



MAXIMIZE BUSINESS VALUE PODCAST - EPISODE 74 Transcript

Announcer (5s):

Welcome to the maximize business value podcast. This podcast is brought to you by mastery partners, where our mission is to equip business Ernest, to maximize business value so they can transition their business on their terms. Our mission was born from the lessons we've learned from over 100 business transactions, which fuels our desire to share our experiences and wisdom. So you can succeed. Now, here's your host CEO mastery partners, Tom Bronson.

Tom Bronson (36s):

Hi this is Tom Bronson and welcome to maximize business value podcast for business owners who are passionate about building long-term sustainable value in their businesses. This episode is part of our series called tales from the 17% club, as we've said over and over again, a full 83% of attempted business transactions fail to reach the finish line, meaning that only 17% are actually successful. In this series. We interview people who have successfully sold their businesses. We call them the 17% club to learn more about the process. And here's some interesting stories along the way.

Tom Bronson (1m 18s):

We've got some great stories coming your way today. In this episode, I'd like to welcome our guest. Mike Muhney co-founder of act software act was one of the first productivity tools for sales management in a very real sense, Mike and his partners started the CRM or customer relationship management category in software. I met Mike through business navigators, the servant leadership organization here in Dallas that I talk about so frequently where he was a guest speaker at one of our monthly impact breakfasts. I

was absolutely fascinated by his story, and I look forward to sharing some of it with you today.

Tom Bronson (2m 0s):

So welcome to maximize business value mine,

Mike Muhney (2m 4s):

Tom, it's great to be here and it's good to see you again as well.

Tom Bronson (2m 8s):

Oh, for sure. It's been a long Bryce belt during COVID that's for sure. So tell us about the name of the company. It was contact software international. That was the company that you co-founded and co-invented act. Tell us a little bit about that.

Mike Muhney (2m 25s):

Well, it was originally called conductor software because we had a Lotus symphony product that was a configurator to help salespeople in computer stores back in that era. And that era is the mid eighties where there were stores like computer land and business land entree MicroAge chess, where people had to go to buy PCs and get training and buy software. And so pat and I were both career sales guys. My career started with IBM in the mainframe era. And so I'm a, plastically trained IBM sales guy where they taught many principles that I actually personally to this day, obviously in my business and personal life, but toward the design of what ultimately became at our first product failed, we had an investor invested a hundred thousand dollars.

Mike Muhney (3m 12s):

We spent 85,000 of that and admitted that it was a failure. And he was coming down from Boston in about a month and make a long story short. We had to pivot in and we talked to a mentor in town, a CEO that had coffee shop headquartered up in Richardson, 54 stores that we were trying to sell that failed product to, but he took a liking to us and he suggested that rather than just hang our heads and Chaim and offer to give the 15,000 remaining back to the investor that like a week or two later in 1986, it was going

to be July 4th. And he said, look, you guys are smart guys. Why don't you go have a four hour brainstorm breakfast from eight until noon?

Mike Muhney (3m 53s):

And see if you can come up with another idea. So we thought, well, we could afford coffee and toast still. So we went and we were in a booth at a holiday Inn restaurant in 1986, July 4th. And we said, we are sitting here from eight until noon, whether we come up with an idea or not, but obviously we're here to try to salvage the company and we had pencil and paper. And it was at that breakfast time that we can see what then did become act. It was released on the market nine months later. And when we left that morning, I still have the original napkin from that breakfast. It's actually an eight and a half by 11 piece of paper. We had the rudimentary menu structure, but we knew we were onto something. And I code named it yet, which stood for yes, everybody sells.

Mike Muhney (4m 38s):

So to somewhat correct a little bit or modify your introduction of me act was never designed for strictly salespeople because our attitude was everybody sells. But if we had chosen to use the word sales in the packaging or the product name or description, we didn't want people like CPAs or lawyers or architects, or, you know, those kinds of people to walk by and say, well, I'm, I'm an architect. I'm not a salesperson. And yet everybody's network is where they derive their livelihood problem. Right? And so everybody's involved with, you know, going to conferences or meetings, breakfast meetings, whatever lunches, why do we do that to make connections, to hopefully get business?

Mike Muhney (5m 22s):

So that's why our attitude was everybody sells this product is for everybody. And it was a customizable product. It had the fundamental let's call it demographic information, but you could then customize it to your, your line of focus. So whether you were a CPA or doctor didn't matter, we had pastors, we had truck drivers. W w I know this sounds funny. We even had people in the, in the pornographic industry, you know, everybody's gotta keep track of people. I know it sounds funny. And I'm almost a little bit ashamed to

say it, but you know, when people say, Hey, I can really use this product because I got to keep track of a lot of things, right?

Mike Muhney (6m 2s):

And so there was no limit to who could use that product because all of us, unless you're a hermit, all of us depend on our relationships and that's what started. So, so then when we came out with act, there was also no category for the product. It's like, where do we belong? And so we had to make up not, not makeup. We had to create and define a brand new software category that we called relationship management slash contact management. And when people would say, well, what's that? And we would say it, software designed for people who deal with people. Do you deal with people that your livelihood? Well, yes, I do. Well, it's for you. Let me show you how. And so that's basically in a nutshell, what happened and the guy that wrecked.

Mike Muhney (6m 44s):

So when the angel investor came down, I'll close the loop on that. And we, we took him to lunch. We picked him up the airport, his name was John McNair. We said, John, we've got bad news for you, but we've got good news. And he said, what's the bad news. And we told them why the first product failed and why we were out of money. And he was a patient guy, thank God. And he said, well, what's the other, what's your, the good news? And we said, well, we'd like to share an idea with you. And prior to his coming from that July 4th breakfast to about a month later, when he came down, we had completely architected act. It was still called, yes. I hadn't come up with the name of the product yet, but we completely architected it on paper. And we, and we showed it to him and explained who could use it.

Mike Muhney (7m 25s):

And of course he saw our passion and then it was time for us to keep our mouth shut. And either he was going to do a thumbs down or a thumbs up. And when we were done talking, this is what he said. I'll never forget it. He said, I like this idea better than the other idea. I didn't invest in that other product. I'm investing in the two of you guys, do you need any more money? It's like, we didn't prepare for that. We didn't even think that that was going to be an option. We spontaneously said yes. And he said, how much we

spontaneously said, it's not like pat and I had prior to the meeting talking about it. He had originally invested a hundred thousand. So we weren't bold enough to ask for another a hundred. We both said \$50,000.

Mike Muhney (8m 7s):

He literally pulled out his checkbook from his sport coat, Tom. And he wrote us a \$50,000 check on the spot at that lunch. That was the oxygen tank. We were, we could stay alive for a little while. I then went back to the CEO who suggested that we have the brainstorm breakfast and told him, you know, we took your idea. We had the breakfast, we came up with an idea and believe it or not, the investor invested another \$50,000. And this is what he said. He said, you know what? I like that idea too. Let me pull together a meeting with two other guys that I think might be interested in investing. And you guys do your pitch. So he pulled together a meeting at his home in an evening later that week, pat and I went and we did our pitch.

Mike Muhney (8m 47s):

And those three guys wrote us \$400,000 in chips. And we were on our way. And that's how we came back close to closing the business down. We didn't give up, we humbled ourselves. We took advice and serendipitously luck, whatever you call it, good fortune. We were on our way in a completely different path.

