

Greg Barnes: Transworld Business Advisors Charlotte, NC USA Top M&A Consulting Firm | Small Boutique Mergers & Acquisition Broker, Established Business, And Franchises For Sale

Greg Barnes Interview 2022-07-25

[00:00:00] **Joey Myers:** Hello and welcome to the lead generation strategies podcast. I'm your host, Joey Myers from lead generation SEO services.com.

[00:00:14] I have the honor today to bring on Mr. Gregory Barnes. You want me to call you Greg or Gregory? It's up to you.

[00:00:20] **Greg Barnes:** Call me Greg. If I hear Gregory, I feel like I'm getting in trouble.

[00:00:24] **Joey Myers:** That's like me and Joseph. My mom's the only one that calls me, Joseph.

[00:00:27] Welcome to the show, Greg.

[00:00:29] **Greg Barnes:** Glad to be here.

[00:00:30] **Joey Myers:** Hey, let's start off with an easy one. Where are you based?

[00:00:33] **Greg Barnes:** We're based right in the middle of Charlotte, North Carolina. If you ever visit Charlotte, we're right uptown on the square offices, right over what they call the square trade and Tryon.

[00:00:44] **Joey Myers:** Very cool. How long have you been there? We've been there seven years.

[00:00:47] Have you been there seven years?

[00:00:48] **Greg Barnes:** I've been with trans world and had this office here for seven years. I've been in Charlotte since 1995.

[00:00:54] **Joey Myers:** You've been there for a while. Are you from the North Carolina area, just kind of moved around? Born and raised?

[00:00:58] **Greg Barnes:** Yeah, born and raised in Wilkesboro, North Carolina, small town, about 30 minutes from Boone. Went to college in Greensboro, North Carolina, and then moved to Charlotte. So yeah, Charlotte and north Carolina's been home my whole life.

[00:01:10] **Joey Myers:** I love it. I love it.

[00:01:12] What do you guys do? Get into the nitty gritty here.

[00:01:14] Greg, what do you guys do on a high level for your company?

What do you do on a high level for your company?

[00:01:18] **Greg Barnes:** On a quick high level here at trans world business advisors, we deal with the bond and selling of existing businesses. Think of small business owners, when they look to retire, we assist them with that sell of their business. We also work with over 500 franchises.

[00:01:33] We deal with the selling of franchises as well. We have a franchise resale department, so that business owner, that's looking to retire that owns a franchise we also assist him, and we have a franchise development team.

[00:01:46] If you have a small business and you want to turn it into a franchise, we assist with the paperwork, documentation, marketing, and sales of that new franchise. We do a couple of different arms here, but it pretty much lies around the buy and selling of [00:02:00] the business.

[00:02:01] **Joey Myers:** Very cool. You've said you've been with the company for seven years. Have you always done this Greg or what did you do before if you hadn't always done this?

[00:02:07] **Greg Barnes:** It's a great question. I started my first business in May of 1999. I've been a serial business owner since then. Trans Worlds the seventh business I've owned, and it is a franchise. I bought it in 2015 and we opened in November of 2015, but hopefully this is my last stop. I'm trying to ride this train all the way to the end.

[00:02:28] **Joey Myers:** What I know in the last couple years, I've really done a lot of research into mergers, acquisitions, that kind of thing. You said this is the seventh business that you've owned. What kind of businesses have you dabbled in before this?

What led you to the mergers and acquisitions business?

[00:02:37] Then what led you into the mergers acquisitions business?

[00:02:40] **Greg Barnes:** I've always been in the service industry, so I'm still in the service industry. I pride myself on doing what you say you're going to do. That's the main piece to service industry. My stepdad owned a transportation company growing up, so I was already doing logistics and things for him.

[00:02:57] Once I graduated from college, I worked for one of the big trucking companies here doing logistics for just a little while and I realized that I couldn't work for someone else. I started transportation company, very simple, everything. I kind of already knew it.

[00:03:11] That kind of dwarfed over in the other service industry businesses, I've owned auto repair business, tow truck company, auto parts sales business. I even owned a landscaping company one time.

[00:03:22] Anything around that service industry, I've always really been drawn to it. In 2020, the pandemic proved to the world that we cannot operate without the service industry. That was the only guys working, everybody else was own.

