



Episode 11:

Considerations When Buying an Existing Business

[A transcript of this episode.](#)

Welcome to the Professional Website Investor podcast, the show where we talk about what it takes to successfully buy, operate, scale and sell a thriving eCommerce business. When it comes to doing business online, we believe that buying an existing website is far superior to building one from scratch. If you're a career professional who is looking to become an eCommerce store owner, listening to this show will give you the knowledge, tools and community support you need to be successful.

I'm your host, Ryan Cowden and this week we're joined by Ian Bond from www.ProfessionalWebsiteInvestors.com. In this episode of The Professional Website Investor Podcast, Ian and I discussed the final questions you should be considering before you buy an online business. For people who are interested in buying online businesses, it can be hard to know when you're finally ready to commit and make your first purchase. There is a seemingly endless number of questions to ask and decisions to make, and it can be hard to know when you're prepared enough to act. Today, we're talking about the questions and self-assessments you should be considering as you move towards a final decision.

We also talk about seeking success, and the fact that you never fully know until you jump in and try. In this episode, you'll hear what you need to keep in mind as you make this decision, including your desired-end state and monetization plan, self-assessment advice, how understanding your personality type, skills and interests should inform your decision, and the need to commit when the time is right. You'll never know everything and you

may never feel fully prepared, but if you have a good team of advisors around you and have asked all the right questions, you are as ready as you'll ever be. There's a lot of actionable advice in this episode, so grab something to write with because you're going to want to take notes. As always, I'll be back on the other side to wrap up any loose ends.

RYAN: So without any further ado, here's my conversation with Ian Bond. All right, Ian, welcome back to the podcast. How have you been recently?

IAN: Ryan, never better. Great to hear your voice again and see you again too. Now that we do these videos last few podcasts ago, we couldn't get the video to work on my end here. So my apologies.

RYAN: It's good to see you. Yeah.

IAN: Yes, exactly. Good to see you.

RYAN: Yeah. Well we're diving into a really interesting topic today. We're looking at websites and that decision point, when do you really know that you're ready to pull the trigger, and what should you be considering at that stage in the game. So something you have a lot of experience with.

IAN: Well, I went through the soul searching and I've described it before. We've talked a little bit about it on the podcast. Just to remind people, I became convinced through my professional analysis that website investing was an incredibly attractive opportunity. At 58 years old, my biggest fear was the tech fear. Could I crack that or would I lose every penny I invested immediately? I put down 53 deposits on websites with one website broker alone, and my bookkeeper nearly fired me because the money was going back and forth every time I canceled my deposit. So yeah, I have a lot of experience with the soul searching.

So I wrote a blog piece that talks about how you might think about a framework to get there. So how might you do that? Now maybe we can, maybe you ask me what you think the relevant questions are to unpack that and fire away.

RYAN: Sure. Well, I think one of the good places to start is one of the things that you mentioned is having an end goal in mind. So what's your desired end-state? That's probably going to look different for different people, but how did you go about figuring out what your end-state was going to look like?

IAN: Obviously, the old Stephen Covey start with the end in mind comes to the forefront when you think about this. You don't want to do something that you're going to be horribly unhappy with. I'll just give you a for instance, I've been in sales my whole life and so we decided to do a physical goods eCommerce that has a big customer service component. That worked and also you have the supplier relationships. So consequently, it didn't threaten us. In fact, it was attractive to me to bring my skills and experience to bear on that. Other people would make a totally different decision because they want nothing to do with them, and I know people like that. People that like to do analytical things and want nothing to do with human interaction.

That wouldn't be me, that would make me unhappy. I enjoy what we're doing right now. So I think you have to start with like if I end up succeeding in this, what's it look like? Obviously we're all here to make money for one reason or another. I am late career professional and I'm here to make money to finance something beyond this career that excites, and that can support my family. So there's certainly a monetary component, but you have to also think, do want to go into the coal mine every day or whatever it is.