Tom Bronson (9m 7s):

Well, my word, there are so many lessons in just that story. We can almost just expand on that. I mean, how many entrepreneurs give up right before that breakthrough moment? I mean, y'all's breakthrough moment was that four hour, you know, breakfast at a holiday Inn, holiday Inn. Wow.

Mike Muhney (9m 28s):

I know. Yeah. In our first office, we had a little 10 by 10 executive suite at Williams square, you know, where the Mustangs are less Salinas. And so it looked nice. You know, it was executive suite beautiful conference room. So we looked like we were successful, but we were struggling big time. I think our rent back then was like 350 bucks a month. And that was a lot of money for us to spend.

Tom Bronson (9m 52s):

Yeah. No kidding. No kidding. So wow. Out of that, out of that brainstorm, and then now had you, fortunately, you had time to think about it before you met with the other potential group of investors. So did you have in mind how much money you needed at that point?

Mike Muhney (10m 8s):

Well, you know, that's a good question. I can't say that. I honestly remember. I think we were still, if I had to guess, here's probably how it unfolded. We were, we were still young guys. I mean, I was, how old was, I was 34 years old and you know, this was our first entrepreneurial emboldenment and courage if you will. But we were so subservient to the older guys that had the money. And I think we were just hoping that they would tell us how much they wanted to invest. Now, if they had pressed us, well, what do you need? And you know, and that might've been the case too. I'm sure we would have at least said a quarter of a million dollars probably, but I truth be told.

Mike Muhney (10m 48s):

I don't really remember.

Tom Bronson (10m 50s):

Wow. That's awesome. Boy, if you'd have been prepared, you might've asked for a half a million. I know, I know my goodness. It's a surprise, but you know what? That is a common story. As you know, I've, I've bought or sold a hundred businesses in my career and along the way, I've had investors and whatnot, the common theme among particularly angel investors. And really it extends on up into, into bigger investors, into, into private equity and to institutional investors. It's nice to have a product, but they're investing in people. And that's exactly what John told you, you know, and I I've had, I've been on the receiving end, fortunately have that very same comment because they don't that much care about the product they care about.

Tom Bronson (11m 40s):

Do I have somebody that can take this idea and turning it and turn it into something and that's exactly what you guys did. That's awesome. Yep. Yep. So, so this was 1986. Let's fast forward a little bit. Let's get to tail of the tape. And then I want to tell a little bit in between, what year did you guys actually, when did you actually sell the business?

Mike Muhney (12m 2s):

June 3rd, 1993,

Tom Bronson (12m 6s):

June 3rd, 1993. So, so that is what eight years or 28 years ago? Well, but seven years after that, almost seven years. Correct. After that come, come to breakfast meeting at the holiday Inn. So yeah. So tell us a little bit about the trajectory of the company from when you got that seed money. And then when you finally had a product where you guys growing, you know, tell us a little bit about kind of what happened in the, in the interim there.

Mike Muhney (12m 41s):

Okay. So act was released on the market on April 1st easy day to remember April fool's state, April 1st, 1987. And we had, and it was me personally. I had, so pat and I were both sales style. So how do you have the two guys that are the founders of the company and the two, you know, co-inventors of the product who does what? Well, because of my IBM background, it, it was easy for me. So he became the inside guy, let's call it operations. And I became the outside guy. So w when the product kind of figuratively, if you will left the front of the door of our office, everything beyond that door was my responsibility meeting with the press, you know, priming the pump with prospective investors.

Mike Muhney (13m 31s):

I spent a lot of time in Silicon valley, Los Angeles and New York city, a little bit in Boston, partly because that's where a lot of the money was and that's where all the journalists were. And so we were preparing for this ultimate release of the product. So, and I also met with, at the time, the premier public relations firm, Regis McKenna Regis McKenna himself started the company and his, his business card said Regis McKenna underneath

his title was himself, but it was a few hundred people in the company. There were, they were in Silicon valley to do a lot of the PR for us. We ultimately fired them because they were in subordinate.

Mike Muhney (14m 12s):

And in competent, we knew more of the journalists and they actually knew for the team that was assigned to us. So, you know, we, we just got people out of the way if they were obstructing us. And so it was kind of damn the torpedoes full speed ahead. We gotta get out there now and sell. I mean, that, that, that instinct to just, you gotta, you gotta pursue the sale. And if people are stopping, you get out of the way. So anybody that we could leverage to do that I was in front of them. And so if you go by a calendar year sales that very first year, nine months, the first nine months of the year, I'll tell you the numbers. We did \$400,000 in from that.

Mike Muhney (14m 54s):

So, so we trip if you annualize that we basically tripled revenue, if you will. But the next, all the subsequent years, we literally doubled revenue. And I can give you the numbers because they're easy for me to remember is I obviously told this story a lot. The next year we did 1.2 million. The next year we did 2.5, 5.1 10.2 22. So essentially we doubled revenue every year now. So why did we sell if we were on a trajectory, there's a lot of reasons that I'm sure we'll get to it. But at the very beginning of the company, we knew right away, especially as a software company and pat and I were poppers, basically, we're, you know, hand to mouth fund fundamentally like anybody at that age, when you take investment money, you pretty much know there's gotta be an exit somehow or another down the road.

Mike Muhney (15m 50s):

When is that? Well, we don't know yet. It's too early. Let's just get out there and, and maximize value. And so the whole mentality and effort as we brew was let's maximize value for that ultimate day. And we'll wait and see how that day unfolds when we'd come up against it.

Tom Bronson (16m 9s):

That that's absolutely amazing. I mean, doubling your revenue year after year, actually three times in that first year, and then doubling it each year beyond that. And by the way, just for our folks who are, who are listening, we do have some business owners that are more around our age. Right. And so let's just be clear. You are selling disks

Mike Muhney (16m 32s):
Software

Tom Bronson (16m 33s):
On media, right? Cause there was, there was no internet yet Al gore had not invented the internet yet. Yeah,

Mike Muhney (16m 40s):
No, that's, that's true. But also don't forget. So you've got to go back to the era, right at that time, this brand new thing called a laptop, which just starting to come out of the market. There were very expensive and they were kind of lousy and most of them, because they tried to keep the cost down. Didn't even have a hard disk in them. Right. And so, and very few people still had an actual PC. I'll never forget. One time I was in New York city and the CEO of a company wanted to meet with me and hear about this product. Right. And so I literally went into his office. His executive system took me in there.

Mike Muhney (17m 20s):
He wasn't in his office at that moment. And, and the PC was on his credenza. And I just out of curiosity, said to his executive assistant, so what does he use that for? And she said, he doesn't, he just wants it to look good. And so that was a lot of the mentality, right? I mean, what do you, what do you need a PC for? I, I'll have my, my staff or my secretary do the word processing and I've got an accounting department. They'll do the accounting. So I'm not going to touch this thing. So that's why we, we were at the beginning of a brand new wave of technology, but we did recognize the laptop meant mobility. And if you were to ask people and I did back then just about everybody.

