ADVERTISING SUPPLEMENT TO THE PHOENIX BUSINESS JOURNAL

Mergers & Acquistions

Three Valley entrepreneurs discuss the ups and downs of selling their companies

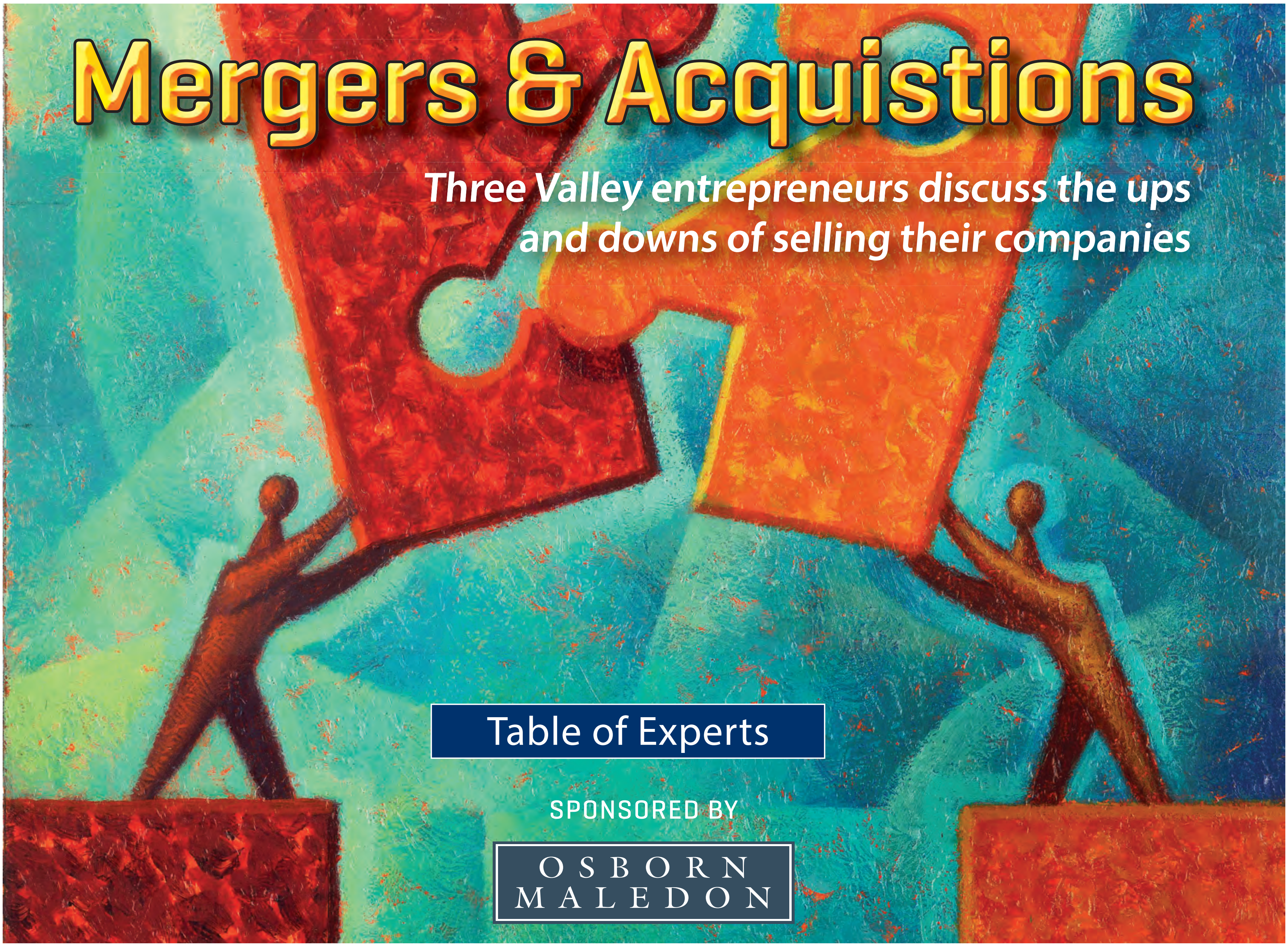

Table of Experts

SPONSORED BY

OSBORN MALEDON

One thing our panelists agree on is that there's nothing easy about the acquisition process. Here's what they learned.

