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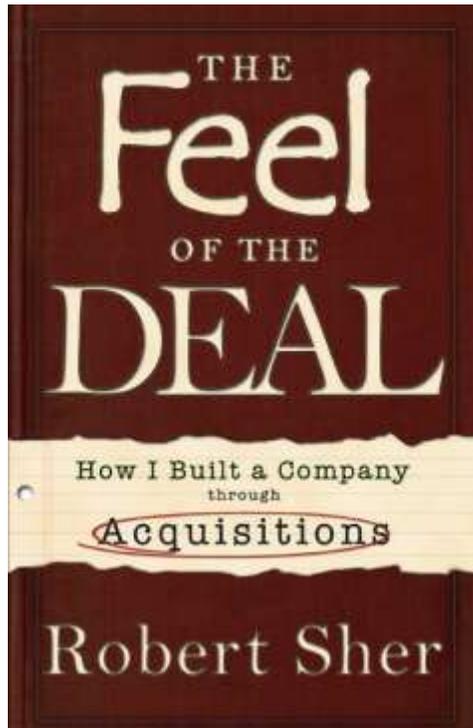
# The Feel of the Deal

How I Built a Company through Acquisitions

Robert Sher

Press Kit

## About the Book



Buying and selling a business is often shrouded in mystery. But no more. *The Feel of the Deal* is an entertaining story of the author's business acquisition and gives the reader a rare opportunity to get inside the head and heart of the CEO.

Robert Sher opens up his thoughts and feelings during the four-year acquisitions journey. His book is a new kind of how-to business guide -- the inside story, fun to read, and easy to implement.

Following the story, 15 essays reframe the usable lessons in plain talk. An educational read for anyone interested in or doing business.

Some key takeaways from reading this book are:

- What is it like to buy a business?
- How do you get to the real truth about the business you are buying?
- How do you analyze a business?
- How do you find sellers of businesses?
- What does it feel like to do a deal?

Key Facts:

- ✓ ISBN 978-1-60222-000-3
- ✓ \$19.95 257 pp.
- ✓ Publication Date: August 15th, 2007



## About the Author

Robert Sher is founding principal of CEO to CEO, a consulting firm of former chief executives that accelerates the performance of mid-sized companies by improving their leadership infrastructure. Based in San Ramon, Calif., CEO to CEO has worked with the executive teams at more than 70 companies across the U.S., including skincare products seller Rodan + Fields, mobile phone accessories retailer Cellairis, law firm Hanson Bridgett and cloud services provider GoGrid.

Robert has been published in the *Harvard Business Review*, *Forbes*, *CFO* and other leading publications. He is a regular columnist on *Forbes.com* and *CFO.com*, and published a multipart series on HBR.org. He published his first book in 2007, *The Feel of the Deal: How I Built a Company through Acquisitions* (1toPonder). He also publishes his own newsletter, *The CEO Insomnia Factor*. *Mighty*

*Midsized Companies: How Leaders Overcome 7 Silent Growth Killers* is his second book. He also speaks frequently on the successful leadership traits and skills of CEOs of mid-sized companies.

Prior to launching CEO to CEO in 2007, Robert was chief executive and co-founder of Bentley Publishing Group from 1984 to 2006. He steered the firm to become a leading player in its industry (decorative art publishing). Early in the business, he and his partners identified a gap in the fast-growing market for framed artwork: high-quality yet affordable prints perfect for the decorative market. Sher and his partners bootstrapped the business, but key successes breathed new life and cash flow into the business. He led the acquisitions of four competitors between 1999 and 2004 and left Bentley two years later. The firm merged with Global Arts in 2011 to form Bentley Global Art Group.

Robert is involved in three Northern California associations for mid-sized businesses. He has been a director of the Alliance of Chief Executives since 2007; president and board member of the Association for Corporate Growth San Francisco; and an Advisory Board member of the California Israeli Chamber of Commerce.