Mike Muhney (18m 0s):

So if you, do you have a laptop? No. Well, if you had a laptop, what would you use it for? Would you use it to do your word processing? Oh no. I would use it for your spreadsheet. I don't do spreadsheets. What could you use it to know everything you want to know about everybody you're dealing with and all your activities and tell her, oh my gosh, I need that all the time. Right? It's like carrying your big Rolodex. And so people would say, that's what I would need a laptop for. So we knew that we were at the beginning of a new era. Now, today everybody's got, you know, multiple devices on our smartphones. So, so understand that, that things were different back then. Oh,

Tom Bronson (18m 39s):

I, I used to have one of those. I think it was a compact, you know, the keyboard was on the bottom. It folded down. Right. And then I had this tiny little screen about that big right in it. It was exactly. I was going to say that it was like carrying around a sewing machine,

Mike Muhney (18m 54s):

Had one. That's what I carried around for awhile. Wow. So let's

Tom Bronson (18m 58s):

Talk about the exit strategy. Did you guys intentionally set out to sell the business or did a transaction come and find you or was it forced on you by your investors?

Mike Muhney (19m 11s):

No, that's a, that's a good question. I mean, there's many, there's many touchpoints along that seven year journey too, that I could focus on. So let me give you the very first indication that we could sell this company that, you know, people see value in this. So again, act came on the market April 1st, 1987 Comdex, which was the big annual event in November a week long event in Las Vegas was where over a hundred thousand people would come to meet with vendors. And so pat and I wanted to make our big, let's call it public announcement if you will at Comdex.

Mike Muhney (19m 52s):

So pat and I, pat and I never, we, we weren't cheap. We didn't do things like everybody else did. We were street fighters. I mean, if you're going to be a successful entrepreneur, you better be a street Potter. You better think differently and fight differently. So what we did in April of 87, a couple of weeks after I came out on market, pat and I went to Atlanta for the, what I'll call the junior Comdex, just to see what a Comdex was like. And we walked around the whole convention. We stayed there that whole week. And here's that one of the observations we made, nobody, nobody had chairs to sit down in, in their booth. Everybody had a pedestal with their PC and a person would be standing there.

Mike Muhney (20m 34s):

And so let's say you would walk up to me and say, well, show me what you got. And I would do a demo. And since somebody else would walk up and be silent for a moment, but then they'd interrupt and ask a question and sometimes be the question you asked me already. So I'd want to be polite to them, but you've been walked away and pet, I watched this a whole week. We thought how stupid to spend that kind of money for so little, a touchpoint. So we said, we're going to go and pay for a much bigger booth in November 20 foot wide by 50 foot long. And we're going to have 50 chairs. We want people to sit down, even if it's just a rest, their feet, we don't care. But if they sit down, we've got their attention.

Mike Muhney (21m 16s):

And then so we had, we had 50 chairs and I will never forget Tom. We ordered the chairs to be directly delivered to the show. We, they were the canvas, like a Hollywood director's chair, canvas, folding chair. And on the back, we were still known as conductor software. Back then, it was a little while later that we changed the company name to context, software international, Inc. We were an S-corporation just so you know. So at night, so the show started at nine o'clock. The chairs had not yet been delivered. It was 10 o'clock. We had this big empty booth, our spring to do a demo and the little clock to do a demo every hour on the hour.

Mike Muhney (21m 57s):

So all of a sudden this ups guy or whatever company guy comes up and he says, Hey, I got 50 chairs. Where do you want me to put them? And they were all individually in big

boxes with big, heavy staples. We had the box 50 chairs. We were scrambling and it probably took us an hour. And, and then we had to clean up the empty boxes and get them out of the way. Now, at this point in time, there were eight of us in the company and all eight of us were out in Las Vegas. So we had, you know, eight of us as a resource. Okay, here. I say that to say, you'll get a kick out of this. So from probably 11 o'clock on every hour on the hour, and this is not hyperbole. I am not exaggerating every, but people would walk by and say, oh, a chair.

Mike Muhney (22m 40s):

And they would sit down. And then they, you know, they look at the screen, but other people would walk by and go, what are all these people sitting down for? Cause they were completely filled and they would stand in the three Isles. It was most of the time we had more people in the three aisles watching along with the 50 people in the seat. So I was doing a D and when we were all done setting up the chairs, one of the guys said, Hey, who's going to do the demos. We hadn't talked about that. And I that's when I said, oh, I'll do them. And I literally did about 95% of them all week. Okay. So I learned, that's how I learned how to talk publicly, speak based. That's how I learned how to refine my demo. If you will. Right. I learned what, what comments people laughed at, or I could see the look on their face and I could see what jokes failed that didn't flop.

Mike Muhney (23m 25s):

But I learned how to present this product in a real-world fashion, meaningful to you as an individual, not this is all the features and benefits. That's boring. You know, let's bring it to life. This is how it's going to make you money. This is how it's going to make you look smarter compared to your competition. Okay? So the whole, there was this little 10 by 10 booth guy over here to our left, as I was facing, you know, these chairs and he learned every joke I told, he heard the presentation. All of them did. And some of them were pissed off at us by the way, because those people would block their booze to watch our presentation. But our attitude was, Hey, they're standing there in front of your booth. It's your opportunity to grab them. You know, most people just walk by.

Mike Muhney (24m 7s):

Okay. So when the show was all done on Friday afternoon, it was, we, we, the contract said you couldn't sell product at the show pat. And I thought, what do you mean you can't sell product? This is, this booth costs us \$50,000. We need to make some money. And so we show sold 500 copies of the product at the show. And we recouped our \$50,000 because we gave it as a show, special price, right. A hundred, a hundred dollars. And so we didn't care what the contract. So what are they going to do? Kick us out. That's what I'm saying. We, we don't pay attention to rules. Sometimes you can't. So, so there's one vendor this 10 by 10 vendor when pat and I were walking out, knowing we had had a grand slam home run that week, he came up to us.

Mike Muhney (24m 51s):

He said, guys, guys, I want to buy your company. I've got a million dollars cash. I can wire transfer due next week. I'll never forget this. And he said, please sell me your company. We, you know, it was like, what? But we were kind of complimented, but it was like, get outta here. Right? Because we knew we, we we'd done well. Right? Well, he kept insisting and we, he finally walked away, but that guy was Kevin O'Leary Mr. Wonderful. On shark tank, he offered us a million dollars for a company that had just launched the product, what six months earlier or whatever. And so we knew at that point, wow. If we made that kind of an impact and could get a million dollars where we are a year earlier, we were broke.

Mike Muhney (25m 33s):

We had to pivot right. Basically a year and a half. And so we knew at that point, if we keep going that number's just going to go up. Okay. In 1988, we were approached by a private Silicon valley company who wanted to go public. And at that time, their investment banking firms said, you need to have a 50 million market cap to be able to go public. You need to buy a company. And, and so they said, we'll find us a company to buy well, they picked us and they offered us \$16 million. Okay. So, so in 1987, we were ordered a million by Kevin O'Leary, November of 87.

Mike Muhney (26m 16s):

In June of 88, we were offered 16. And we accepted that offer. There was a period of time, three or four months of due diligence. We ultimately accepted that offers, believe it

or not, but here's what happened. Life. Thankfully threw a curve ball. And the curve ball was this Saddam Hussein invaded Kuwait, and the whole stock market D was depressed. I don't want to say it, but it depressed or ultimately the value of the deal from 16 million down to 10. And we thought we're worth more than \$10 billion. So we called the deal off that CEO.

Mike Muhney (26m 56s):

I'm not even going to begin to, to describe the, the four letter words that he used that I've never even heard of. He was so angry that company ultimately went out of business. Wow. We, we kept going. We kept going. And so, you know, there were other, there were other people, we were always approach. Let me put it that way. We went over a hundred awards on the market. Three times we won the Oscar of the industry, the PC magazine editors choice. So we were pat and I were celebrities in the industry. I mean, as far as an industry, celebrity could go. I mean, we were truly given red carpet treatment and, and I don't care if you work for Intel, Microsoft Lotus, it didn't matter.