JONATHAN ARIANO: Welcome, I am Jonathan Ariano, a mergers and acquisitions attorney with Osborn Maledon and the moderator for this panel on mergers & acquisitions. Joining me are panelists Hamid Shojaee, founder and CEO of Pure Chat and Axosoft, Bob La Loggia, founder and CEO of Appointment Plus, and Saeed Eslami, founder and CEO of Visual Live 3D. Let's get started.

Hamid, Bob and Saeed, each of you sold your companies in the last two years. What told you it was the right time?

HAMID SHOJAEE: It's interesting because with entrepreneurs, if you catch them on the right day, they'll give away their company, because there's so many ups and downs. But you have to fight through the valleys. A lot of times it's a matter of how tired you are for long periods of time. With us, my wife and I ran the company together, and we had decided four years earlier that about five years from then we would want to be out and take some time and focus on kids and other factors. We started the process a year earlier thinking it was going to take some time, but it actually took less time than we had anticipated to sell. We ended up selling four years into our five-year plan. It worked out really well, but we were tired, I have to say. That was the main motivating factor for us.

SAEED ESLAMI: For me, it was exactly when Covid hit. The first time Unity approached me was February 2020. It was the peak of Covid, so there was a lot of uncertainty about what was going to happen in the future. At the same time, I had a lot of challenges scaling the company, the sales team, and being able to hire more employees — finding the right employees — was a lot of the challenge. It was a hard time. They approached me with a good multiplier of the revenue. The challenges in the business and at the same time, the good offer and Covid uncertainty. That's why I made the decision to sell.

BOB LA LOGGIA: There were a lot of starts and stops over the years, the possible acquirers. None felt right. When DaySmart came along, it just felt like they were very serious about it. If you go through this a couple times, you sense if they're really motivated to get a deal done versus someone just interested. They were really motivated to get it done. Plus, they were just a great match for Appointment Plus — just a really good fit even from a cultural standpoint.

I think that was probably the biggest driver. It was just really good timing, a good company to acquire us, great for our employees, for opportunities, for the future for them. But I was burned out. There's no doubt. It was a little bit of a savior that they came because we weren't looking to be acquired at the time. We were in the past, but at the time we were not, and they just came along and found us. It just worked out well because I don't know if I could have gone even another year. I was so incredibly burned out, and it was affecting my performance.

JONATHAN ARIANO: Saeed, you mentioned Covid had an effect on your timing. Hamid, did Covid affect your decision?

HAMID SHOJAEE: For us, the process had begun six months before Covid or right around there. When Covid happened, we thought nothing was going to end up going through, it's probably going to delay things by a year or longer. We brushed it off, but all the interested parties kept being interested. So, we just went through it thinking it would fall through at the last minute because of

ADVERTISING SUPPLEMENT TO THE PHOENIX BUSINESS JOURNAL

Covid, and it didn't. It was shocking that it didn't fall through. The entire time I thought, both the Pure Chat and Axosoft deals were going to fall through, but they both closed. I was surprised. But the timing wasn't Covid-related, it just coincidentally happened that way.

JONATHAN ARIANO: Hamid, I know you used an investment banker as part of your process. What were the benefits from your perspective of using a banker?