Robert received a B.S. degree in business administration from Hayward State University in 1986 (during which he ran a small business), and an MBA degree from St. Mary's College in 1988, where he was the recipient of the Jack Saloma Award for student citizenship. From 1995 to 2000, he taught MBA and executive MBA courses at St. Mary's on growing entrepreneurial businesses.

Robert and his wife Renee have two children, Ben and Jessie, and live in Northern California. They love sailing and travel.



## Press Release

For Immediate Release

Media review copies and interviews available upon request. High resolution jpeg of book cover also available via email upon request.

Contact: Jan Dare Brown, j.brown@ceotoceo.biz 925-829-8190

### ***CEO Insider Reveals the Human Side of Mergers and Acquisitions***

***“Treating people well has a big payoff,” says Robert Sher, mergers and acquisitions specialist and author of the new book *The Feel of the Deal*.***

Businesses are bought and sold every day. Mergers and acquisitions have a developed a reputation for being brutal, callous and indifferent about the people involved. Are they really that fast and furious? Is it really a vicious world?

**Robert Sher**, author of ***The Feel of the Deal***, knows different. In fact, he'll tell you that the acquisitions he's gone through have been long, deeply involved and extremely personal events -- daunting emotional and intellectual journeys -- that left him a changed person forever.

Robert Sher, an M & A specialist with years of CEO experience, captures the real story and reveals what really goes through the mind of a CEO in a true life story about what happened as he worked to acquire another company.

The story is about romancing the seller and then buying the business. Sher finds out that buying a business requires all of the skills that running a business as a CEO requires. That includes negotiating, thinking about how to best work with other people, crunching numbers, identifying the real motives of others, evaluating ROI of various investments and working to keep people up to speed on all sides. Here is a captivating story that recounts the candid details of what CEO Robert Sher actually did, what happened and what ultimately flowed from it.

Sher has a thoughtful, self-revealing and totally engaging personal style that makes the action genuine. His skills as an educator also shine and he makes complex ideas simple and actionable. He is incredibly disarming and truthful about what drives him crazy about M & A:

**“Unrealistic Expectations.** Too many buyers and sellers don't understand what a business is worth or how the process works. They waste a lot of time and energy for everyone.



**Bad Behavior.** Buying and selling businesses is emotional. With emotion, bad behavior often appears. Dealing with this is difficult, draining, and can really hurt the chances of both parties achieving their objectives.

**Confusing Guesswork with Facts.** Buying and selling a business is a process of discovery of hundreds or thousands of facts and issues. As the onion is unpeeled, people tend to jump to conclusions and fixate on bogus positions or perceptions. That can lead to bad decisions and destructive negotiations.

**Faulty Communications.** With so much being learned on both sides, using the right communication vehicles in the right way at the right time is crucial. Conversation is very critical which means heavy use of in-person meetings and the phone. Deals don't get done on e-mail alone!"

*The Feel of the Deal* is filled with key strategic business advice that is important and useful to both buyers and sellers of businesses - including those who are even contemplating the possibility of a possible acquisition that is years away.

A pdf of the first three chapters is available [here](#), along with a recorded radio interview.



## Comments and Reviews

**Hubert Engelbrechten, CEO**  
gTronix

Robert,

I read your book over the last couple of days and really enjoyed it. Great book! I can sympathize with every chapter. When I worked at Fairchild we build that company from a \$550M spin-off from National through acquisitions to being \$1.6B company. When you have a chance I would actually love to talk more with you about your experiences.

**Josh Eichner, VP**  
Framerica

Dear Rob,

I have read your book twice! It is incredible. I have let a friend borrow it and he called to tell me how much he likes it as well. You should be really proud of it. It is beyond informative. I loved it! I cannot thank you enough for writing it.

**Dennis Heath, Founding Principal**  
MBH ARCHITECTS

Rob:

Finished it and enjoyed it very much. Your pearls at the end of the chapter have great value for me. This will become a resource book for me.

