



JAMES SCHRAMKO

7 Practical Tips for Maximizing Your Web Business Sale Price

Selling your online business? Naturally, you want to get the best price possible. Start with these seven tips from Empire Flippers' Greg Elfrink.



Greg Elfrink

James: James Schramko here. This is episode 926. Today, we're chatting with Greg Elfrink, like the magical figure with an ice rink. He's from [Empire Flippers](#). And we're going to be talking about maximizing your content site to sell it via marketplace. But aside from that, there'll probably be some interesting avenues to this discussion. Welcome, Greg.

Greg: Yeah, thanks for having me. Hopefully, I'll be able to add some value to the audience.

James: I hope so. You know, the whole intent of this podcast is, of course, to create great education for people who are in the online space. I've done a lot of online coaching, with similar background to yourself actually, lots of SEO, a few content sites. I've built and sold a few online businesses.

We've had plenty of brochures here before and M&A people, and our good friends [Matt and Liz Raad](#), of course, always coming, talking to us about the opportunities, they're in the online space.

We have a mix of website-savvy listeners, a lot of them have a website. We have agencies, we have content sites, there's a couple of software, a few e-commerce audience members. I imagine some of them are building, growing, monetizing. Some of them are interested in selling, some of them are interested in buying. Most of them are interested in investing.

But I think something that I'd like to address, and it's probably a personal interest as well, let's say I've got a really good content site that I've been working on for several years. Let's say over seven or eight years, that it's got fantastic SEO, that it ranks really well for lots of phrases that bring in people who have buying intent.

I'd be interested to know, what could I do with that site to make it really valuable? And then, if I was going to list it on Empire Flippers, what would that process look like? And how do I end up with getting paid for that? That's the bridge I'd like us to build over this episode, if possible, so I'm going to leave it to you to articulate your way through that.

The fastest way to boost your site value

Greg: Sure. I mean, increasing the value of any business is a broad spectrum, right? There's a lot of different things you can do. For someone that already has a content site that is making money, that has traffic, you know, some decent level and like, say, not just starting out, I would say the quickest way to increase the value is take your top five highest-performing pages in terms of revenue, and just do conversion rate optimization.

Usually, those tests take about two weeks to figure out which will work better, the blue button or the red button or whatever, right? Those are huge. I mean, we do that, yeah, right? And we're an eight-figure company at this point. Like we did do our evaluation tool and increased our lead flow by 50 percent.

So I highly recommend CRO. The other thing I would recommend that is also quite easy - and by the way, if your audience is looking at buying websites, it's the same process if you buy a website to do this, alright?

James: Well, you buy one and then this is like, first thing you do after you get it, to soup it up.

Greg: Right. Yeah, this is like the quick hits of what you should be doing to increase value, right?

James: And of course, CRO stands for conversion rate optimization, we'll just label some of these things in case someone's sort of new to this field. But I love that. So already straight out of the gates, we take our top five pages, and we optimize for conversions for the thing we're trying to do, which might be to make a sale or build an email list, or I guess in some cases, it might even be to have people click on our ad, like to get people to leave the site via an ad, which was always, I thought of it, funny, counterintuitive for someone who likes to build list and make sales, but that that is actually the goal for some people.

But wait, who's Empire Flippers?

Also, while we're here, let's just quickly just recap, who is Empire Flippers? I know you're the world's leading marketplace for buying and selling online businesses. It wasn't always an eight-figure business. I remember back in May 2013, I was a guest on the Empire Flippers Podcast for episode 46. And we were talking about growing your business back then.

The founders Justin and Joe were members of a community that I was in as well. It was called Dynamite Circle. I've watched their progress in the Philippines and building up the team. I believe now you've got 90 plus people in the team, distributed all around the world.

Greg: Yeah, yeah. So I'm also in the Dynamite Circle. So we're still friends with that whole group, that whole crowd. I have a lot of good friends there. But yeah, I started way back in 2016, April 4. So a few more days, it'll be six years for me. Yes. And I was like, employee number four. So I was living with Justin in an Airbnb in Saigon when he was like, Alright, I guess I got to teach you content. Any suggestions?

We were very, like, hustling our way to success. But now, I think we're actually officially over 100 people now, because we just did a round of hiring new salespeople. But yeah, the company has grown significantly since 2016. I think, you know, we always talked about us being the best marketplace back then, which is always a subjective thing in marketing.

I do think we're the best. But now, we are definitely the largest curated marketplace. We have something that's super interesting. So we started tracking this thing about two years ago, which is, verify liquidity, how much do our buyers actually have in their network to deploy capital? And we thought, okay, it will probably be a couple of hundred million, something like that.