[00:03:37] **Joey Myers:** Very cool. A lot of those businesses are very much in need. Like you said, during 2020, we found out how much in need those businesses are and so the transition into that mergers acquisitions business, was that just more of a thing you saw working in these other services industry businesses, and you were like, hey, that, that might be an actually good skillset to either have, or to be able to service other service-based businesses. Is that about your journey into [00:04:00] it?

[00:04:00] **Greg Barnes:** Yes, sir. Actually, what happened was my mentor decided to sell his business, when he was very retired and that's when I learned about business brokerage and that you could sell your business.

[00:04:10] I never even knew that there was such thing as business brokers and a lot of business owners don't know that they can sell the business, not just sell the assets, but sell the good will of the company as well.

[00:04:22] That's what happened. I sold a couple of my companies, and I bought a couple of those businesses that I've owned. I didn't start 'them all from scratch. I had been through the process a few times, and then when I sold my last company, the transportation company, it was the largest company I had.

[00:04:38] When I had a broker that assisted with that sale, he said, Greg, you should get in this industry because you already understand business. You keep good books and records and know how to package your business for sale. So it was that next step, and he just planted that seed in my head.

[00:04:54] I said I don't want to start barns business brokerage. I started looking around and I looked at some of the franchises and I landed with trans world because trans world's been around since 1979. We have a lot of data and information, and I

went down and met with our CEO, Andy Cagnetta and it was just a great meeting and a lot of our business acronym aligned, that the client's always the focus.

[00:05:17] **Joey Myers:** It's so fascinating when you start looking into the mergers acquisitions business, go into a little bit for those business owners that are out there, maybe don't know much about it, what's the differences, pros and cons between starting your own business versus acquiring business that's already going?

What's the differences, pros and cons between starting your own business versus acquiring business that's already going?

[00:05:31] **Greg Barnes:** Yes. Yes. That's a big question but if you can get into a company that's already up and running, it's going to give you that aspect of already having that historical data, you have that client base in a world like today, you inherit that website, that following, social media.

[00:05:50] You, Joey, you SEO guys you inherit that SEO as well, so you're not starting from scratch and putting out a brand and trying to find your way and weed [00:06:00] through there. But also, the big bonus is that you can actually usually start one cheaper than you could buy one cheaper than you could start one.

[00:06:08] Because if you go through say you do an SBA loan and you're 10, 15% down. If it's a million plus business, you're talking couple of hundred thousand and you're already up in cash flow with day one compared to dumping a million in hitting the business up and going and hoping they come right. Praying they come.

[00:06:30] The main advantage I look at when I look at personal business is not only the financial data, but that good will. How's the name of the company? How is it run? Is it efficient? How are the employees. Key employees, really the key employees, but it really gives you an insight of inheriting people that already love the company.

[00:06:50] You have a different vibe than if you're reading through there. Employees are tough. You can go through tons of 'them but imagine buying a company and you've already got your key 10 or 15 players in place and just running with it from there.

[00:07:06] **Joey Myers:** I know there's a lot of stigma some people out there, again that don't really know business people about this, that you can do this and it is actually more cost effective to acquire a company than it is to start one.

[00:07:17] They might think I got to come in with a couple hundred grand or like you mentioned an SBA loan. Are there ways that you can broker a deal or acquire a company in a way that maybe you could go zero down for a certain amount of time and then use the business, their own assets to pay that down payment...

[00:07:33] Are there ways like that?

Are there ways that you can broker a deal or acquire a company for zero down?

[00:07:34] **Greg Barnes:** It happens. It does happen but it's a unicorn. I think that's one of the biggest misconceptions that we have out right now that there's a lot of misinformation that you can go in and get a company zero down or 10% down. But we must flip that if you're that business owner and you ran that business for 10, 20 years, you built up all this goodwill.

[00:07:56] It's tough to take 10% of a million. Here's a hundred [00:08:00] thousand and I owe you 900,000. That's a big step for a business owner. Now I know this it's out there and people say that, but I would say that it's very minimal that you see that. Usually, it's about 50% of that acquisition price.

[00:08:13] If you can't get loan far as a seller note to get a seller to more than 50% seller note is tough because he's taking all the risk. He's just switched from the buyer kind of risk to the seller risk. But if we can find a way to bridge that gap, now, there are some things we can do far as earn outs.