Mike Muhney (27m 41s):

Those people were using our product. Everybody was talking about it and all the things written about it. So we didn't have to go sell the company. People came to us and that number just kept going up over time.

Tom Bronson (27m 53s):

Wow. So if it would multiply, you know, 16 times, every six months.

Mike Muhney (27m 58s):

Yeah. Don't you wish. Yeah.

Tom Bronson (28m 1s):

Well, so what, what made you in 19? Was it 93, right? June 3rd 93. What made you say, okay, this is it. And we did sell the company.

Mike Muhney (28m 13s):

Okay. This is a, this is a barrier soul moment. Two things fundamentally. Number one. Well, I guess let me put it this way. Three things we obviously were doing well, and again, there was no internet. So it's like when, when is a good time to sell. And, and our investors were mostly older men compared to us being middle-aged men. Right? And, and, you know, they're anxious to realize their game. We understood that. And so that was one reason. It wasn't that they wanted us to, or they were pushing us to, but there was a sense of, Hey, Hey guys, things are looking good. Maybe we ought to consider. And so the seed, they planted the seed in us.

Mike Muhney (28m 56s):

That's number one, number two, there was a company and I don't remember their name anymore time, but there was a company down in Houston that the year earlier w was offered \$60 million by Lotus to buy their company. Well, they thought they were worth more than \$60 million. So they declined to take that offer. A year later, they went out of business. Lotus was no longer interested. Microsoft with Xcel basically was destroying Lotus. And so that whole deal fell down the drain. And so we were aware of that, but the third reason, and I'm not even going to say that either one of those first two was the reason to sell.

Mike Muhney (29m 40s):

But the third reason was about 1990. Yeah. 89 90. I will admit pat and I are two strong-willed guys. We were best friends. The reason we started the company is because we were best friends out of college. And we will always say, I hope someday, we can find a company that we can start so we could work together. And so it started on the purest, most passionate terms that you could have friend to friend, what a delight to work with your best friend every day and lock arms. Right? Well, pat and I, you can't be in business and do what we did without some sense of an ego. And because act was so successful, our egos also were got inflated and pat and I I'm going to say we were, we were the parents of the product we were now, ultimately when we sold the 150 people in the company, we had an office in London.

Mike Muhney (30m 30s):

We had an opposite in Germany and Munich. I was getting ready to open up the Paris office. We had, I think, I, I want to say almost 30 distributors around the world. I mean, we, we, like I said, we were celebrities pets, and my NIGO is the parents. We began to disagree on certain items, right. And we were starting to bud heads. And so, because of all the traveling around the world that I was doing, remember I was the outside guy. We now had a VP of sales in America. All the distributors were said America was basically done. I unveil also, unfortunately, because of all my traveling, I was never home.

Mike Muhney (31m 10s):

And I ended up having, going through a divorce. And so the way pat and I stayed out of each other's way was pretty simple. And it actually was beneficial to the company and our investors. I said, you know what? America is now going smoothly on its own. You know, other than the public speaking. Cause I was always the public speaker for the company, any conference, any user's group, I was the guy, right. Unless there was a conflict and then the VP sales in America go. But, but I said, I'm giving up America other than speaking. And I'm going to develop the international market. The prior two years, 88 and 89, we had generated a hundred thousand dollars. I'll never forget each year in international revenue.

Mike Muhney (31m 52s):

Well, I said, I'm moving to London and I'm going to use London as a base to go around the rest of the world. And I would be gone three to four weeks. I'd come home for a week, week and a half to save, basically see my kids go to the office, whatever pat and I pretty much stayed out of each other's way. And then I go back, you know, around the world to do what I was doing. So that's how we stayed out of each other's way for the company's benefit. After the first year of my being, setting up our office in London, hiring staff and focusing on international, we did a million dollars in business. The second year we did 2 million. We were doubling internationally as well.

Mike Muhney (32m 32s):

And I've because of being now in the international market, I understood that we couldn't sell an American product to a non American country. They have differences. They don't have phone formats. I don't want to call them zip codes. You know, there's all sorts of

different things in continental Europe. The postal code goes in front of the city name. Okay. In England, even though England, Europe, they're not Europe, they had their own conventions. Right? So, so I created five different versions of act. We had a, in addition to the American version, obviously a Canadian version, a UK version, a European version and Australasian version, I guess I was at five.

Mike Muhney (33m 14s):

And so that's partly why sales increased because I learned to adapt ourselves to the international market more acutely. Alright. I say all that to say, sorry for being a little bit. Long-winded the patronize attitude about each other did not improve. And the board of directors knew, you know, we're in trouble. If these two guys who we invested in, aren't getting along, maybe we ought to sell. Maybe we ought to see, not that we have to, but maybe we ought to put ourselves out there. Let's hire an investment banking firm. We had a bunch of them come in dog and pony show. We selected one Robertson Stevens out of Silicon valley.

Mike Muhney (33m 56s):

And they, they put together an offering memorandum confidentially sent it out overnight via FedEx to those 75 corporations they identified. And we just sat back and waited to see who responded. Three of them responded, WordPerfect evolve. Like WordPerfect, WordPerfect out of Utah, salt lake city, CompuServe. That was long before AOL CompuServe was king of the hill out of Columbus, Ohio and Symantec out of Silicon valley Cupertino. So this was, I want to say this was in, oh, September, October of 1992, this, these meetings that pat and I had with these people.

Mike Muhney (34m 46s):

And again, pat and I were civil with each other. If we were sitting in front of you, you would not know that we basically couldn't stand to be around each other. Okay. It's like, we're the parents. We love our kids. We're not going to hurt the kid, but I don't love you anymore. Okay. But we got to put on a happy face for the kids. That's kind of how we acted publicly. But, but we, we lost our friendship. We lost our, our, you know, brotherly love for each other, if you will. And so, but so pat and I had these private meetings and it

was clear that out of the three of them Symantec was the savviest and with them, and this was all over the phone to begin with.

Mike Muhney (35m 29s):

We then set up some private meetings in an, at Comdex, again in November of 93 in Las Vegas. Although we went to a, let's call it a, a motel way out of town from Las Vegas that maybe you would go to for another reason. And that's the truth, because we didn't want the press to see us. We didn't want any employee to see us having these private meetings and recognizing an executive of a public company. And so we had to do it very secretly because there was not going to be a deal. We didn't want to lose our employees thinking, well, the they're they're selling the ship, I'm going to jump ship. Right.

Mike Muhney (36m 9s):

And so the process continued and we, we ultimately sold to Symantec and we ultimately held back on what we sold for because their first offer was ludicrous. And so we had the patent, I again, had the strength, the spine, if you will, to say no, even against to, to, to basically average guys who, you know, we, I, I probably had, at that time, I don't know, \$5,000 in a savings account. I mean, we weren't rich right at all. We were just regular guys.

Mike Muhney (36m 49s):

So when you start adding, you know, seven figure numbers, eight figure numbers, that kind of looks interesting. Right. And we had that. We had the wherewithal to turn down some offers, even though they were big numbers to us, because we did obviously have our investors in mind as well. We wanted them to do well. They stood with us. We didn't want to let them down. And again, we did have the benefit of having a very successful product. It was so successful. Not only did it create the category, it created competition, success creates competition, but all ships rise. Now, there was more awareness to this thing that ultimately became CRM, as you mentioned. So that's kind of how it unfolded.