RYAN: All right. Great. Well another thing that you mentioned is having some framework of a monetization strategy. You want that piece in mind and-

IAN: Yeah, so two things I would point out there. In the piece that we wrote, we talked, I leaned heavily on Tom Corley from Rich Habits. If you just Google, Tom Corley, Rich Habits, he has a wonderful blog. He did a study of wealthy people and what the habits are of the wealthy, and what they do that's different than normal people. He has a framework where he says take expert knowledge, develop advanced skills, and then the way to achieve success is by you got to do it. Okay? So the big question is, how do you push yourself to get to that next level? Now I've articulated and explained on

this podcast that I shamed myself into it, because I put all those deposits down.

I'll tell you a story before we moved over here, we went on a family vacation to a Connecticut, rented a house. House came with a couple of bikes. My kids were nine and five at the time, and both wanted to learn how to ride bikes. They're city kids. We didn't have bikes in the city. One kid's a daredevil, one kid's incredibly cautious. Girl is older, boy is younger, boy is more cautious. Okay, but on either end of the bike trip, at the beginning where was mom or dad on one end and mom or dad on the other end, expanding the distance between each other as we taught our kids how to ride bikes. After the long weekend, or the week that we were there, both kids were riding bikes at the park around the tennis court unendingly. I mean, come on it's time to go home kind of thing. Overjoyed to have learned it. How did they get there?

They had mom and dad continuing to move the goal pole, or move the distance further and further apart. I would tell you that I think it's the same thing in terms of that achieving success component is the same thing. You need to try to lean on other third parties, other telltale signs, any kind of framework that you can develop that tells you that you're ready. In my own investing experience, I basically shamed myself into it and made a \$17,000 tuition deposit on what I call the University of the Internet to say, "Look, I can afford to lose this. I really think it's going to work. I've done as much work as I possibly can. Time to pony up and try it."

RYAN: Okay. So would you say that ... You mentioned two personality types, you got the dare devil and the cautious. Which one are you?

IAN: I was overly cautious.

RYAN: You're overly cautious, okay.

IAN: Yeah. I was 58 years old investing in websites. I'm not a tech guy okay, so I manage tech guys. I have tech people reporting to me, we manage big projects. I've managed major transformational technology projects, I understand the moving parts. If there was one thing that I underestimated, it

was I could do that, I could take exactly those skills and with the pool of outsourced workers I have access to, I can literally recreate that. I really thought I was going to have to do more myself, and I'm incredibly positively surprised that the opposite is true.

RYAN: Okay. So let's talk that through. It sounds like an important step here is self assessment that people need to figure out what type of personality they have as they get into this. What do the daredevils need to keep in mind, and then what do the cautious people need to keep in mind is if you're just getting started?

IAN: I've talked about this before but I think that in any website investment, there is an activity chain that you need to think about how you're going to solve. The activity chain are the activities that you need to succeed in that endeavor. So if you take physical goods eCommerce, there are supplier relations, there's the website stuff, and then there's the customer service, customer support. So we thought, I thought really hard about that activity chain and that didn't scare me. Now it scared me a lot when I looked at content sites, which I think the activity chain is very different. There's keyword research and there is back linking, and there's PBN strategies, and there's a bunch of stuff that didn't appeal to me that I knew I wouldn't excel at and didn't have any immediate thing that I could bring to bear on it.

Whereas having been in sales my whole life and being an online shopper, I felt like I could actually discern value on the Internet in terms of the sites, discern how I could add value to the customer experience. As I've said before, I think to a certain extent, physical goods eCommerce is a little bit like real estate for most people, it's fairly intuitive. So I got comfortable with that activity chain, is the long, the short answer to your question Ryan.

RYAN: Okay. So people need to find something that they're going to enjoy the daily tasks, it's going to fall within their skillset.