HAMID SHOJAEE: We had been approached by investment bankers over the years. They never were the type of people I'd ever want to deal with under normal circumstances, except for this one team that came forward. They knew our business really well prior to approaching us, and they offered to introduce us to various people ahead of time. I was impressed by them, and we just had a really good experience with them. The firm is KPMG. I don't mind saying it because this team at KPMG was really good. I don't think the Axosoft deal would have happened without them. They went and identified more than 200 potential acquirers and pitched our company to those 200, narrowed the list down to all the interested parties, which was roughly 20. Of those 20, they brought us eight letters of intent. The process was super impressive, and they definitely earned their money.

JONATHAN ARIANO: You didn't use a banker, Saeed, so how did you know you got the right price?

SAEED ESLAMI: I didn't use bankers. It was a strategic acquisition, so they wanted to compete. They wanted to start building the same product as we had, so they felt it's easier to actually acquire me instead of doing that. I was doing some research to see if the multiplier that they offered me over my revenue and the growth that I had year over year was a right number or not. I asked a couple of people that had done acquisitions and did some research in AEC market with other CEOs. It sounded like a good deal; the multiplier was fair. After being in business for four and a half years, it sounded like a good deal.

JONATHAN ARIANO: Bob, you've worked with and without a banker. I'm interested in your opinion of both sides.

BOB LA LOGGIA: I've worked with several bankers. I've had good experiences — really smart people, incredibly hard workers. They know their job. They have a process, and they run through it. They tend to be very effective in what they do — lots of connections. Other private equity firms or acquirers don't always love to deal with bankers, but they understand it's part of the game. They don't love it probably because they don't get as good a deal with bankers involved. They're open to talking. The experience was good. But this time I think again, that they were really motivated. I think that's what got us through everything. There's always issues that arise, those sticking points where you think it is going to fall apart. I think the fact that they were motivated, the fact that Steph and I had the time to do all the due diligence, to answer the questions even before due diligence, all of that. We took a lot of time with them to do that. I think that really helped the process move forward. And from a multiple standpoint, I thought it was a fair number. If we had a banker, probably could have gotten a higher number, but I thought based on where the business was, the growth rate, all the different factors, I thought it was a fair number.

JONATHAN ARIANO: I know each of you in each of your transactions, hopefully partially at my prompting, heavily negotiated the terms of the Letter of Intent (LOI). Each of you spent the time on that. Do you think that gave you a better deal in the end? Or do you think that unnecessarily slowed down the process at the beginning?

HAMID SHOJAEE: The terms of the LOI, I would say, are super important because the rest of the transaction is basically the LOI expanded to 200 pages worth of legal documents. So, I think it's super important to negotiate upfront for the LOI to be as accurate as possible. You can always say, this is what we agreed to in the LOI and it's not being carried through in the details of the negotiation as opposed to having it be ambiguous in the LOI or not talked about or thinking you can bring it up later. One thing that we didn't understand that was in the LOI, was a calculation — net working capital adjustment. It was a 12-month average or something like that. That turned out to be something that cost us hundreds of thousands of dollars at the last minute, which we did not anticipate. But it was definitely spelled out in the LOI, and I just didn't understand it. I didn't question it. So, I think you should definitely take the time upfront and learn what's in the LOI.

SAEED ESLAMI: It was a very time-consuming and stressful time because you don't know if the deal is going to go through. Should you focus on the company or the deal? But I'm very happy that we actually spent every minute of the time we did with the whole team, your team and with the Unity team to actually do what represents both sides. Every single word of the LOI is going to apply to the final project agreement. So it's very important to negotiate all those details, especially net working capital, especially for a software company, when you have accounts receivable or deferred revenue.

It's very important to read every single word of the LOI. So my advice is don't get excited with the LOI, take your time, negotiate those, if something is bothering you, bring it up. Be patient to get what you want.