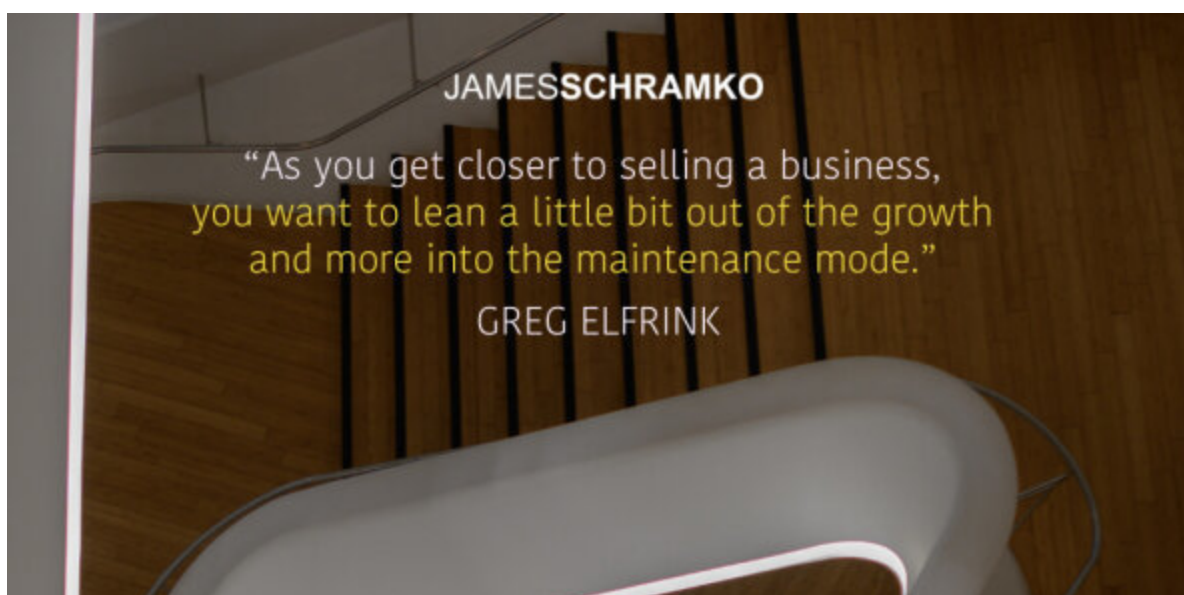
It is now, as of a week and a half ago, past \$6 billion, verify liquidity from our buyer network. So it's crazy to see, we've grown dramatically from selling just the digital nomad businesses of the world to now, we often are working with private equity, family offices, and a whole slew of M&A stuff that I never thought I'd ever learn as a roughneck, you know?

James: Yeah, well, you know, I was speaking to Matt and Liz Raad, Matt, obviously, background in M&A. He's seeing a lot of this sort of investment activities. We've had a few episodes on this exact topic, covering the investment side of it. It's fascinating to see this space, it makes me excited, especially for my content site that you're going to help me improve and sell on the network. So I've already gone and got my top five pages, and I've maximized the conversion rates for that. Where do I go next?

Greg: Oh, yeah. So the next thing that I think is usually one of the quicker wins is to get a tool like Clearscope or Surfer SEO and do the same thing, optimize those five pages, your low-hanging fruit, look at any of your keywords that are like on page two, or positions four to eight, optimize them, because usually, you likely have enough link juice to go after a lot of those keywords and increase your revenue rate, and increase your traffic as well.

So those would be two of the first things I'd do. If you are using Amazon affiliate, I'd highly recommend that you try different networks, unless you're about to sell. If you're like, three months out from selling or six months out, even, I wouldn't recommend doing those.

James: Is that because you want a history of sales that's consistent?



Greg: Yeah, right. As you get closer to selling a business, you want to lean a little bit out of the growth and more into the maintenance mode. So the buyer understands what is like, the level playing field, right? This is why sometimes we won't accept a business, even though it's quite profitable and it's big, because it has a huge chunk of its P&L currently dedicated to say, experimental advertising. Like, in the e-commerce space, especially, this is something we see.

When you've had enough of the business

James: I imagine some people even go the next step, you know, not just growing anymore, and not just maintaining, but actually going to decline, where they just give up or they're out of it. They're mentally checked out, they're frustrated by things, they found their team members mucking around, or they were promoting something that fell off the face of the earth. They just want to get out of it, and they're having to sort of try and sell it while it's dropping like a rock. What advice would you have for those people?

Greg: Yes. So this is something we do see, right? Because we look at, like, the reasons why someone might sell a business. It's really like, two categories - it's personal and business. And those are often good reasons. The sale, hopefully, is a mixture of personal and business that gets you closer to your goals.

But a lot of the times, it is what you said, right? Like, you know, I have this content business, I work an hour a month on it, but it's on my mind, like, 18 hours a day, right? I just want to get rid of it, right? So that's very common.

My advice is, ideally, sell it before that burnout gets to the point where your business starts declining, because you obviously are going to get way less value for it just declining. If you want to sell it and it is declining, my advice, you just want to get rid of it as quickly as possible and still recoup some money. My best advice is you need to be very flexible, you need to be realistic with your expectations, right? You can't come in there thinking, I have this insanely valuable business that is so not valuable, you chose not to even work on it.

Can you sell something based largely on potential?

James: Exactly. It's hardly appealing, is it? And I suppose there's this potential element like someone who's looking to buy might be coming in with that sort of renovator's mindset, they might be buying some of the opportunity of what they think they can do with it.

So is there a point where you'd say, Well, you know, we could optimize it, but we're just not going to, like, so that the person that's buying could see that they could do all these things and fantasize about an amazing outcome?

Greg: Yeah, good question. So this actually works for both declining and growing businesses, actually. Obviously, for declining businesses, you're not going to get a boost to your multiple based on that, because it's based on the reality, right? Like, valuations. While there is growth as part of the valuation, a large chunk of the valuations is asking how risky is the business?