IAN: Break it down into what you need to succeed, and look at how, figure out how you're going to handle that component. Now the middle component, that web stuff I mentioned, we outsource all that. We don't do that. The beautiful thing is that the bulk of the websites that are available today, particularly in the eCommerce world, but also in the content world, run on

standardized platforms and there's all kinds of workers you can hire to do that stuff. So whether your eCommerce site runs on Shopify or big commerce, there are developers that you hire. All you have to do is tell them what you want. You have to be very prescriptive on what you want, but they'll do it and they do it really, really cheaply.

I mean when I say cheaply, four or five, six, eight bucks an hour cheap. Yeah, and they work ungodly hours, lots of hours and it's this incredible pool of talent. I have to tell you I think the reality is that most people here probably had an idea that they just need to figure out how they can leverage that pool of talent out there, in order to best help them achieve their goal.

RYAN: Okay. Okay. You mentioned this chain of working through the Tom Corley method of analyzing what are your expert knowledge to where that lies. Does that need to fall within any specific sphere or is it just, what are those experts skills look like that people are self assessing for?

IAN: Yeah, look I think what I identified for myself was I'm a people person. I've been in sales, I know that I can have a conversation with someone I can think on my feet. I enjoy it. It doesn't repulse me. I look forward to it. I know conversely, the doing keyword research and being inside a spreadsheet all day is not going to get me up in the morning. I don't think you have to go to 23 and Me and get your DNA tested. I think it's just stuff where it's some fairly easy questions. You get to those questions by doing what I said about developing the activity chain, and really thinking hard about what it takes to succeed in the monetization model that you choose.

RYAN: Okay. Yeah, absolutely. So there's the activity chain, there's the monetization model, there's your expert knowledge. Is there a point where people need to start thinking about developing certain advanced skills, or is it more of an extended?

IAN: Yes.

RYAN: Okay.

IAN: Yes. So the activity chain then tells you what you need to succeed. Some of those gaps, some of those things you can do yourself with honing

your skill set. You can learn, let's just say one of the key components and we've mentioned this before, is traffic to a website. You can understand very easily what the way to succeed in getting traffic to your website is both through organic means, and through paid traffic. You don't necessarily have to be the person that does that, but you need to be able to understand it well enough to manage someone that can do that, and evaluate whether or not they're doing a good job. So I'm not involved in the paid traffic campaigns other than to evaluate, and to stay on top of the trends, and to prob where I think that there are gaps. Success is obviously, how well you're succeeding is obviously a great guide post.

Anyways, long story short, there is that little gap that you're going to need to fill. You can't hire a professional or an outsourced worker without being able to speak to them like you do at your job to someone that you're going to put on a task. You've got to be prescriptive, you've got to know what you want. The worst thing is particularly to hire a VA, and not to have a procedure or not to have something very prescriptive because what you'll get back will look very different than maybe what you had in mind. Almost certainly it will be very, very different. So that's the advanced, when I think of advanced skills, I think of developing, filling the gaps on where you're at and where you need to be.

Let me give you a great example. My wife is wonderful at being incredibly prescriptive. She's very linear, so she thinks about how a worker needs to do what we need them to do on any given process or procedure. Then she actually literally records in software screenshots that show them what to do, and our people love that. They just love it. Works out really great.

RYAN: That's great. That's great that you and your wife have a team dynamic too. That's awesome.

IAN: Yeah, I mean it's worked incredibly well for us. So whether you do this on your own, with a spouse which has its challenges, or whether you're not you partner with someone or someones, you will partner with people that have skills that are complimentary to you for sure.

RYAN: Okay. It sounds like the more you talk about it, it's you get to the point where you just have to go in and do it and-

IAN: There is no question, okay. Tom Corley's third piece is achieving success. Guess what? The only way to achieve success is to take the plunge. It's to jump in the pool. It's you've had the swimming lessons. It's to ride the bike. So the \$64,000 question is, well when am I going to be ready to do that? Well, you need to get people to give you honest assessments. You need to look to see if there's more work you can do around analysis, and then ultimately you have to take a call. Can you do this? Like I did after 53 deposits, and there is no guarantee. So as much as you can limit the risks, you limit the risk but at some point, the only way to succeed is to try.