[00:08:31] So the company must hit a certain amount of revenue. Then and things like that. 10% down's tough. Usually when I hear it and the seller just jumps out the chair, I can't do that. You just got to look at it twofold.

[00:08:43] **Joey Myers:** Have you ever done any deals where the owner stays on, like you said, it's a payout buyout, but where they stay on for a length of time for a year or two years and you pay them a salary basically to stay on, to make sure, hey, we're on the right path. We got the process in place. Do you ever do deals like that?

[00:08:58] **Greg Barnes:** Yes, sir, we do that all the time. The owners stay on, usually I think it's about 37% of the time the owners stay on for a period and years, usually around the max. A year, maybe two years, unless he keeps some equity in the company.

[00:09:13] If he goes to that salaried employee, you've been a business owner for all these years. It's tough to work on a salary employee with a ceiling. So usually there'll be a percentage of equity like that seller keep, and then he's more likely to work past that one year or two years' time.

[00:09:31] **Joey Myers:** Very cool. Now you mentioned Greg about you when you were shopping some of these franchise trans world, some of the different business acquisitions companies, and you said that, it was a better alignment of your values and things like that. What makes trans world different in your eyes than other brokerages?

What makes how your company does business different than other mergers acquisitions businesses?

[00:09:46] **Greg Barnes:** Yes, sir. One thing about TransWorld and Andy Cagnetta, and our great team down there is that we're more family oriented and we operate strictly for that client and working for that client and getting the best [00:10:00] results for that client, where some brokerage or some firms might work more for the commission to their pocket.

[00:10:05] The money will follow if you do the right things and what I like about with trans world, it's so aggressive. I'm a very aggressive person, as far as with business. My demeanor is I'm going to go all day wide open, right? I want to know what's the new trends. What's the new things that we're doing.

[00:10:21] We want to bring in these platforms as well for our company. Like we have our own social media platform. We have our own CRM system. We used to use Salesforce. We built a customized one, so we don't have all these other things that we only use. Salesforce got thousands of things.

[00:10:37] You can do it, but you only use like 10 of 'them. We kind of zone that in we have our own electronic document signature that we can send out through the CRM, but they just continuously keep boots on the ground. Another big plus is our CEO Andy Cagnetta, he kept all of Florida, so he franchised outside of Florida.

[00:10:57] So he's still in the business brokers industry with boots on the ground all over Florida. Whenever there's a trend, like the pivot for the pandemic, we were ready to go. We already had zoom backgrounds, in a matter of weeks, we were ready to go zoom and just keep the ball rolling, where some of the mom-and-pop shops might not have had that kind of capabilities to pivot that fast and that quickly.

[00:11:23] **Joey Myers:** That leads me into this, wouldn't be a lead generation strategies podcast without talking about lead generation strategies.

[00:11:27] Let's talk about that pivot in 2020, how did things change? You mentioned zoom and things like that, but from a lead generation standpoint, getting more clients, getting more business owners to go with you guys.

[00:11:38] How was 2020 different? What kind of changes did you guys make?

How did getting leads into your business change since 2020?

[00:11:41] **Greg Barnes:** Prior to pandemic, it was a little bit, I'd say more old school. I think that was one of the things that drew me to trans world, that it was a little older school and I'm an old school guy. I've been around for a while.

[00:11:52] But the way that we pivoted also is we bring in some of the younger talent, millennials. Even younger than millennials. I forget [00:12:00] what generation that is. But anyway, the young people came in and like I mentioned, with the social media we really went into social media hard.

[00:12:07] They would already have everything pre-screened and ready for us. All we had to do was put Charlotte on there, rather transport builders add Charlotte. So they did bring in a lot of tools there. We also did a lot more of the email marketing campaigns, drip campaigns.

[00:12:22] For me personally, I've been to a lot more networking through zoom because we did a lot of face to face. It's hard to meet with business owners and sell their business without getting face to face with them, but really got adjusted to the zoom and I think that was some of our mainly generations.

[00:12:36] I'm sure we kicked it up some more on the SEO front too. We had to cause everybody did you're not on the street anymore but any kind of way that we could touch that client, we're on all the platforms, YouTube. We got a YouTube, we started our podcast, trans world has their own podcast that comes out.