And the less risky, usually, the more premium valuation you're going to get, which obviously growth plays a part in that. But in terms of what you just said, that's called selling a potential, right? And we always tell our sellers, do not sell on potential. But if you have things like that, that, like, Hey, I did a really bad job on my on-page SEO, that naturally builds that potential in the buyer's head where they just start selling themselves on it, where you don't have to sell it.

And that leads me to one of the things I always tell sellers to do, don't pretend your business is perfect, because the buyer is going to figure out, like every business has warts, and like bad news and all that kind of stuff, right? And often it's the bad stuff that is the opportunity to the buyer. So it's okay. Besides, they're going to figure it out anyways, if they look at your website, they do real due diligence on your P&L, all that kind of stuff, right?

How common due diligence - and lack of it - is

James: Do you find sometimes people don't do their due diligence? Like, does everyone know to do this now? Or are there still people who just get out there and just make a wild purchase?

Greg: There are people who roll the dice, for sure. So we always try to do, you know, so we have a thing for our buyers who are brand new to the marketplace, called our criteria discovery call. And that's where we try to figure out, like, Okay, let's look at your budget, what's your working capital, acquisition capital? What do you want to do? What's your goal with doing this? Like, what's your big end game? What are your current skill sets? So have you ever done anything with SEO or e-commerce or whatever, right?

So we try to help buyers from there. Now with that said, sometimes buyers just come charging in. We had this guy, I think it was about two years ago, he bought a \$2 million Amazon FBA business from us. And the guy was in our CRM for all, like, a week before he was unlocking this business. And I still remember listening to the sales call, and our sales guy is like, Well, do you have any experience with Amazon FBA?

He's like, No. Like, Okay, have you ever run an online business? Like, no. Okay, maybe we should start off somewhere or something smaller, you know, like, say, 30K, 50K, or something like that to get your feet wet? He's like, No, I want to go big. Like, Well, okay, do you have \$2.1 million dollars to spend? He's like, yes. Like, all right.

James: It reminds me of some of my clients at Mercedes-Benz, they would buy the cars, the expensive ones, some of them were \$460,000 Australian dollars, but that didn't mean that they were a great driver. Sometimes the car was capable of things that the driver wasn't, and occasionally, they'd put it into a wall or trash it. And I imagine that happens with websites.

Weighing the factors of risk

So just picking up a couple of points that I've learned so far, that there's three different modes, there's either the growth mode, the maintenance mode, or the decline mode. And we want to try and get it into maintenance mode before we sell it, so that we can show a stable history and reduce the risk, because you also said that risk is a factor, and that you're buying multiples.

So I mean, it begs the question, what things are risky? And what's less risky? Like, how do we define a website as too risky? Let's say my content site. What sort of things would I need to know about it to determine if it's risky or not for a buyer?

Greg: Sure, and this is something you see a lot on the small side, small end, and this is often why I tell people to try to avoid websites underneath 100K, unless you're using like a broker you really trust, right? Like a curated marketplace like us or someone else you really trust, because that's usually where most of the risky assets and the scammy assets usually live in that area.

James: Penny stocks.

Greg: Yeah.

James: The cheap, junky stuff.

Greg: Right.

James: That's good. I'll be happy to get more than 100,000 for my website, so we're still in the game.

Greg: Perfect, perfect. So one thing I would look at is diversity of traffic in terms of like, not just by traffic channel, because most businesses tend to be mono channel. Like, you will get a multiple bump if you have multiple different traffic sources, but what I'm talking about is, does like, over 50 percent of your traffic come to one page? That's risky on a content site, right?

James: So, I'm strong with SEO, we basically get all the traffic from organic, but it's distributed across many different pages. Then that's less risky.

Greg: Right. Way less risky. Because, you know, a competitor comes in on that specific keyword and crushes you, well you don't have a website. This is why some 100K business are a higher risk, because they usually only have one page.

James: Because they're single-point sensitive.

Greg: Yeah, exactly.

Is blackhat SEO still a thing?

Other things that make it more risky is like, how are you doing your backlinks? Is it a spammy build, right,? Like PBN links?

James: No one does that anymore, do they? Surely...

Greg: Oh, people still do. They don't go on our marketplace, but...

James: Fiverr geeks, with forum sites runs... Come on, guys. We know better than that now.

Greg: Oh, I have a lot of technical SEO friends that are still very much in the blackhat days. I'm a very white hat SEO and just like, at scale, it's like, man, white hat is so much easier.

James: I agree. I want to sleep at night, you know? I built, ran and sold an SEO business and you know, it was such a great experience. But we did it all ethically. The team is still around now in my friend's business who's a partner of mine, which is great. And they survived. I'd say almost all of my competitors got smacked when the blog networks got taken out, it was crazy. We were able to shift our techniques to be able to survive without our own websites or anyone else's network. So I love it.

Greg: That reminds me, I was on a podcast a few weeks ago with this guy, he was one of the, I think one of the original workers at Yahoo back in the day. Now he does all this like Silicon Valley, SEO consulting for startups. But him and I were talking, we just had this like, total tangent going to SEO, and started talking about buying and selling businesses. But he asked me, you know, what it's like, all the crazy stuff in SEO? And like, for me, like, I know it, like, I know about pillowing, anchor text ratio, all that kind of stuff.