**Dennis Jaffe**

--Professor of Organizational Systems, Saybrook Graduate School, San Francisco

In this era of cookie cutter business books, Robert Sher has written one that truly stands out. He puts the book into the framework of a true-life story about acquiring another firm. At each point, he offers general ideas that flow from what he actually did. Sher is thoughtful, self-revealing and has a style that makes complex ideas simple and actionable.

**Rand Morimoto, CEO,**  
Convergent Computing; Cyber-Security Advisor to the White House

What a captivating read ---I was only going to glance through it but couldn't stop reading. I wish I had this book before I set out on my first acquisition; this



is the type of candid information that helps you prepare for a difficult task. I related closely with many parts of what Rob wrote, and felt connected with the heart, mind and soul of a fellow CEO.

**Paul Witkay, Founder and CEO**  
Alliance of Chief Executives

Robert Sher has created a rare opportunity for readers to get inside the head of a CEO. "The Feel of the Deal" is a wonderful story of how the emotional elements of an acquisition are intertwined with hard business analysis to result in a "win-win" result for both buyer and seller. Sher shows us how he combined rigorous financial analyses with the nuances of the "negotiating dance" that takes place between buyers and sellers. Any business owner wanting insights on the ups and downs of acquiring another company - especially a competitive firm - would find "The Feel of the Deal" both educational and enjoyable.

**Jim Horan, President, Author, Consultant, Speaker**  
The One Page Business Plan Company

Understand the anatomy of a deal from a CEO who has actually been through the process multiple times! Robert Sher shares step by step how a deal evolved, what the important considerations were at each step, and what he did, what he did not do, ...and why. This book is a conversational dialog with a CEO. He has "offline conversations" with the reader throughout the book that really help us understand the feel of the deal! I highly recommend this book to anyone thinking about buying or selling a business.

**Constance O'Connell**

The "Feel of the Deal" is a very useful and user friendly anecdotal text for the modern entrepreneur. The book takes a basic practical approach to business and acquisition in a thoughtful way. The "Feel of the Deal" is a valuable handbook for both the new and experienced business professional.

**Ben Casnocha**

Entrepreneur and Author of "My Start-Up Life" Author of "One of the Top 25 Blogs in Silicon Valley"

"The Feel of a Deal is an authentic, original account of the acquisition process in business. The narrative is accompanied by provocative reflections and takeaways. It's a good read."



## Show and Story Ideas

### **Idea #1: Advice from Robert Sher for people involved in an acquisitions process:**

1. Take your time to get to know the people well. Care about the whole person including their family, their work, their hobbies, their future and their aspirations. They know you aren't likely to become their best friend, but a genuine interest or curiosity in the other party goes a long way toward wanting to do business with you.
2. If possible, have a relationship months or years before the negotiation begins. This means you'll think today about whom you might buy or who might buy you, and you'll find reasons to mix with them every so often. It might be the only way you'll even get to the table. And maybe you'll be the only one at the table!
3. When negotiating, find a way to give the other party *just* what they really want and need. Of course nobody gets everything they want, but too often concessions are thrown on the table that don't count for much. First, identify what they really absolutely require for them to say yes, then find a way to give it to them. They need a 10 million dollar price? Fine. Paid over a lot of years, and contingent on good performance, perhaps.
4. If the other party is a jerk or has a value set that is fundamentally opposite to yours, you'll find yourself unable to behave professionally. Walk away--no, *run away* from the deal. The damage to your reputation will be long lasting, and you can't typically make good deals with these kinds of people anyway.
5. Great advisors are a requirement. Find and confirm that they are great before you really need them. One aspect of great is how well they communicate and work with others. If they are going to interface with the other side, will they follow your rules about how to treat others? Are they capable of that? Think about your lawyer, accountant or broker.
6. Don't ask for things that you'd consider out of line or selfish if the roles were reversed. They'll lose trust and you'll make them angry. The style of negotiating where both parties start really far apart and slowly work toward the center creates massive collateral damage and destroys relationships.
7. Do nothing that would discourage the next 10 CEOs whose business you'd like to buy if they could see your every move in this deal. Reputation spreads quickly, and a good reputation will bring you better deals next time with less competition.