BOB LA LOGGIA: One thing that is critical is to have a M&A attorney involved because they've done this so many times. They can bring up what the buyer didn't put in and explain what something means. Here's the interesting wording they used for this. That's going to come out later as something else. It's really good to have somebody like you, Jonathan, involved to point out some of those gotchas. It's critical. It's absolutely critical to negotiate all of that up front. If there's something that still needs to be negotiated, and this does happen, but if there's something that needs to be negotiated to kick the can down the road, we'll handle it later. When you're three months into due diligence and everyone's been working their butt off, invested so much time. If you're a founder, you might think you have more leverage because they invested all this time, but what happens is they tend to have a lot of leverage too, because now you want to get the deal done also. So, you're just as willing to budge as they might be at that time. So, in my opinion

it's way better to take the time upfront and try to work through those issues, because there may be some showstoppers. And if there's a showstopper in the process, you want to make sure you take care of it as soon as possible. This deal's going to die. Let's have it die now. Not six months later. So, I think it's absolutely critical to try to negotiate as much upfront as you can.

JONATHAN ARIANO: I know when we are working those transactions, the advice I always give clients is, I think the most leverage you have in a negotiation is right before you sign that LOI. Even though it's a non-binding LOI.

I know that responding to diligence requests and getting the buyer comfortable with the business is a huge undertaking. Was there anything procedurally you would've done differently leading up to the process that would have potentially made it easier? Or is it just hell either way?

BOB LA LOGGIA: Procedurally, the thing that helped us a lot was we had a data person in advance, someone who just handled data, analytics, put out reports for us, kept all of our metrics. Having him involved in the process helped a ton because he had access to so much of the data, including financial data. What's interesting about going through due diligence once is if you start another, if it gets acquired and you start another business, you're much better prepared for what you need to be doing, what you need to have in place, so that when you get to that point it's a much easier process. But it was hell. Absolute hell.

They have this list, you get them everything, and they have follow ups and more follow ups. It seems like this never-ending process, and I think you can prepare to an extent, but the way that they want to slice and dice the data, I'm not sure there's any business that keeps that level of data or looks at it that way. I'm not sure you could ever be 100% prepared for due diligence. But I think going through it once or twice can definitely better prepare you for what they're going to be looking for the next time.

SAEED ESLAMI: I agree. For entrepreneurs that have sold a business before, that have gone through due diligence, it's much easier the next time. But if it's the first time

CONTINUED ON PAGE 16

JONATHAN ARIANO

PARTNER

OSBORN MALEDON

Jonathan Ariano is a partner at the leading Phoenix-based law firm, Osborn Maledon, whose practice focuses on representing growth-oriented and entrepreneurial clients, often in connection with the firm's outside general counsel practice. As a licensed patent attorney, he regularly advises clients regarding IP and technology-related matters.

Jonathan brings to the firm's business practice a unique and valuable set of experiences. Holding a degree in computer and electrical engineering from Cornell University, Jonathan first worked for Accenture, providing internet security and infrastructure consulting services to its clients, and then worked for Tosco Corporation, Phillips Petroleum Company and ConocoPhillips in their information technology departments. After receiving a law degree from Rutgers University School of Law, he worked in both information technology and legal departments, giving his clients a valuable perspective.

OSBORN MALEDON

SAEED ESLAMI

TECHNOLOGY ENTREPRENEUR, SPEAKER AND WRITER

Saeed Eslami is an augmented reality (AR) veteran and serial entrepreneur, with strong roots in software development, virtual design and construction. An immigrant from Iran, Saeed had built a successful company in his home country but wanted to get an education and develop a new opportunity. After finishing a graduate degree in engineer management, he was offered a construction technology job. That job would give him the idea that would change his life.

Saeed soon realized that there was a huge market for accessible construction technology applications. In 2016, he founded VisualLive software company, the first to market easy-to-use and off-the-shelf augmented reality software for design, engineering and construction companies. In March, 2021, VisualLive was acquired by Unity, and Saeed now works as head of AEC Industry Vertical at Unity.

He is a frequent conference speaker and contributor to industry publications and advises a variety of political and economic leaders as well as startups in Arizona.