But like, you're building a real brand, like 90 percent of SEO is just like, good quality content and backlinks. And you don't even need good quality content to rank. It's just good if you actually want to make money. If you want to actually convert.

James: Yeah, if you want people to get there and do something with it.

Greg: Yeah, like all the other stuff, the other 10 percent, is what a lot of the affiliate SEO is focused on, because they're looking for that, like, slight edge, right? It becomes a lot simpler when you're building out a real brand.

James and Greg talk multiples...

James: I love it. Okay, so we've covered a little bit of risk, different chat traffic channels, maybe, it's okay if it's mono channel, but as long as you've diversified within that, I get that, the risk spread. The other big indicator you said was multiples. We're talking about multiples of profit, I suppose. We're talking about the profit before we pay tax or draw owner's stuff out of it, allowing for proper wage, those sort of things?

Greg: Yeah, we price pretty much everything with EBITDA and SDE, which are very, very similar EBITDA, you tend to do when it's a little bit bigger valuation, but they're effectively so similar, it's hard to tell the difference.

James: Do you want to spell out those acronyms for our entry-level people?.

Greg: Oh, sure. So SDE is seller discretionary earnings. So that's, you know, if I have a website making \$10,000 a month, I bring home \$9,000 profit. I can pay myself or reinvest, SDE.

James: Basically, every business owner milking their business to the max.

Greg: Right.

James: Like it's extraordinarily common, and it has to be adjusted for or whatever. So like, pretty much every business owner does it. But if you want to sell the business, then of course, it's not great if you're paying for your groceries or for your sister's mortgage, and all these sort of things. You've got to account for those things. If you are doing it, you've got to account for them back in.

And what kind of multiples are you talking about? Let's say I've got my content site. And I've got a publisher model. So I'm just building email list and sending out some emails and making some affiliate promotions. And I will ask you about switching networks in a minute. So I'm making income, good profit, from my SEO across multiple pages. What sort of multiple might I expect?

Greg: Sure, so if you have a high-quality content site that is built well, it's showing good signs of growth, and it's not incredibly risky, like we were just talking about, you're looking at multiples between, like, 35, and maybe even 40X SDE. Now that's monthly, not annual, just to be clear.

James: I was going to clarify that.

Greg: Like, everyone in the industry uses annual except for us.

James: I was going to say like, sorry, Greg, I've got to go.

Greg: I've got to sell this right now.

James: That's okay. So basically, it's like three years' worth of profit.

Greg: Yeah, yeah, exactly. And you can get a little bit higher. Content multiples are kind of hitting that ceiling right around there, though. But if you have a high quality thing that is different, like you have an email list, you have multiple traffic channels, all that kind of stuff, you can get higher than that, especially if it's a bigger business.

James: A bit of social, and absolutely zero input whatsoever. And you know, the content is 100 percent original, no one else has anything like it. And it's been a really long, long history of stable income.

Networks you might consider for monetization

Now, let's talk about networks for a minute, monetization, because that's really important. I've experienced this. I used to run ad Google for a while there. And then I switched to a different network called Ezoic. And that made my site make more money. But I think it deteriorated the user experience a little bit, the way that they - at the time, it slowed down the site and it showed too many ads of the wrong type.

I didn't like that. So I switched it back. So I think that if I was going to sell it, I'd probably switch to something that makes more money at some point. But for now, I was going for the, really grow the brand equity and make sure that people want to come back and keep enjoying it. What kind of networks would I consider or ways that I could monetize my site?

Greg: Yeah, I mean, the first off, the thing you just said, you're going to, off the top, it's extremely important - like, to me the most valuable thing any business owner, whether you're on content site or the director of marketing at Empire Flippers is your audience and how to build an audience to keep coming back over and over and over again, right?

Because if we're walking down the street, and I hand you a brochure, like, you are likely, like, if you buy something from that brochure, great, but either way, you're throwing it away. Like, unless you have a, like a weird brochure collecting passion, right? But if I gave you a magazine, whether you buy something or not, there's a chance that magazine catches your attention. You like what's in there, and you subscribe and get the newsletter over and over again. Right? So that's super, super important.