Tom Bronson (37m 27s):

So how long did that? So from when, when your board said, Hey, let's interview some investment bankers until you close the deal. How many months was that? Okay,

Mike Muhney (37m 37s):

So let's, again, let's say our first communicated with Symantec. I might be off a month here, but let's say it was October of 92. So, and then, and then we sold it the beginning of June. So that means really five months through May 31st, let's say, so it took us about eight months.

Tom Bronson (37m 55s):

Okay. Yep. That's, that's a, that's actually fairly quick by, by any standard. But so before we take a break and we're going to have to take a break here in a second, I want to ask if you had to do it all over again, would you, would you have closed that deal?

Mike Muhney (38m 13s):

No, not in a heartbeat, not any of us would, would have sold the company. In fact, pat and I still occasionally talk, I mean, time is a lot of time has elapsed and, you know, we don't send Christmas cards or anything, but we, we maybe talk once a year, just cause we go back to, when we graduated from college, we were that young. And so, you know, we've been part of each other's lives and, and each of our lives is the result of something he and I did together so that there still is that bond. But so pat and I, and all of the remaining, and by that, I mean, some of our investors, board of directors have long since passed the remaining investors, directors, all of us unanimously say, we shouldn't have sold the company.

Mike Muhney (38m 57s):

We shouldn't have sold it. And the answer, well, why shouldn't you, why shouldn't you have it's because of the doubling of the revenue. We, we were the industry leader. We created the category, we had the spotlight on us. We could have easily gone public if we had hung in there one more year, because we would have been, let's say over 50 million in revenue then. And again, in that era, that was a lot of money today. That's nothing. But back then, it was a lot, we would have been over 50 million in revenue with projections that it would have been a hundred million the year after that. So we talk about a nice road show in it and people wanting to get into our company as an owner. So that's, that's

what would have happened. We, we, we believe that we would have gone public and two years later in 95 is when the internet came out.

Mike Muhney (39m 41s):

And you know, so I think to the, to the lead up to 2000, when you could have the stupidest idea and you were worth a billion dollars, well, we had a real idea and real customers and real revenue, you know, it's not, it's not a farfetched to say we could have sold maybe for more than a billion dollars had we hung in there. So, so when you look at it from that standpoint, it's like, oh my gosh, but we didn't know it at the time. Obviously it's the hindsight gives us the benefit of looking back and saying, wow, what did we learn? And so, so think carefully before you think, you know, it is time to sell. Now that company in Houston, I told you about waited a year too long. They should have taken the \$60 million.

Mike Muhney (40m 21s):

So you still have to assess all of the variables. But in our case, we felt the cards were stacked more in our favor than against us. But, but again, pat and I not getting along, you know, we just thought let's just get on with life.

Tom Bronson (40m 38s):

That is not an uncommon story among business partners. We're going to have to take a break. We're talking with Mike Muhney, a member of the 17% club. We're going to take a quick break. We'll be back in 30 seconds.

Announcer (40m 53s):

You want to be a 17% or two. Of course you do. And we can help you get there. This whole mastery partners is on a mission to unmask the value of your business without incredible to the transition readiness assessment. And as we like to collect DTRA in a simple and complicated way, the tra unmasks where you are generating value in your business and where you aren't this comprehensive assessment, pinpoints your hits and misses. You can focus on what's working and solve. What's not what you do today matters and will have a tremendous impact on the future value of your business. Get your tra today and be a 17% who to masterypartners.com.

Announcer (41m 34s):

Schedule a call with Tom and join a tra challenge. Don't be deceived I'm covered and know how to build massive value in your business.

Tom Bronson (41m 46s):

Back with Mike Muhney co-founder of act software, a business at successfully transitioned. I guess we could argue that the information we got before the break. So, so probably more things than you can describe here, but what did you learn going through the whole process of selling your business?

Mike Muhney (42m 9s):

Oh, wow. Well, I guess first of all, it was a realm. I never myself and I, I, I can't speak for pat as well imagined ourselves being in. I mean, now you're dealing with high rollers and you know, a lot of egos, but a lot of excitement, you know, people would say to us that we're looking at us, so what are you going to do with your millions? Right. Well, pat and I w I hadn't thought about that. Right? And you find, you find, you go, you go into a dimension of your own psyche that maybe you don't Roman or haven't roamed in, and you discover things about yourself.

Mike Muhney (42m 51s):

Obviously, I discovered as did pat that, you know, our egos hurt the company. You know, obviously at the same time, we, we, we found that we were capable of more than we ever imagined. I mean, when, when we came up with act at that breakfast, you know, conceived it at that moment, we had no idea how it was going to change the world. I mean, it really did change the world. They created today, a multi, I think the latest number I heard Tom was 44 billion annual revenue by all of the CRM companies combined. I mean, talking to Salesforce and God knows sugar, CRM, blah, blah, blah, blah.

Mike Muhney (43m 34s):

There's over last number I heard. And I'm sure it's, it's more than that was, there are over 1200 CRM companies in the world today. Now most of them are obscure. A lot of them

are specialized, but, but in aggregate, there is 44 billion in revenue and they all point back to act. That act was the catalyst. Are you kidding? I was raised a blue collar kid in Chicago in the rough part of town. If anybody's familiar, Chicago, I'm talking south shore. You don't want to go to south shore right now. Okay. Now for fear of your life, that's where I grew up. I was beat up as a kid, as a four-year-old. I had a switchblade pulled on me. No joke. Okay. So, and pat was also raised in a tough part of east St.

Mike Muhney (44m 15s):

Louis. We, we were poor kids. My dad was a blue collar worker. I'm the first kid in my family to get a college education. And so, you know, you only think so high I'll never forget. So I went through IBM sales training, six months, we were given our territory. Here's what they taught us. So many lessons. I alluded earlier to the fact that many of the principles they taught us and they were principal focused, not technique, focus. Yes. They taught us the sales process, but their focus was on principals. And those principals have done me well in my life. So here's one of them. I'll never forget. The first day of class they asked us.

Mike Muhney (44m 56s):

So we were w the way IBM organized back then in the mainframe era, everybody hired across America in that calendar month, constituted the class. And often for the next six months, we were going to live together for weeks on end up in Rochester, Booker retired in Atlanta to do our classwork in front of the instructors, et cetera. Okay. First day of sales training, they said, so there are two kinds of salespeople. There's jackasses, and there's wild stallions. And this is what they said. Now, imagine you're sitting there where we all have a job finding we're excited to work for IBM, you know, and they say, we don't hire jackasses.

Mike Muhney (45m 40s):

They can carry a heavy workload, but you got to kick them in behind to get them to do the job all the time. We don't like them. We only hired wild stallions. And all of you in this room here are wild stallions. Now, again, this is an impressionable young man, right? Wow. I had never pictured myself a wild stallion, but when you think wild stallion, it conjures up, you know, being in the open Prairie, running wild is a herd, right. Then

nobody can corral you and you're independent, fierce and determined. So not. So they say, but, but by the end of the six months, you're no longer going to be wild stallions. You're going to be thoroughbred race horses.

