfacebook.com/community](http://www.businessmadeeasyfacebook.com/community)

We are also on Instagram at

[www.businessmadeeasypodcast.com/instagram](http://www.businessmadeeasypodcast.com/instagram)

Thank you again,  
I appreciate you!

*Regards  
Jason*