CONTINUED FROM PAGE 15

for you, so many things are set up as crappy such as your balance sheet or cashflows and all the accounting and stuff. My advice is that as soon as you get a lawyer and feel you have found someone good to buy your company, start and clean up all your books, clean up all your legal NDAs and any contracts that you have. Make sure everything's clean. Otherwise the due diligence process is going to be a lot of pressure. First of all, if you can set it up from day one, everything clean, which is very hard for a lot of the new company startups, because all they think is product and customer. They don't have time to expend more on security and all these things that would be more important in the due diligence process. But at least they can actually see the due diligence templates out there. Each company is different for sure. Private equity is different. My company was different because they have their own IT department, their own security department. We cannot change the process because this is something that the buyer mostly dictates what you need to do.

But the most critical part, that's the accounting balance sheet. If you keep it clean from day one, all your QuickBooks, all the software used, if you keep it clean, if you keep all your contracts and NDAs in every single legal part in the same folder, it is going to help you do due diligence. So, you don't have to burn the midnight oil to get all this stuff done because it's going to be very fast — maybe three months or six months. There are going to be a lot of questions that can get you overwhelmed, but if you've got it prepared, it's going to help you a lot.

HAMID SHOJAEE: I agree. The only thing I would add is that we happened to do two transactions in fairly close proximity. One was to a strategic acquirer and that happened first. The second one was to a private equity firm. The strategic acquirer's due diligence was hell, I thought, until we went through private equity due diligence because that was multiple layers of hell.

Here's the difference. A strategic acquirer understands your business. They're acquiring you because they love something that you have, your software or whatever, and they think they can leverage it to their customers. A private equity acquirer doesn't necessarily understand your business. They only are looking at the financials and everything to them is a mystery as to why anyone is paying you money for what you have.

They start out with huge skepticism and not believing anything. You have to prove to them that everything that you're saying is truthful, whereas the strategic acquirer doesn't come at it with that viewpoint. The private equity experience was far worse in terms of diligence than strategic.

In terms of what you can do to prepare, make sure all your legal documents, every contract you've ever signed is in a folder, somewhere in your legal documents folder. Osborn Maledon had a tremendous amount of our documents pre-organized, so it was super nice to be able to just hand them over all the stuff that you guys had. Your lawyers can be super helpful in that regard. Just having yourself organized is huge.

BOB LA LOGGIA: When you were going through due diligence with the private equity firm, did you ever feel yourself getting defensive?

HAMID SHOJAEE: Oh yeah.

BOB LA LOGGIA: Having to defend the company?

HAMID SHOJAEE: I had great arguments. It could get very heated as well. Not just defensive. I'm like, "Have you ever built a product . . . It was interesting, for sure.

JONATHAN ARIANO: Well, that dovetails perfectly into my next question, which is how stressful was the process?

HAMID SHOJAEE: Oh, very.

JONATHAN ARIANO: Was there ever a time when you thought the deal was not going to go through either because of your choice or their choice?

HAMID SHOJAEE: For us, for sure. In the private equity one far more, and it was more of--this stress is not worth it, maybe we should just call it off. I forget who told us this, but one piece of advice that we got prior to either deal was that your deal will look like it's going to die at least twice before it actually closes. I think that was really good advice because it looked like things were going to die at least two or three times. Sometimes because I wanted to kill it, sometimes it looked like they might kill it. Fortunately, that advice kept ringing in the back of my head.

SAEED ESLAMI: It is stressful, especially when you get to the due diligence process and you're giving all the secret information that you have to give to your competitor. In my case, it was my competitor buying my company. During due diligence they're asking for all your clients, your churn rate, your customers' names, your revenue for everything. All you have is just an LOI that's not a guarantee that it goes through. So, then everything is in their hands. You don't have control; everything is in their control. Now, it gets stressful because they can change the price of the acquisition. They can change the terms. So, you really need to make sure that the buyer is motivated, and they really want to get the deal done. You can't just trust random people and just get an LOI and give up all your information. The most stressful part for me was they had all my client names. They had all my information, so what if the deal doesn't go through? They can actually use it and it's going to be very bad for me. But three or four times I felt that the deal might die because their response was slow and then different things happened.