Mike Muhney (46m 21s):

Oh my gosh. They took us in the matter of a minute from nothing, a baseline to a, a wild stallion to then way up in the stratosphere to a thoroughbred. So in our minds, they taught us, you got to think higher than how you otherwise would see yourself. I say that to say, that's what happened with act again, w you know, our ego and everything, but the success, the, the, the hard work, the effort, the passion, it, it showed us that we had a deeper reservoir than we knew existed in us. But you don't go to that reservoir until you're faced with that opportunity or need, or even if it's desperation, I eat that breakfast.

Mike Muhney (47m 5s):

We were desperate, but we still tried to go down and see, is there anything more? Is there any further step we can take? And obviously we didn't come up with one, but, but that mentor, thank God said, go to our breakfast and see if he can come up with something. We hadn't thought of that. So, so you realize you're not capable of real of seeing everything on your own. You desperately need mentorship, need wisdom from people who are, who have gone before you, and, and, you know, not necessarily all of them can give you good advice, but you've gotta be willing to seek that advice and not think that you can figure it all out on your own. You know?

Mike Muhney (47m 45s):

No, there was a, I'll never forget one day, pat and I, this is probably in, in later 87 or early 88, we were having lunch together. And we both just started commenting. We were probably at that point up to 30 people in the company. And he said, man, we're, we're responsible for 30. People's livelihoods, their, their car payments, their mortgages. They're, they're being paid by the job we created for them. Could you believe it? You know, it's like, self-discovery right. But you understood. We understood we're responsible for these people and how we treated our people was very important. Right. And, you know, maybe later we can get to, how did they respond? When we told them we sold the company because it broke their heart because of how they were treated.

Mike Muhney (48m 29s):

And the opportunities that a fast growing company provides. Somebody who, if they had gone to a big corporation would have taken them years if ever to work up the corporate ladder. When, you know, a successful company, jobs emerged because need arises and somebody's got to fill it. And a lot of times people say, I'm interested in that, or I can do that. Can I take, can I have it? Sure. Right. And we saw people nurture and we nurtured them. We saw them grow because of it. We saw, we met people who were, had ill motive towards us. I'm talking one in one particular investor. Prospective investor was a extremely savvy man. I mean, he was, he, his talk was like silk.

Mike Muhney (49m 12s):

He was that smooth. And he was an ex partner at, I think it was Arthur Young before Ernst, and Whinney bought them and they merged, you know, Ernst or whatever it is. You were so young. Yeah. And, and he was winning. And the guys that said, so what are you going to do with all your millions? And, you know, he wanted an answer from pat and me and we, well, I don't know, maybe I'll buy a boat, I'll buy a new car. I have a used car right away. But, but he, we, we, he set up a whole meeting, Tom of a lot of experts. And these were recognized experts in the industry that he brought into town. And we had an all day meeting with him and he did want to buy the company.

Mike Muhney (49m 53s):

And we discovered fortunately that day he was basically going to kill the company in it. He was going to get rid of pet me. He was going to change everything. And fortunately we all recognize it. And we literally walked out on an all day meeting where he brought people in from across the country. And as funny as it sounds, I won't reveal his name, but a couple years later in business week magazine, there was an article about him being a fraud and how he had deceived companies. And so, you know, you get a little harder or higher demand in realizing you've got to talk to money people, but be careful because they, they know you they've got what you want and it can be sweet talk and you can be seduced and fooled.

Mike Muhney (50m 42s):

And so w w we grew, we, we, we, you know, matured in a lot of ways because we were thrown on the battlefield. So

Tom Bronson (50m 50s):

Knowing now what, you know now, would you have done anything differently? I think I wish that selling the company we've already covered.

Mike Muhney (51m 2s):

No, I wish I wish pat and I had been more, a menopause amenable to having a heart to heart. And, you know, w what is the real issue? I mean, come on and look at how successful the company is. Do we really have to fight? You know, okay. We don't have to agree on everything. No parents, you know, the mother is always a softie and the father's the hard guy, but disciplinary and no. So whatever parents see things from a different perspective, but that's okay. That's what makes it, you know, a unit. And so I regret that, that neither one of us had the courage, the maturity to take the initiative to say, Hey, can we talk? And we just let it fester, you

Tom Bronson (51m 42s):

Know, there are, there are folks. We actually have somebody on our team now who, who helped with that, because that's a very real issue with business owners. If they get at odds with one another, it's almost like family counseling for partners. Right. And, and there are ways to kind of resolve that, that that's, that's probably good advice to, to, to figure that out. Now, you mentioned that your employees were devastated. Would you have done anything differently in regards to telling them sooner or, or involving them more?

Mike Muhney (52m 17s):

No. No. We would not have. And the simple reason is w they were all great workers. I mean, we, we obviously fired some people over the course of our seven years, you know, for non-performance or whatever. We even had one guy in our warehouse selling cocaine. We had, we had two couples, two, two people in the company, each married to somebody else who was discovered in the office one night, going at it with each other. Okay. So we, we, you know, there were a lot of things going on. It's like, oh, and look, I

say this with all, gosh, what we're going to use humility or understanding compassion, empathy.

Mike Muhney (53m 8s):

But at that era, this brand new thing emerged called HIV aids. Okay. Well, we had one of those in the company and many of our employees, when they discovered it were fearful of, of aids being, you know, so, oh my gosh, how do you deal with that? I mean, you do, there's no limit almost to the things that as a company grows, that you can get exposed to and have to deal with on a very personal level and a very hard heartfelt level. Right? So, but getting back to the employees, you can't tell them because if you lose these very valuable people who who've been with you, and they're doing a great job, right?

Mike Muhney (53m 54s):

Cause you gotta get rid of people fast. If they're not, I'm not saying don't give him a chance. You got to give him a warning. Hey, you know, we're concerned if you don't approve you're outta here. Right. And so we didn't want to lose them. And we knew they were all so talented. They could go to other companies and people want wood and people were coming after them anyway, because of the brand and the success and reputation of act in the company. And so we had to keep it quiet and I will make one caveat to that though. So a lady who worked for me directly was she just had just gotten married. She and her new husband were gonna close on their first home and commit to a mortgage.

Mike Muhney (54m 39s):

And I thought, oh my gosh, I hate to have her think that there's a future with this company to F to afford that mortgage. And what if it takes her awhile and her husband to find a job. So I actually, in this case, I did tell pat, you know, cause I had to confide with him too. Cause we were both. Nope. We can't tell anybody that I was going to tell her. And he understood. So I did talk to her and I, and I did tell her that we didn't know if it was going to happen, but it might. And I just wanted you to be aware of it, you know, make your decision. So there's always that exception or at least there was, but that's the only one that I'm walking by the house. She did buy the house and, and they, they, they did fine.

Mike Muhney (55m 23s):

She actually opened it with the stock options that she had. Cause we'd still didn't know what we were going to sell for. Right. She opened up a store in Highland park village, a little franchise store from Paris, headquartered in Paris. And that was her love to sell little girl's clothes at a clothing store in Highland park village. Yeah.

Tom Bronson (55m 46s):

Wow. Wow. That's very, wow. Yeah. They there's different schools of thoughts on, on letting your people know there's there is always that fear among business owners that you'll lose great people, but sounds like you were doing the right things. Anyway. If you had people who had stock options and they could grow along with you, I'm always a big fan of telling my employees, because look, the reality is, is that it doesn't matter how old you are. It doesn't matter how long you've had the business, how successful it is. Eventually this business is going to transition. Some of them transitioned to going out of business. Some of them sell some of sometimes the worst case scenario is the owner dies without a strategy.