Then what you find is once you own a website, is you'll fail every day in small ways at things, and the old tropical MBA post about takes a thousand days to get there, or the Malcolm Gladwell 10,000 hours of mastery. I don't know what it is, I'm not sure anybody knows what it is but the more time you do it that you stay in business, the closer you get to becoming a master at it.

RYAN: Okay. Well, I think it's interesting because when you talk about building your first website, you say what caused you to pull the trigger was you shamed yourself into doing it, but that's not how you trained your kids to ride your bike. You and your wife were building their confidence.

IAN: Yeah, Ryan, I think you're right. I mean I've analyzed this before, and I should have had better coaching. I should have had better, I should have had someone holding me accountable on a five step process to get there. I should have had someone looking over my shoulder, like I'm really great at analyzing the deals, but I could've gone behind the scenes and looked at things with someone, and had someone task me to do various, there's a lot of different things I could have done better. It would have helped me specifically, but may not have helped someone else or maybe they would have ... Maybe there are other people just like me. So one of the things that I like to do is to try to answer those questions for people.

RYAN: Okay, great. Well last time we talked, you told the story of jumping in for the first time and acquiring your first business. I think it'd be good to build on that and talk about building your confidence, and pushing into your second online business that you acquired, and what you learned pushing into that sphere.

IAN: Yeah. So if you recall, the first business was the tuition for what I call the University of the Internet. This was October of 2015. We bought the site for \$17,000. It was an eight year old site. I was worried because of the tech stuff that I'd lose all my money within the first week. Now it clearly didn't happen. We found out wow, we can actually do this. So it worked out really well, and so we did it. Then a month later, there was a site that came for sale that I had been looking at where it was in a much larger market, where we had the opportunity to address a bigger opportunity and we took a shot. Then now we really got pregnant and got in trouble. I mean we took, we started to play against some very big competitors and compete in a real meaningfully competitive market.

That was a real lesson in humility for a long time, because every day we would learn, someone would steal our lunch money and we'd fail in a small way. My wife and I had this mantra that if we made a mistake or something bad happened, it didn't put us out of business, guess what? We lived to play another day. How is it? It was just horrible. I don't wish it upon anybody. Being part of our community or other communities or having someone that you can talk these things through with, just to keep your head clear, we were lucky as you mentioned, we had each other but you question yourself every day when you're going through that process. It's just horrible.

RYAN: Right, right. Yeah. So I guess the theme of this episode is do you ever know that you know, that you know, or do you just jump and then figure it out?

IAN: I think it depends on your ... You go back, is it your personality type? Are you the reckless nine year old, are you the cautious five year old, and have you done the work you can do and the best way to judge that is try to get as much third party validation. You've got expert skills, what are the gaps that you can work on to sharpen those skills? You have expert knowledge, what are the gaps that you can fill to sharpen those skills? What is the framework around how you're going to succeed, and how are you going to personally attack that? Then once you've done all that, then you're at the moment of truth.

RYAN: Okay, well this was great and thank you so much. That was some good stuff.

IAN: Sure Ryan. Yeah, yeah, yeah, it was fun. It's there is no magic formula. Okay, there is no moment of truth. There is, for some people it's easier than for others, but I can only tell you that once you get there, once you taste the success, it's incredibly, it's overwhelmingly reinforcing. So you got to go for it.

RYAN: All right, thanks Ian. We'll see you in a couple of weeks.

IAN: Okay, Ryan. That's great man.

RYAN: Thanks. All right folks, there you have it. That wraps up my conversation with Ian Bond of The Professional Website Investor Podcast. He shared a ton of valuable insights and advice today on how to move from contemplation to action, when considering buying an online business. As always, we'll link of any tools or resources we discussed in the show notes at www.ProfessionalWebsiteInvestors.com. I hope you enjoyed our conversation and consider subscribing, sharing with a friend, or leaving us a review in your favorite podcast directory. Until next time, best of luck in all that you do. We look forward to seeing you on the next episode of The Professional Website Investor Podcast.

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