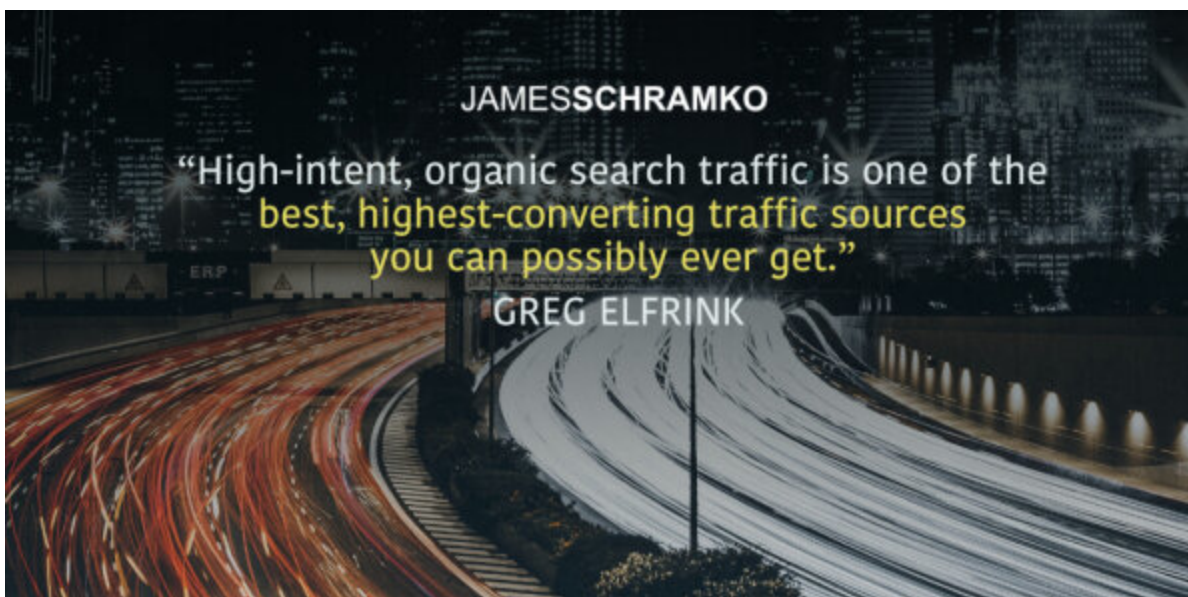
In terms of monetization, so you mentioned Ezoic. I have a lot of friends have used Ezoic. And they reported the speed issues. I think they've gotten better on the ad-serving issues.

James: Apparently, very recently, they've improved that. It was too slow when I had it, and it was frustrating users, and it was affecting the things like page views and stuff, it was dropping away.

Greg: Right. So there's two other networks that are really common that we see people use, to great effect. And that would be Mediavine and AdThrive. I think you need a higher traffic threshold for both of them, with AdThrive, I think, being the highest. But we've seen a lot of success with people doing those.

And they're less intrusive, they don't slow down your site as far as feedback from my friends, at least, goes. There's another one called MonetizeMore, that is probably the best I would wager, but you need a gargantuan amount of traffic to be able to apply for that one.

James: Yeah, I'd say we're probably not there yet. But somewhere in the other ones, maybe. What about things like building an email list or adding your own product? Are these good moves?



Greg: Absolutely. They're a great move. So this is one of the things I often tell my SEO friends and, like, affiliate SEO friends, like, I find a lot of them get pretty myopic because they just rank and bank and move on to the next site or the next article. But you literally have one of the most valuable traffic sources in the world, high-intent, organic search traffic is like, one of the best, highest-converting traffic sources you can possibly ever get, right? So I think a lot of times, my SEO friends take their marketing hat off and just like, oh, let me go do more stuff for the algorithm.

James: SEO people are usually very good at it, because they're good at technical stuff and they can be creative. But they do tend to get technical myopia. They just keep their head under the bonnet. And they just miss the whole picture. It's like, often the marketers come along, and they don't know anything about the SEO but they hire people to do the SEO, and they seem to be the ones making a lot of the money.

Greg: Right. Yeah, exactly.

James: Because they can move all the bits. So it's like, being too good at a technical thing can be a handicap. I really learnt that lesson in the car dealership, because we used to have to install our own number plates and plate frames, and cut mats to go in the car, rubber mats, which, I mean, I was outraged that the business was so stupid that they would make a salesperson who's supposed to be selling the products - and you're in marketing so you'd understand this - go and do this technical stuff that, like literally the more cars I sold, the more mats I had to cut and the more number plates that I had to screw on.

So I basically discovered that it was just good not to know how to use a screwdriver or a Stanley knife. And I was able to commandeer a lovely gentleman called Barry to take over those tasks for me, because he felt sorry for my technical inability. But the reality is, it just didn't make sense in my mind, it was switching out a low-paid activity for a high-paid activity.

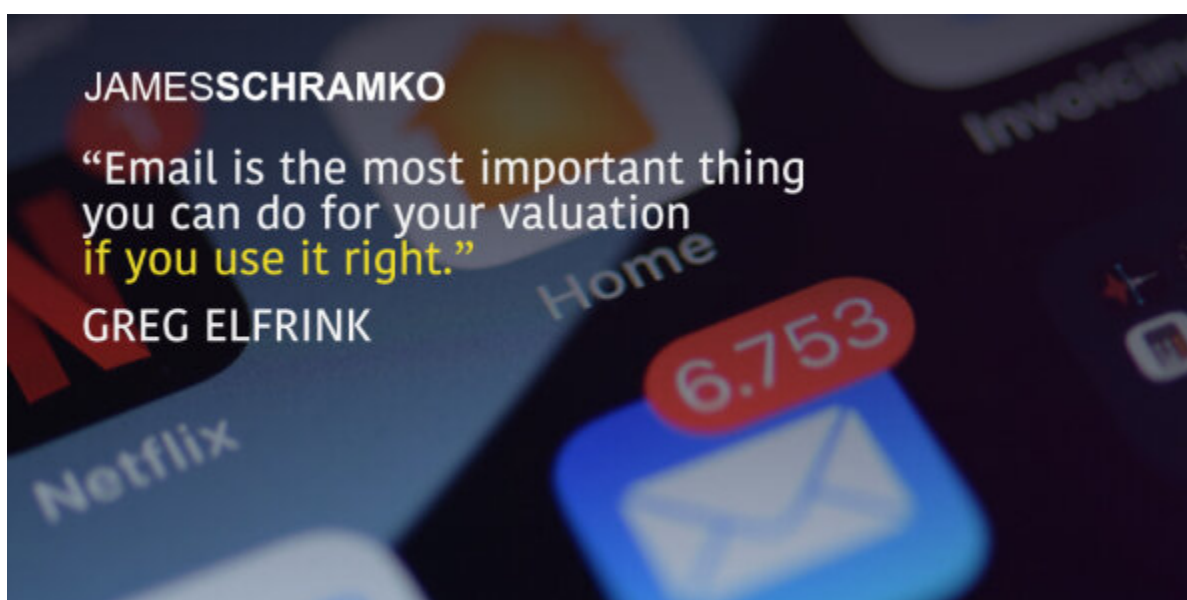
So I encourage you to get someone else, some third party or an external person, to query you on this or question you on how you can get outside of your own world, and see that.