[00:12:53] We're really doing some things out of technology, using that technology to bring us to that point. Now, has it all been smooth? No, because we were turning the Titanic. We are the largest business brokerage firm in the world.

[00:13:06] 300 worldwide, two different countries. But I think that brings our bandwidth together as far as we lead generation as well. We started dropping messages in LinkedIn. We were going directly to the business owners any way we could through LinkedIn or Facebook, or they were on Instagram.

[00:13:22] We'd shoot a note on Instagram, just DM moment. Just doing everything possible to touch that business owner.

[00:13:30] **Joey Myers:** Very cool. You say old school in the pre pandemic was a lot of probably TV ads, radio, billboard, that kind of thing. Then you guys, like you said, steer start steering the Titanic over towards the social media, any social media channels that you've noticed have done better than others, Instagram, LinkedIn.

[00:13:47] **Greg Barnes:** I think Facebook's probably the best for us because Facebook has a little bit older user, right? Most of our user's business owners are at least 35 is ready to sell a business. There are some [00:14:00] entrepreneurs out there before 35, like myself, I started 25, but the main thing is for us to touch that generation at 35 to 55 are the ones that's above 55, they're looking at retiring and exiting and we do a lot through telemarketing.

[00:14:15] We're still reaching those people, the telemarketing front, but Facebook has turned it around and we've got several leads through Facebook messenger, things like that and Facebook sponsored ads because of our demographics.

[00:14:27] **Joey Myers:** Very cool and where do you guys see the business going?

[00:14:30] So we've talked pre pandemic, we've talked pandemic. Do you see a little bit more of the same? Just little bit more invested into the social medias and things

like that or is there a kind of a bigger thing that you're looking at with hopefully we're coming out of this whole pandemic thing and we're getting back to life as usual.

[00:14:44] So what kind of changes do you see in the future for you guys' lead generation?

What kind of changes do you see in the future for you guys' lead generation?

[00:14:49] **Greg Barnes:** Yes. Lead generation, heavy on the media front. That media market and that's where we're going to be at. That's the new age. I'm a true believer in it, LinkedIn is one of the best tools for us because it's business owners all over it, as far as lead generation through their sales navigator.

[00:15:06] But I'm big on Facebook and Instagram and those, because it shows that we're real people. A lot of times people hear business brokers, they think, you know that a guy just wears a suit and tie, comes in and does the numbers, but what we're human too.

[00:15:22] We like to show that personal side. Our charity work that we do, through the churches or through the community and social media is that platform. I think that's the key is we've got to show as business owners that we do are involved in the community and that we do things in the community and not just, it's a homeless guy I'm going to give him a butt and take a picture with him.

[00:15:41] It's getting out there, rolling sleeves up and doing the work. That's where the social media platform brings it and in that general demeanor that we show of how we truly are. That's what drives the people to us. You got to put it out on the platforms and which you can't talk shop all the time.

[00:15:57] My mentor says, just take the [00:16:00] alphabet and every time you get to a valve, then you plug your business. Everything else is then you ask for the sale on the valve. It's just, post A B CD and then E you ask for it and then, but you're getting to know you through the alphabet and that's how we do it.

[00:16:13] **Joey Myers:** A lot of content, a lot of content marketing and things like that. That's so powerful. When I first started, it was a lot of SEO when I started my hitting performance lab.com. The hitting, it's a very educational thing. You must educate just like in the business acquisition side too, you got to educate a lot.

[00:16:28] Very heavy in that and then we kind of got into the Facebook marketing and getting leads through that, through email and then doing, like you said, the heavy email marketing campaigning. Then we've come back full circles where we've created the digital, the kind of SEO ish content marketing distribution platform, it's come full circle back to the content marketing.

[00:16:45] You just can't beat that. Like you're saying, I love that alphabet. What your mentor were saying, and every time you hit a vowel, that's when you plug, that's when you call for the sale.

[00:16:54] **Greg Barnes:** That's right.

[00:16:55] **Joey Myers:** I love that.

[00:16:56] **Greg Barnes:** You got to ask for the sale too.

[00:16:58] **Joey Myers:** At some point you must, and people understand that.