My advice is to be strong and focus on your company. For me, I spent from 8 a.m. to 5 p.m. working on my company and 5 p.m. to midnight working on the acquisition because I couldn't just leave the company. If the deal doesn't go through, you must start over emotionally and financially, everything.

BOB LA LOGGIA: It really helped working with our legal team because when we would come with an issue that felt like a really big issue, the team would say that is just part of the process that happens every time. They just said let's push through it, have another meeting and negotiate. The same thing on their side, they know this is part of the process. Stuff always comes up. I think that helped relieve my stress. The most stressful thing for me was my employees. When I went through this a couple years ago, a company was trying to acquire us. I thought, "You know what? I'm going to be 100% transparent from day one with my employees." That was a mistake. I told them

BOB LA LOGGIA

FOUNDER & CEO | APPOINTMENTPLUS

In 2020, Bob La Loggia sold AppointmentPlus, a fast-growing business that he founded, serving as Chief Executive Officer. He and his former wife were majority owners.

DaySmart, a leading provider of business management software empowering entrepreneurs to operate and grow their businesses, acquired the Arizona-based company, a leading online appointment scheduling software provider. AppointmentPlus was widely respected as providing a best-in-class software platform, recognized by industry awards, including CareerBuilder's Best Places to Work award.

The acquisition built on DaySmart's strength, delivering cloud-based scheduling software across a variety of vertical markets. After the acquisition, DaySmart serves over 20,000 customers in 100 countries.

La Loggia has been a career entrepreneur, also founding and selling Opendock, a scheduling platform for warehouses that was acquired by Loadsmart in 2021. He was CTO of GlobeXPharma, a startup, and associate director of JDA Software, specializing in supply chain software solutions.

everything that was going on and they freaked out. A couple people quit because they thought, "Oh, when companies get acquired, everybody gets fired."

As much as I tried to calm their nerves, some people just couldn't deal with it. This time I thought, I need to be way more careful with who knows, my messaging, all of that. In the beginning it was the executive leadership team that knew. Then after a while it was the management team because they were involved in the due diligence process. Of course, at that point then people knew, and everybody knew. I could feel the tension. I could feel the stress of people.

People worry about their jobs, it's their livelihood. I know it affected productivity. I'm a pretty open and transparent CEO. So, when I felt like I couldn't do that, and I knew they want information, they wanted something from me and I couldn't give it to them, it was very, very stressful for me to go through that. I would say that part, dealing with the employees, was more stressful than actually going through due diligence.

SAEED ESLAMI: Don't share the information with employees. I think share with the C-level employees because of all the information that they have to provide on the due diligence process. But don't share it with all employees.

BOB LA LOGGIA: It's a challenge because people are intuitive. They can sense something is going on. But it still is a challenge whether you address it, literally with the company or not. I'm still on the side that says it's probably better to not.

SAEED ESLAMI: Because for a lot of people, they don't understand what an acquisition means for the future.

They think if someone buys the company, the company is going to die and everyone's going to be fired. But they don't know if the new company is going to hire them or not. So, this uncertainty is going to affect productivity for sure. You don't want to get them involved at all.

BOB LA LOGGIA: They have questions like, "Am I going to have a job?" That's a big question. "Who am I going to report to?" That's really, really important. Who do I report to in this new structure? What does my pay look like? Am I going to get paid less? They really worry about that. "Is there a bonus structure with them?" And then of course all the benefits.

JONATHAN ARIANO: Hamid and Saeed, each of you bootstrapped your companies without outside investment. So you never really had to answer to anyone other than yourselves. How difficult was the transition after closing?