How does email contribute to valuation?

That's what I want to do with this podcast, we're literally creating a checklist here. But I think email is still as solid in 2022, as it was 10 years ago, and they keep talking about it dying and going away, but it's not going anywhere as far as I can tell.

Greg: I think it's gotten even more important over the last say, a year and a half or so, as we're heading into more of a cookieless future that's coming down the pipe, you know? Google Analytics, they're going to be shuttering next year, I believe it is, for Google Analytics 4, that's going to cause a huge uproar.

James: Yeah, they're switching the way they track and we're going to lose all the historical data. That'll be very interesting for people who want to sell, they might want to be screen capturing some of their history, because otherwise you won't be able to verify it.



Greg: Yeah, it's going to be scary times once that rolls out. But like, yeah, email, to answer your question, I think email is the most important thing you can do for your valuation if you use it right. So most people that I talk to, or not most nowadays, but a lot of my friends in the SEO space at least, they'll build out an email list to you know, increase their valuation.

And then I'll ask them like, well, you know, how much revenue has this created? And they go, nothing, I've never emailed them. Like, in this case, like, you know, they don't want to be annoying to the list or whatever.

James: They're annoying the list if they collect the email and never send them an email, because the people joined for that. One easy way to do it, one way we've done it is we capture the email, and then we send them updates with new content. So we basically asked them to be notified when we put new content. And then when we put new content, we email them and say, Guess what, there's new content.

Greg: Exactly.

Where product creation is the next obvious move

James: And of course, that strengthens the site. I played with paid traffic and survey funnels and things and we were able to really accelerate the email list, but then it's a matter of what to sell. So that's where I think product creation seems like a natural pathway if you've got the ability to do it, or if you can find someone, at least do an affiliation, that might be more direct than just putting advertising panels on your website.

Greg: Uh-hm. Yeah, I think creating products is the next natural step. So I've seen content sites go and become e-commerce juggernauts or even software juggernauts, right, depending on the niche. Some people create software and services around their niche. But one of the cool thing is I imagine a lot of people listening to this probably are in the Amazon Associates Program.

Now, I recommend moving away from Amazon. So just a higher paying program. But one of the really cool things is, if you are looking at building your own product, Amazon kind of tells you what's selling on your website, right? Like, if you're a gardening website, and you can see a certain kind of spade, it's just like, it's your number one seller for whatever reason. Well, now you know your first product you should probably be making. So you like, get paid for R&D.

James: Well, apparently, Amazon do this themselves, they get all these FBA sites, see what people are selling, then they go and do their house brand.

Greg: You know what's ironic about that? So we sold a lot of FBA businesses, right? I'd say it used to be content sites as our main model, nowadays it's FBA. And we sell tons more than pretty much anyone. But Amazon just recently came out, I have to find the article again, they came out and basically said, like their Amazon Basics products, they couldn't compete against their own sellers, because the sellers are too good. They basically are shuttering it all.

James: That's very interesting. It reminds me of the factory stores of pretty much most brands often underperform the independents, because the independents have got a little bit more skin in the game, a little more chops around running the business, and the factory often has some laziness or insider, you know, hidden advantage that they can lean on, or they're sort of tasked with churning through new people or doing the R&D, and they can miss out.

I'm not surprised. But isn't that interesting? Yeah. And I don't think you can get paid much less than the associates program in terms of percentage and stuff. They do sometimes make changes. I'm pretty sure I got banned from that. And sometime around 2009, for reasons unknown. I wasn't doing anything crazy. So I haven't been drawing on the Amazon thing, even though we've published a lot of authors on this site. So that would have been okay, but I guess I'll miss out on that 20 bucks commission.

Greg: Yeah, I mean, to be honest, it might have been a good thing for your SEO career. A lot of SEOs just get stuck in Amazon affiliate program for ever, when they could have made way more money just being a little bit outside of the box.

James: Well, yeah, there's always opportunities and setbacks, and I found mine.