8. Be fair. I'd love to get a "steal", but there is usually fallout from a steal. The seller won't work with you down the road because he feels like you were cheap. They say bad things about you to everyone. Better to pay on the low side of fair for what the seller has created, but buy a business that has great upside when combined with your resources and talent, and earn the big bucks that way.
9. Spouses are really critical. Most M&A transactions are life-changing events. What the spouses are like and what they say to the decision maker can make or break a deal. Meet them. Think about their needs and opinions.
10. Be complimentary. Presumably the seller and the buyer are both accomplished. Find areas the other party excelled in and comment on it. Make them feel smart. Ask the seller what they'd do if they had your resources to grow the business. You'll learn a lot, and they'll feel good too.
11. Don't lie or deceive. It is what it is. Certainly think about how you want to position things and how they should be presented, but know that most critical information will be discovered either before or after the deal.
12. Understand the other party's real motivations for doing the deal. Listen carefully. You'll avoid saying and doing things that will upset them and that they'll reject. Likewise, you won't have to give a number of concessions because you'll realize that they don't really serve their needs.
13. Don't rush to price. It's the first thing everyone thinks about, but talking about it too soon sours deals. First talk about fit, motivation, and the possibilities. Get everyone visualizing the deal happening, and identify what it is you think you're buying (or selling). Then, when there is little else to talk about, gently get into their expectations about pricing.

### **Idea #2: M&A Readiness: A corporate state of mind**

Most business leaders are mindful that certain things may become necessary to grow their businesses. Things like borrowing money, hiring a COO, buying a big piece of equipment, moving the business to larger quarters, and more. For many CEOs of small and mid-sized firms, the incredible opportunity of buying a business or selling the one you run today is out of sight and out of mind. Great opportunities float by and are missed. Worse still, opportunities present themselves and the business and its leader aren't ready and can't take advantage.

Critical to building a business today is having a corporate state of mind which includes M&A readiness. Why?

1. You'll keep your business in top condition, knowing that at any time in the next three years, you may sell the business. You'll pay attention not just to profits this quarter, but all the other critical factors that really make up the



value of a business. Even if you never sell, your business will be much healthier.

2. You'll keep up relationships with all likely strategic buyers and sellers so that the comfort is there for those strategic buyers to turn to you first when they're ready to buy or sell. If you initiate, you'll have the best chance of having several eager strategic buyers bidding for your business at the same time, creating auction level pricing.
3. Having an M&A state of mind at all times will require you think strategically about your business on a regular basis, which will precipitate many different actions that will benefit your business over time.

### **Idea # 3: There should be an R in M&A**

Every year, the leader of the business makes a decision. The decision is to either retain the business, sell the business, or acquire a business. In essence, if you don't sell your business, you are deciding to "buy" it yourself -- or retain it.

The decision to retain means that you feel the business is worth more to you in your hands and control than what you could get if you sold it. But how can you make such a decision unless you assess your own business in just the same way a buyer might make such an assessment?

Business leaders should annually do a market review of their business -- not the kind of valuation your CPA does, but the kind of analysis an M&A broker would do in preparation to sell your business. Three clear benefits come from this.

First, you'll be able to see how much your business' value had changed since the last valuation, allowing you to make a good decision about selling.

Second, you'll identify all the weaknesses in your business and can lay plans to fix them.

Third, as part of your competitive analysis and strategic planning, you'll start to see opportunities in your business where an acquisition might be a big step forward.

### **Idea #4: The Incremental Acquisition**

Buying businesses can be addicting and exciting. Often, CEOs will look at a small deal (relative to the size of the acquirer) and move forward, thinking that it'll add incrementally to volume -- say 5%.