HAMID SHOJAEE: In our situation we knew going into it that there's a good chance they want to replace the direction of the company to some degree and replace the key management, including us. We were actually relieved that they were prepared for that, because we were tired, and we wanted to take some time off. But there was this understanding that if things are good, maybe we'll just stay on. And literally, I think, within weeks it was pretty apparent that we were ready to step down, and they had it covered. That worked out as a win-win, the way I see it. Personality wise it's hard to have

been running something as your baby for a long time and then have it not be run by you anymore.

JONATHAN ARIANO: I would probably think that would be a major shift especially since you've been doing it for so long. How about you Saeed? Are you still there?

SAEED ESLAMI: I am still working at Unity. Before I moved to United States, I previously had experience working for a construction company for five years, so I learned how to become a good employee to report to people. And then I had my company for less than four years, so I was able to switch back to being the employee. It was not a big deal. I didn't have the company for 20 years and all of a sudden now I have to report to someone. I still don't like to lose the control. You want to still make the decisions about the product, about sales, marketing and strategy.

Unity has done a great job. Unity did 12 acquisitions, and all the CEOs are still with Unity because they don't put pressure on us. They know that we've been in control for a longer time. If they put in a supervisor and tell you every day what to do, you're going to quit and you're not going to like it. So they've done a good job. I've been with them for a year and there is no supervisor or someone to tell me what to do. They give you flexibility, but you don't have full control like you used to, of course. They know how to treat entrepreneurs.

BOB LA LOGGIA: We had one small private equity firm involved and I would say the experience was, for the most part, fine because of a hands-off investor — until he wasn't. That's actually part of the experience of having investors. If everything's going great, it is awesome. If it's not, it's a different story. All of a sudden, they have strong opinions on things, whereas prior they may not. But I would say, would I do it again? Probably not. I think it goes back to this issue of control and founders like to be in control. They like to make the decisions, even if it's the difficult decisions, they want to be the ones making those decisions. When you have investors, you can look at it as, OK, I have someone to bounce ideas off of.

If you have a good relationship with an investor or investors, it can be fantastic for that sort of thing. It can also backfire if you're

CONTINUED ON PAGE 18

HAMID SHOJAEE

ENTREPRENEUR, INVESTOR & DIRECTOR
SHOJAEE FOUNDATION

Hamid Shojacee is a local veteran entrepreneur and investor. He is the founder of Axosoft, a software development tools company, and Pure Chat, a live chat software company. Both companies were acquired in 2020, at which time Hamid shifted his focus more towards his passion of startups and investing.

As an investor, Hamid has been involved with numerous Arizona tech startups, including being an angel seed investor to companies like CampusLogic, Prenda and Equipifi to name a few. He is also a board member of the StartupAZ Foundation and Venture Madness.

Shojaee Foundation

CONTINUED FROM PAGE 17

not on the same page, but oftentimes that feeling of being able to fulfill my vision for this company, like I'm building this to what I want it to be without other opinions being involved, that's a pretty big deal for founders. They like to be able to do that. That's why, for the most part, it was a very positive experience for the vast majority of it. There were just a couple little times where things got tough, where we weren't on the same page, we worked through it. I think the main reason we were able to work through it was because of all the time that we had together in the past. A relationship was built up, just from so many board meetings and discussions and phone calls. You build this trust with each other, so that when difficult times arise you can work through them.

JONATHAN ARIANO: If you had to do the process all over again, what is the one thing you would have done differently?

HAMID SHOJAEE: First of all, the process of building a company and running a company and having it be successful is such a wonderful privilege. I'm super grateful to have had that opportunity; it's been an absolutely amazing thing. So, I don't necessarily have any regrets in that sense. I'm not even sure I would have done anything differently or if any one decision was really bad. So overall, I'm just leaving it as a fantastic experience throughout. I'm now building a new company, and I think that as a founder and entrepreneur, a lot of it is just about going fast and having a huge sense of urgency to get shit done in order to build a successful company because windows of opportunities don't stay open for long periods of time. So, keeping that in mind, getting shit done quickly is probably one of the most important things in building a company.