Tom Bronson (56m 28s):

Right. And then, and then what happens with the business. But I've always said from the day I've opened a business or bought a business that I'm not the last guy that'll be sitting in the CEO seat and just know that. And if you, if you help me get where I think we can be, then everybody's going to be happy with the outcome. So I'm guessing that that most of your employees transitioned over to the new company or did they, they just decimated the company.

Mike Muhney (56m 54s):

Oh no. You know, again, it always, I always have to take people back to that era. So back then the, the most valuable component to a software company, especially a Silicon valley software company, that's public where the developers, they actual programmers, right? They were the brain trust if you will, of the mechanics of the product and the, and the development in process for the next future releases. So they, they wanted to keep

the entire product development team at best. I can recollect, I'm going to say they were 15 or so people, they wanted to move them all out to Silicon valley, which they all did.

Mike Muhney (57m 36s):

And then they only kept patting me on a two year employment contract pet. Here's another thing that we learned to get kind of tie in to your previous question. So pat and I were put under this two year employment contract and it was a cakewalk, I mean, fantastic salary. I was traveling the world to go out. I was the face of act. I was speaking at every conference and you know, I mean, life was good. Right? And we were very proud of being bought well, we still had our ideas on, on, on the next versions, if you will, what ax needed to do with unfolding technology? Well, the marketing department resented us greatly. I mean, when I say greatly, they hated us.

Mike Muhney (58m 17s):

And they ultimately complained to the CEO of Symantec, a guy who was a son of a, you know what? He was a despicable man. And we were kept for meeting with him. How did you feel about him? Yeah, no, I, and I'm being nice saying he was despicable. He had three, this, no, I'm not kidding your yeah. Three mistresses at the company known mistresses in the company. Those three women were untouchable. Right? Anyway, we never met with him during the due diligence process. They had a great due diligence team and a team leader and, and our love, or our growing affection for the company was basically because of this team.

Mike Muhney (59m 3s):

Well, we then later understood now that we were owned by Symantec, why they had this team and he, the CEO didn't participate. Okay. Because he was an, an unlikable person. Anyway, they come, the marketing department complained to him and he came up to pat and me and I wish I could use a four letter word here, but you'll know which one it is. He just came up to us. He said, you guys are making trouble. We bought you. You didn't buy us or shut the F up and do what you're told. Well, pat, and this was only four months into the two years. Well, pat and I, we didn't keep our mouth shut and we got fired.

Mike Muhney (59m 45s):

We got fired. And so another lesson that I learned time, if you're going to be acquired, Hey, if you want to pay me some money to represent you here and there, that's great, but I don't want a job. Just give me, give me my money. Give me my share. And I'm done with you. It's yours now, you bought it. It's yours. Right? And so it's sad that we couldn't have continued with our vision, but it's because it wasn't welcomed. And so that

Tom Bronson (1h 0m 14s):

Is a common story, Mike, that on average, on average, the founder CEO of a business that sells to a bigger company on average lasts less than 17 months. You guys have not had a shorter tenure, but it's for the very same things that you just described. So a lot of business owners get in there and get in their minds. Same thing that you guys had, man, this is going to be a great job. I'm going to still, I'm going to have some influence. We're going to bring out new products. I'm going to be the face of the company. You'll find out later that this is how it's really going to be. And that's not, that's not every person, but that is a way more common story than, than people understand.

Tom Bronson (1h 0m 56s):

Who've never been through that process. So I'm really glad that, that we stretched in that you were a little vulnerable there and share that, that story with us. What advice would you give to a business owner? That's thinking about selling.

Mike Muhney (1h 1m 12s):

Wow.

Tom Bronson (1h 1m 15s):

Hey, I'm known for asking good questions,

Mike Muhney (1h 1m 17s):

Mike. Okay. So, and there's no right or wrong answer. I know, you know, obviously my answer will be based on my own recollection of those moments of reflection and, and having to come up with a decision, I would just say, be careful, be careful and move more slowly than you might be lying to you to only to give you a little bit more time for things to distill, spend as much time as you can on an individual basis with the person

that's the head of the company. That's going to buy you and try and do your due diligence on their background.

Mike Muhney (1h 1m 59s):

I mean, in every way, shape or form in, in today's world with the internet, there's no excuse to not find out everything you can about a person and what their past views are, et cetera. You know, I, I'm not one that is much in favor of social media. I think it's been hugely destructive to relationships and reputations look at the division in this that's going on. But at the same time, I also know social media has its value, but it's a double-edged sword. But on the, on the positive side of social media, there's no excuse not to do your own due diligence with people. And I would also give some serious thought as to what are you going to do afterwards?

Mike Muhney (1h 2m 38s):

Because I will tell you Tom, when we were fired, I mean, it, it just like that, like a, a machete that had amputated my head right from my body. I went from this seven year wonderful journey other than, you know, the, the bumps a lot, but seven year growth understanding, leading a global company, opening up international offices, all this stuff that I was exposed to that I, I was just as, you know, a simpleton before this, I was just a regular sales guy. All of a sudden I had no self-esteem w what am I? I don't know what I am anymore. I literally was lost.

Mike Muhney (1h 3m 20s):

And I was not that I needed therapy or anything I didn't, but I, I couldn't find myself. Who am I, what do I do now? I have no identity act was my identity. That becomes the identity of the founder, the inventor, whatever. Right. And it was taken from me. And I had, and I was disallowed from having anything to do with it. Now nobody can ever take away the fact that I'm the co-inventor, you know, but, but I had no input. And so I was lost and I was lost for about a year and a half. I mean, I did certain things, you know, I took up golf and I bought a new house. I had a new home built and about a new car. I did that. You know, people were coming after me saying, Hey, could you be an advisor board of director?

Mike Muhney (1h 4m 3s):

But what they were really coming out to before was to invest in their company. And all of a sudden you meet a whole new group of people that now are chomping at the bit. And, you know, they're just an up to you. And so you have to be careful with that as well. Right? And so I kept busy, but nothing was the same as something that I had literally created. Co-created out of my own groin, right? To be, to say, I mean, one of the companies wanted me to be the CEO. I ultimately did accept a position. They wanted me to start as the EVP. There were public company, believe it or not, but they, their policy was to hire, promote from within.

Mike Muhney (1h 4m 44s):

So if the CEO who wanted to retire, brought me in right away as CEO, the people would have resented me. So he said, I want to bring you in as an EVP first for about six months, then I'm going to promote you to the CEO. Okay. And that never happened because the board fired him. And then the people didn't like me and they fired me. And so, you know, life continues to throw a third, third curve balls, but it's, I discovered I didn't have the passion for something like I once had with that. Can I ever have again? And I, I, I never found it at least for a long time. And so, you know, you go through a period of darkness, if you will, or searching, let me put it that way in a nice way.

Mike Muhney (1h 5m 32s):

I mean, I'll tell you, I don't know how much more you want me to keep talking. I, I, I did find the answer to what am I, you know, it wasn't, who am I? I was Mike muni. I was a father. I was a, you know, a friend. I was all those son, brother co-inventor of act. I was soft, direct Youpreneur. I knew who I was when I didn't know the answer to was what am I? Because I w what I was, was the co-inventor of act. And that was my identity. This is my baby. This is my child. Right? And so the answer of what I was, did reveal itself to me via a movie. I was watching on a Wednesday afternoon in retirement.