The truth is that small deal is not necessarily easier than big deals. The author did four acquisitions, and the fourth, an incremental deal, was the worst, and caused great disruption and headache. This story is not written about in *The Feel of the Deal*.



Key considerations:

- Dependency on seller personnel after the close.
- Dependency on seller performance after the close.
- Reputation of the seller.
- Legal and accounting costs.
- Integration issues with your own system.
- Desperation level of seller.

**Idea #4: WHY owners sell.**

One of the most fundamental issues for a buyer is to really understand and know why the seller is exiting. If the seller is exiting for "bad" reasons, it means they are trying to "dump" future foreboding events on the unsuspecting buyer. If the seller is exiting for "good" reasons, the buyer can rest more assured that the future will have no nasty surprises. The sellers often don't tell you the real reason they are selling. It has to be teased out of them.

- We discuss common good and bad reasons a business is sold.
- We discuss some tactics for "teasing" the real reasons out of the seller.
- We discuss some research (due diligence) issues that can help the buyer discover possible negative issues well before they're committed to the deal.

**Idea #6: Advisors in M&A**

Most CEOs will need and want advisors to help them in their M&A efforts, but how you work with those advisors is a critical issue and depends in large part on your skill set.

Critical Questions:

- How good of an impression will you personally make to prospective buyers?
- Do you know when you need help?
- How well do you listen and take advice?
- Can you be the analyst?
- Are you a lawyer?
- Are you a CPA?

Key Takeaways

1. You must know what you don't know -- to avoid stepping into problems blindly.
2. You or your internal team should do as much as your skills and competencies allow, and work hard on learning from the advisors you hire so you can build your skill set.
3. Never abdicate control -- it's your deal and you must call the shots after listening to your advisors.



## Interview Q & A

### **Why did you write this book?**

Over the years, I've seen so many CEOs and entrepreneurs not even consider buying businesses as a strategy for growth. At first, I thought that they found it too complex, but so many CEOs do such complex things, so that wasn't it. I realized that it was a fear of the unknown that was stopping them. They just didn't know what it would feel like to buy a company. They heard so much about the mega-deals in the media that many just figured it wasn't in their league. But it is, and this book shares with them how it feels to buy a business, and the steps I went through to do it.

### **How have people found this book useful?**

Entrepreneurs and business leaders new to the world of acquisitions find it helps them set expectations for the process, and to find some best practices they can adopt immediately as they begin to think about buying a business as a growth strategy. Veterans seem to really like my approach to the interpersonal aspects of working with people in general and see the value far beyond the context of doing a deal.

### **Is it common to take so long to get the seller to say yes?**

This whole process can and often does take months or years. In particular, when the buyer is reaching out and identifying strategic acquisitions, they will begin to romance firms that were not planning to sell. In these cases, it will take a long time, especially if the buyer does not want to push the issue by overpaying. There are other cases where the seller initiates the process, and they generally go faster -- as fast as three to six months.

### **So how did the doing the deal in the book feel to you?**

At many points it tried my patience, as it took so long. The saving grace was that it wasn't my only growth strategy. I had many irons in the fire and plenty to do as a CEO. Once the seller decided it was time to move forward, it was incredibly exciting and represented a big challenge: To identify if this was a good deal, then buy it at a good price. Ultimately, at the price we paid, it was a major bet, and there was some anxiety along with all the exhilaration. It seems big rewards always come with big risks, and the risks all come right away after the deal is done. Clearly, this was a highpoint of my career as a CEO to date.

### **Is the book only about buying the business?**

The story is about romancing the seller and then buying the business. But buying a business requires all of the skills that running a business as a CEO



requires. As a CEO, I was always negotiating, thinking about how to best work with other people, crunching numbers, identifying the real motives of others, evaluating ROI of various investments and working to keep my board on my side. The story shows how I do all of those things, but focused on one particular exercise -- buying Aaron Ashley. The end of chapter sections called, "Rob's Reflections" and the 15 essays on business are broadly applicable to anyone running a business.