The many considerations around selling

So alright, I've got my content optimized, I'm getting a few different channels activated. I've got the email that's been built, I'm selling some things, I started making my own products. What else? Do I do anything tricky? Like, do I go and roll up? Or buy up some other businesses? Or do I try and sell it myself? Or do I just lob along to the broker?

And if I do, what are they going to want from me to be able to sell the site? Because I imagine there's work to be done. Often, you hear about the sale book or whatever, like, what do I have to bring to the broker and say, Here's my site, this is what people can buy from me, because I imagine there's little awkward things, like payment carts, if you have products, or can you export the database of the customers?

Do you even have permission to transfer them to someone else? Was it in your terms? What about social media accounts? What if I have a podcast or a YouTube channel, Twitter, all of these things? Obviously, they get the domain. And how do we organize the hosting? I've got basically a million questions on that.

Greg: Sure. So most of what you just said is yes, we will be transferring all that. So when someone goes and buys a business from us, at least, it's typically an APA, an asset purchase agreement. So any asset of the business will go over to the new owner, which includes things like your social media, podcast, YouTube, all that kind of stuff.

Now, if you have a YouTube channel, any podcast, I highly recommend that is not you doing the podcast or the YouTube, if your plan is to sell the business, because that puts you in a weird position where the buyer has to kind of be you, and most of them are not going to be you, right?

James: Yeah, that's too personality-driven.

Greg: It's like, I always use the example of like, if you're a 24-year-old bodybuilder, really ripped, selling an info course on how to get abs, and you're the main character of that whole story, like, you know, the 55-year-old potbelly investor or someone like me, it's not going to be you, right? Like, they can't run that business nearly as effectively as you. So I would keep that kind of stuff in mind.

But in those cases, yes, we would transfer YouTube. In fact, we've even sold just YouTube channels. They tend to get a little bit lower multiples, but to create success, right? So all that stuff would be transferred. In terms of customer data, that would be transferred as well. Now in the case of a content site, usually that's pretty thin. Usually, the closest you get to that is the email list, which would be transferred over to the new owner, right?

Domain as well, everything would be transferred over, hosting. And we organize all that in what is essentially a data room inside of our platform that is a series of checklists that our migration team works with the buyer and sellers on, which that is probably one of our more unique advantages as an M&A broker, is that we have an actual migrations team. Most brokers don't do that, because they don't want the liability.

James: Well, I know that's the really messy part, when the sale happens. I've owned 2000 domains, and I've sold a lot of them, probably over 1000. And I'm familiar with the process of escrow. And also, you know, when I sell a domain on a domain platform, they want the EPP. So you collect the money from the buyer, they get the EPP from me, they end up putting the money in my account, all this sort of stuff.

But I can imagine this gets way more technical when you're dealing with the entire hosting and all this, I'm just thinking this. For any website these days, probably quite a lot of bits and pieces going along with it in terms of scripts and other software and tools and things, and you'd have to draw a line. And maybe, do you ever transfer team members along with a site, like someone who's there running the site or doing certain tasks?

Greg: So it always depends on the buyer and the seller. So first off, the seller has to let us know that they're willing to let their team go, because some sellers are not, like, it's not super uncommon for a seller to have, like, a core team that is working on several different brands at any given time and so they're not willing to give up that team.

Now, sometimes they'll hire, like, replacements or so for the brand that will go with the new owner. But that's a little bit rare. Now, sellers sometimes are okay with the buyer taking the team, and often the buyers will take the team. Because typically for a buyer, they want everything as it was for the seller, right? And then they might change it later. But when they first start off, they want it to be at that equal playing field of growth, like they don't want to change anything just yet.

James: Yeah, that's what happened with my agency, my web development team, I think 10 people went with that. And with my SEO business, there was 30-something people went with the business. But for my content site, I imagine there wouldn't be team involved, it requires so little, and if they did need something, we could even perhaps offer them a service where they could just pay us to do some of the tasks that we're doing and build that into whatever the numbers might look like.

Greg: Yeah, so that's actually a deal structure that's probably more common with content sites than any other business model that we call in perpetuity, which is basically where the buyer pays the seller, even after the purchase price is all paid out for different kinds of services, whether it's like, you know, guest posting services, content creation, all that kind of stuff.

Dealing with the payment systems

James: Okay, what happens with things like payment systems, you know? It could be awkward with PayPal, for example, because you might have a whole lot of stuff coming to one account. Obviously, if you're setting something up to sell it, in the very beginning, this would be a great episode, because you'd know to build it in a different name other than yourself, and to not be the person, which is like, that was rule number one for my content site. It must not involve me whatsoever.

The second part is collecting money, it's pretty hard to transfer that. Is there a scenario where you would collect money and then transfer it on like an accounting basis, which is what I did when I sold my service? Or do you have people migrate to a new billing, which I imagine you're going to slip some of them, you'll lose a few of them on trying to do that? How do you handle this?

Greg: So with PayPal, we handle it by saying, you need to switch your merchant processor before you can sell it.

James: Gotcha. So before they sell it, they go and migrate people onto Stripe or something else.

Greg: Right, and it has to be six months before or after that transfer is done, because like you said, you're going to lose some people, some people won't like the experience, whatever. So we need to see what that new reality is before we would sell it. But this is a big problem actually, even with SaaS founders, was that we looked at selling a few SaaS businesses, and a lot of them, they just used PayPal, and they don't realize, like, you can't transfer that, like unless you're willing to give your entire PayPal account over, which you could, but...