SAEED ESLAMI: I wasn't still thinking about the product, building a lot of features because I love programming software, programming in general. When it comes to economics of the deal, revenue was number one. Unity, they didn't care about how much experiences I had. Is it a profitable company or not profitable? So, the revenue was important, but over these four years I had the company, I was very happy to make it lean, pick a lot of profit and enjoy that.

If I want to do it again, I would reinvest all those profits back into the company to make more revenue because those profits you have to pay ordinary tax on. But you pay capital gains tax when you actually sell the company. So, reinvest all your earning back into the company, to actually make more revenue, don't worry about a profitable company. Focus on revenue. That's what I would have done.

BOB LA LOGGIA: The biggest thing that I would change is sometimes in negotiation you feel like the other side has more leverage and power in the negotiation. You feel like they have a better hand than you do. And in this situation where they have the money, they're buying you, it's very easy to feel like they have most of the power in the negotiation. And that's the one thing I wish I would have really internalized better is that they want this just as much as I want this. So, I have way more leverage than I think I have. And I can ask for more things that I think I should be asking for. That's probably the biggest thing. If I were to do it again, I would understand that better, that I have way more leverage than it feels like I have.

HAMID SHOJAEE: It's hard to know that.

BOB LA LOGGIA: It's totally hard to know that.

JONATHAN ARIANO: I think you're right, Bob. Every deal I did with you guys, I learned each time as well. And the one thing I think I've learned over the years is you're not going to get it if you don't ask.

I've never seen a deal fall apart because somebody asked for something. They may just say no.

SAEED ESLAMI: If they say no immediately and they want to cancel the deal, they're not motivated. So, it might not go through all the way to the end. But if you ask for something and they think about it and then they want to do it, it means that the deal is going to go through. Because even if you get the LOI it doesn't mean that the deal is done. So, it is actually a good test for the buyer to ask those hard questions to see if they're serious or not. If they come back to you and they want to at least get to the middle ground to get it done, it means that they're serious.

BOB LA LOGGIA: Part of why I say this is, they're smart; after they acquired us, they acquired two other companies very quickly. So, I got to be on that side of the table and hear what was going on and hear what those founders were asking for. And I couldn't believe some of the stuff.

HAMID SHOJAEE: They were entertaining it?

BOB LA LOGGIA: They were, they were taking it very seriously. They weren't like, "Oh, that guy's such a jerk." They weren't like that. They're like, "Oh, he's asking for this. Can we do that?" He's being tough about this, it's really important to him. They were taking it very seriously. I'm thinking, "Wow, it's interesting." But I think what it goes back to is: Is the buyer motivated? If they're truly motivated, they'll take the person seriously. Because they want that person to be happy in the negotiation and in the final deal.

HAMID SHOJAEE: You definitely realize that after the deal is closed. You realize that all those times where it was close to dying, it really wasn't. During due diligence especially, the closer and closer it gets to a finish line, sometimes the stress is so high, and it feels like it's about to die. But the reality is that they have spent way more money on getting it to that point than you have. As expensive as legal costs were on our side, the buyer was spending four times as much on their diligence, closing costs and legal fees. So, by the time it was close to the end, they easily had invested hundreds of thousands of dollars into making sure the deal goes through. And if we were to all walk away, everyone loses whatever money they spent on diligence. So, there's a good motivation there, which is hard to remember at the time.

BOB LA LOGGIA: Yeah. Look at the private equity firm. Let's say they acquire two companies, three companies a year. If you're one of those companies, they want to get that deal done. For the reasons we're talking about, there's a lot of time and energy and opportunity cost. They're not going after these other companies; they're going after you. So, they want to get that deal done.