**Is the seller Phil Ginsburg still alive? If so, did he go blind?**

I get this question often. The good news is that his sight has substantially recovered, and he is still, fully and completely alive. Phil Ginsburg, shown at right.



**What was the most trying part of the story for you personally?**

Without doubt it was the weeks where the deal was about to close, but my bank financing was uncertain. It's detailed in Chapter 12; Attempted Murder. The thought of having to tell Phil that we couldn't do the deal after all that we'd done was not pretty, nor was the thought of trying to do the deal without adequate financing and risking the firm.

**What three key strategic business practices stem from your experiences in the story?**

- Make friends well in advance with anyone from whom you might buy a business or sell a business. The advantage of an established relationship and the trust that brings is massive.
- Have a clear strategic reason for doing an acquisition in advance, and stick with it. Doing a deal is exciting and tempting, and one can easily get swept away with things. If you only work deals that are strategically sound, getting swept away a bit won't land you the wrong deal.
- Test all your assumptions really well. Crunch the numbers and understand all the fundamentals. Surprises are your enemy--work hard to smoke them out early on.

**What drives you crazy about M&A?**

- Unrealistic Expectations. Too many buyers and sellers don't understand what a business is worth or how the process works. They waste a lot of time and energy for everyone.
- Bad Behavior. Buying and selling businesses is emotional. With emotion, bad behavior often appears. Dealing with this is difficult, draining, and can really hurt the chances of both parties achieving their objectives.
- Confusing Guesswork with Facts. Buying and selling a business is a process of discovery of hundreds or thousands of facts and issues. As the onion is



- unpeeled, people tend to jump to conclusions and fixate on bogus positions or perceptions. That can lead to bad decisions and destructive negotiations.
- Faulty Communications. With so much being learned on both sides, using the right communication vehicles in the right way at the right time is crucial. Conversation is very critical which means heavy use of in-person meetings and the phone. Deals don't get done on e-mail alone!

**Please tell us three points of advice for sellers.**

- Prepare to sell three years before you want to sell, and run your business at all times as though it might sell in the next 12 months.
- Always know who might really want to buy your business, keep it attractive to them, and keep a personal relationship going with them.
- Get multiple buyers bidding for your business at the time you wish to sell it.

**Please tell us three points of advice for buyers.**

- Always keep in mind that one of your growth techniques can be acquisitions, and know strategically what business would give you the best jump forward.
- Stay financially healthy and well positioned so you can afford to pay the price for a good company when they come along.
- Build a reputation for being a great buyer, and position yourself so the the companies you most would want to buy think of you as the best (and perhaps only) company they'd like to sell to.

**In the book it sounds like you listen to every word you hear and then analyze. Do you really do that?**

In critical business situations and to my clients, I do always listen carefully. Not just to what is said, but the attitude and emotions behind what is said. I also think about what transpired, and what it means to the relationship. In negotiating situations, I also carefully control what I say and how I say it.

At the same time, I'm not analyzing everything and everybody around me. There's a lot of life that goes on that I just take part in, including much of my friendships with people that I also do business with. Most of my friends and business colleagues feel and know that I'm straight with them and honest in whatever I say. Being diplomatic doesn't have to mean being dishonest. Honest doesn't have to mean hurtful or insensitive.

**If someone offered you a drink now, would it still be Diet Coke, or would it be Dewars?**

We all change. My default sodas right now are Diet Mountain Dew and Diet Root Beer, with diet 7-Up as a backup. Dewars has persisted as my favorite hard



liquor, even five years after I developed my taste for it, courtesy of Phil Ginsburg.

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Cover image and photos of Robert are available for immediate download at:

<http://www.ceotoceo.biz/press-room.html>