Mike Muhney (1h 6m 16s):

While my, while my kids were at school, my kids decided to live with me. So I became a Mr. Mom, my ex-wife moved back up to Chicago. And the kids were given a choice. You want to live with your dad, or you wanted to live with your mom. You can fly to see each

other, but where do you want to live? What's home based. And the kids said we don't want to live with dad. And so I became a Mr. Mom that obviously I could fight my time. So when the kids were at school, I was watching a videotape. We once had video tapes back then, and, you know, a scene in the movie answered that question of what am I? And when that, when that question was answered and revealed, Tom, I literally cried. I literally had tears streaming down my face.

Mike Muhney (1h 6m 57s):

I'll never forget it because I knew at that moment, what I was to this very moment, as I sit here talking to you, I still am what that answer revealed. And so that was liberating. It was freedom. It was, life is good. Now, at least I know what I am and who doesn't want to know what they are.

Tom Bronson (1h 7m 16s):

Well for goodness sakes. Tell us what was the movie?

Mike Muhney (1h 7m 19s):

The movie, the movie was indecent proposal, Robert Redford, Woody Harrelson, and Demi Moore. For those of you that might never heard of the movie, that the premise of the movie was Woody. Harrelson was a brilliant architect, a up and comer, and he was married to Demi Moore. And they, there was a bad recession and what he lost everything they lost. He was building a dream home on the ocean. And so they only had a little bit of money left and they went to Las Vegas to gamble and hope make some money. And Robert Redford was there, who was this billionaire?

Mike Muhney (1h 7m 59s):

And he saw Demi Moore and basically lusted after her. And ultimately he offered to spend one night with her for a million bucks. Okay. That's basically the premise of the movie. She did Woody Harrelson was now on his own, and he couldn't find a job, even though he was a brilliant architect. And the only place he could find a job, because this company failed was as a PR, a teacher at a community college. Well, he was a recognized architect. So all of these community college architectural students were

enamored with the fact that they were in the presence of this brilliant architect, unlike what we otherwise had gotten up to now.

Mike Muhney (1h 8m 41s):

Right? And so the scene here was the scene, and I'm sitting here watching it like anybody else. He was at the front desk and the, the, it was like a, a barn, a two-story and, and the room was packed with the students, their legs hanging over the upper deck, sitting on the stairway, going down, they were soaking up his, every word and the camera was filming on their faces to see how they were just so absorbing everything he said. And so he ultimately was talking about, we've got to rise people to a higher level. We've got to, you know, take them to a higher place. Right. And so what he did is he, he, there was a big screen behind him. And on that screen were flashes of icons of the world, the pyramids, the Taj Mahal, empire state building, places like that.

Mike Muhney (1h 9m 29s):

And he, he pulled out a brick from his desk and he said, what is this? So he sold it. And he says, so it says to the students, so what is this? And one student said, it's a brick. And he went, yeah. And then another student said, it's a weapon. A number of students lay off Tahoe. And this is what he then said, even a brick wants to be something. And then he said it again, but with different cadence, he said, even a brick wants to be something, but why, and all you saw and see his hand and the brick, but behind it, where these further icons that were, these magnificent are inspiring structures. And it's like, yes, I'm a brick.

Mike Muhney (1h 10m 11s):

We're all just bricks. But I still endeavor. I aspire to be something much greater than I am. And I can only be that by being part of other bricks so that we can all create something better. And so that answered my question time. I started crying. I was like, oh my gosh, I'm, I'm a brick. So IBM going back to that. IBM, first day of sales, I was a thoroughbred racehorse. That's at the peak, but the, my real discovery was at the baseline. I'm a brick. And that's what I really am. I'm just a brick. I'm a hard working brick. I'm a brick that wants to be part of something great. But I'm just a brick. And so my whole attitude changed.

Tom Bronson (1h 10m 51s):

Wow. Wow. What a great story, Mike, this is, this has been so much fun. I almost hate to wrap up here, but I've got another one more business question for you. And then I'll, and then I'll ask you a more fun question. The, the business question is, if you were to give this, this podcast is all about maximizing business value, improving values, so that you can ultimately monetize that for business owners. If you had to pick one piece of advice, what is the one most important thing you would recommend business owners do to build value in their business? What would that be?

Mike Muhney (1h 11m 29s):

Well, that's a good question. Hard to answer in one thing, obviously integrity, honesty, but I would say, be a person of principle, be a person of principle. Ralph Waldo, Emerson is quoted as saying as two techniques, there are a million and then some but principles are few. The man who embraces principles can successfully select his own techniques. The man who selects techniques, ignoring principles is sure to have trouble.

Mike Muhney (1h 12m 11s):

And so I would say, be a person of principle

Tom Bronson (1h 12m 14s):

That is some great advice for business owners, but of course, longtime listeners to our podcast know that I always ask about us questions. So here you go, Mike, what personality trait has gotten you into the most trouble through

Mike Muhney (1h 12m 30s):

The years? Well, one of the, one of the benefits time of getting older is I don't give a shit sometimes. And I just tell people how I see it, that gotten me in trouble sometimes. Sure. But you know what? I still don't give a shit. So there you go. I hope, I hope that's not offensive, but that's the truth. That's awesome. So, so, you know,

Tom Bronson (1h 12m 54s):

We didn't really talk about this, but Mike does speaking. He does keynote addresses for, for conferences, for, for businesses. How can our viewers and listeners get in touch with you if they want to hear more about

Mike Muhney (1h 13m 7s):

That? No, I appreciate that very much time. You can go to my website, Mike, at mikemuhney.com. There's a contact me form. You can fill in and you know what your interests may be. And I would be happy to respond to anybody who communicates with me.

Tom Bronson (1h 13m 25s):

Mike, this has been an absolute pleasure. Thank you for being our guests.

Mike Muhney (1h 13m 30s):

The, the pleasure is mine. I've had a lot of fun. I always enjoy laughter. You know, if there's one thing or second thing that I might inject time to tell people is find ways to laugh because laughter is such a, a bond between people. And so you and I have enjoyed a lot of laughter here. And I truly, I think the privilege and pleasure has been mine.

Tom Bronson (1h 13m 52s):

Well, if laughter extends your life, I am going to have a very, very long life. I can tell you that we

Mike Muhney (1h 13m 58s):

All need dads. You can find

Tom Bronson (1h 14m 1s):

A Mike muhney at mikemuhney.com, M I K E M U H N E Y. Mikemuhney.com or on LinkedIn. And of course you can always reach out to me and I'll be happy to make a warm introduction to my good friend. This is the maximize business value podcast, where we give practical advice to business owners on how to build long-term sustainable value in your business. Be sure to tune in each week and follow us wherever you found this podcast. Be sure to comment. We love your comments and we

responded to all of them. So until next time I'm Tom Bronson reminding you that it is never too early to start planning for your ideal desired exit strategy while you maximize business value.

Announcer (1h 14m 50s):

Thank you for tuning in to the maximize business value podcast with Tom Bronson. His podcast is brought to you by mastery partners, where our mission is to equip business owners to maximize business value so they can transition on their terms on how to build long-term sustainable business value and get free value building tools by visiting our website, www.masterypartners.com that's master with a Y masterypartners.com. Check it out.

3 (1h 15m 35s):

That was perfect. I wouldn't make any changes.