[00:17:00] I think it's just when you do it too much, instead if you did it opposite where every vow was content and everything else was sale, people are like, ah, okay, little bit too much, you got to earn my trust first.

[00:17:09] One last question before we can plug, I know you wanted to plug an exit strategy service that you're offering.

[00:17:14] One more question. If you had somebody was going to get in your industry, what piece of advice, maybe one or two things of somebody that wanted to get into mergers acquisitions?

If you had somebody was going to get in your industry, what piece of advice would you give for somebody that wanted to get into mergers acquisitions?

[00:17:23] **Greg Barnes:** Yeah. If you want to get merger acquisitions, I think the main thing with this industry is you got to be mentally ready.

[00:17:29] You're going to hear 19 no's to get a yes and then every deal falls apart. It's not, they sign up, we get together, we close, it's going to be every deal. It's going to be a real tough industry and if you really like challenges if you really like to figure out a way to help an individual exit out of their business to realize whatever their dream is.

[00:17:49] Then for an entrepreneur that has the heart that wants to realize their dream and I think that's the key and I like to make people realize to help them realize their dream. I think that's the key component [00:18:00] and then the second part is we can help you with the financial parts and understanding the financials of the business.

[00:18:07] We can help you with that piece, but the main thing is you got to be approachable. You want to be more of an extrovert because we don't sit in the office all day. I'm in here today because the podcast, but you got to get out and meet people and shake hands and get to know the community.

[00:18:22] I just think those are the two things and if you got a good personality and a hard work, I think you can make it in the M and A, you got to be a learner too. You got to be able to absorb, be a sponge, but I think those are the key components to being a good business broker or M and A advisor.

[00:18:34] **Joey Myers:** Great advice, Greg. Hey so I want to be respectful of your time. I know you got to get out of there and beat the traffic. So where can people find you and just give the plug you wanted to give about that new service?

Where can people find you and just give the plug you wanted to give about that new service?

[00:18:43] **Greg Barnes:** Okay. Yes, sir. What we experienced here at Trans World over the years, business owners, we go to them to sell their business and they're not ready right now.

[00:18:51] We do evaluation in their businesses, 1,000,000 and 95 million to retire. What we've done is we've started a new program called the exit factor, and we come into the company and look at how we can help you, prepare your business to sell. You get the maximum value out of it and that's a big benefit, not just for that seller, but for that buyer as well.

[00:19:12] Because now he's taking over a better package and well ran organization. If it's making sure we get some 401k programs in there for employees, employee turnovers just so high that's so key now. Is it insurance policies for that company, but from a buyer and a seller standpoint? It's great.

[00:19:30] The exit factor we just launched, it really just taken off a couple of months ago, really looking forward to it because now not only are you working with these companies, you're working with these CEOs or owners of these companies, you're starting to learn so much more about them because we're actually in the room with them helping them finish out this product that they started and they've got a great product. We're just putting the finishing touches on it.

[00:19:54] When that next buyer comes in, it'll be a great program. The exit factors, if you got to know any business [00:20:00] owners out there that looking at exit in the next five years, 10 years, please give us a call, 7 0 4 5 3 3 0 9 7 4. Or you can shoot me an email at GBarnes@Tworld.com.

[00:20:12] **Joey Myers:** Great idea. Like you said, you're going to have a business that's going to come in and they might have it all together and they're limping to the finish line and they come to you guys and you offer this and then you're basically trying to help pick them back up, dust them off, get 'them recovered, and then get that business in a nice, healthy position so that you can sell or so they could sell that out.

[00:20:31] Hopefully, like you said retire.

[00:20:33] **Greg Barnes:** I look at it like the real estate agent staging the house, right? We're staging the business. That's kind of what we're doing.

[00:20:38] **Joey Myers:** Very cool. Greg, Hey, thanks. Thanks for coming on with me. I appreciate your time and a lot of great advice for those out there that either don't know, didn't even know that there's a person like you doing what you do, or there's people that do know that gave them a little bit more information so that they can possibly help reach out to you and pick your brain a little bit, or hopefully hire you to do your thing.

[00:20:57] Yes, sir.

[00:20:57] **Greg Barnes:** Thank you, Joey, for having us on the show.

[00:21:00] **Joey Myers:** You got it. All right, hang around, Greg. Hold on.