James: Which is what some people might have to do, you know like, often, their PayPal account might be in a business name or whatever. I don't think I could transfer my PayPal account. Because it's got too much affiliate commission coming in from hundreds of different places, you know?

So on my new site that I built two years ago, I set up a whole new cart, a new PayPal account and a Stripe so that it's coming in separately and easy to account for. And for the content site, would the new owner just switch out my AdSense ads for their AdSense ads? If I just had AdSense? Is that the easy way to do it? Because I wouldn't be able to swap my account.

Greg: Right. Yeah. So that's the way it is done typically. So AdSense would be the new owner's account. And the new owner needs to make sure that they have an approved account before they buy the business, unless they talked with the seller and buyer agrees that that's okay. And same thing with affiliate links.

So they would just replace all of your affiliate links with theirs, which is something our migration team does on behalf of the buyer and the seller. Of course, any buyer should double check our work, because if you have hundreds of pages of content site, there is a chance some of them are going to be missed, right?

So it's always good to double check what we do if you do use the app, but yeah, that's the way it works. We just change out their affiliate links. It's actually quite a simple process. It's just very tedious depending on the size of the business. That's the nice thing about display ads, you just like, change the code and it's done.

James: I think we have thousands of pages. I imagine we could get one of those plugins that hyperlink certain words and sends them off for affiliate, you know, like the Amazon one does, but a private one.

Greg: Yeah. So we actually use it to - I forget the name of it - there is a tool that we use that does most of the heavy lifting, but it's not a hundred percent accurate. So you still want to be careful with it.

James: Cool. I mean, I've tried to go for the more difficult challenges and the easier is to have wins.

The thing James should have asked

You've seen so many deals come through, you know the market well, what haven't I asked you that I probably should have?

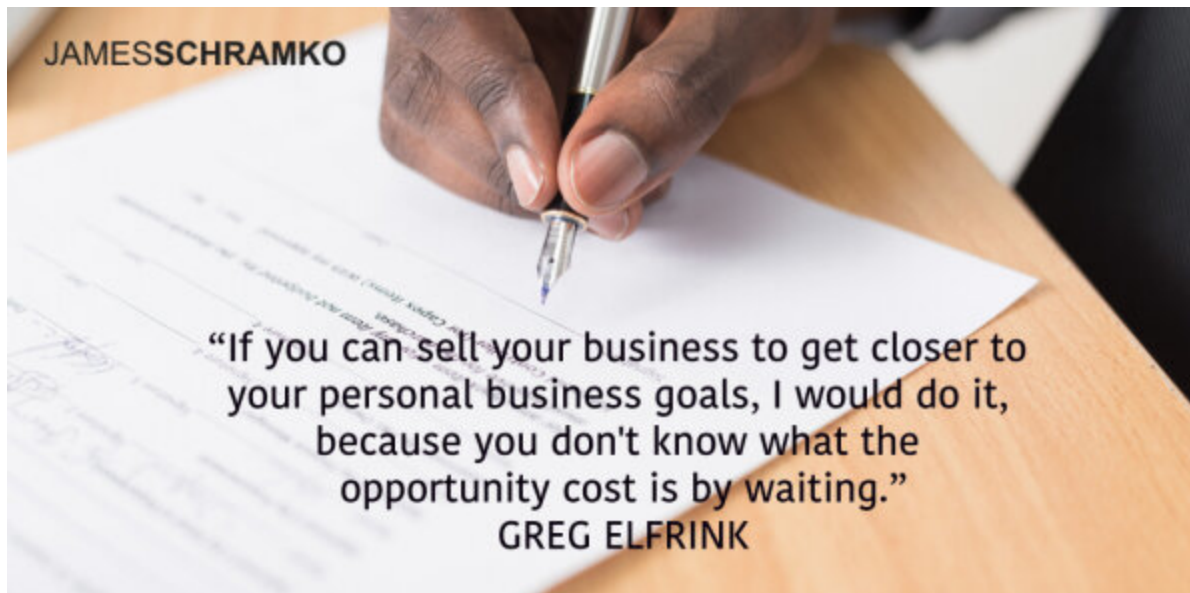
Greg: Hmm? What haven't you asked me that you probably should have? I think we've covered quite a bit of good stuff. I think understanding valuation as a value of risk is something a lot of people don't think about. I think entrepreneurs in general, we're a bit plagued by the curse of always wanting to grow, and we often don't realize growth itself can be a very double-edged sword.

James: Massive problem. Huge. Complicated.

Greg: Yes. So I would say if we're going to leave this off, I would say that one of the most important things when it comes to selling or buying a business is do not time the market. I get asked this question all the time, like when's the best time to sell, when's the best time to buy, it doesn't matter.

The best time to do either is when you can get significantly closer to your personal or business goals, and don't sacrifice your personal and business goals for a little bit of extra growth. I'll tell a quick story here. I had a friend, he had a content site, I think it was valued at around like \$450,000, \$500,000 something like that.

And he knew if he changed the links from PBN to whitehat links - this is way back in the day when PBNs was still really popular - that he could get on average at 10 percent increase to his valuation. So he chose to do that. He spent about six months doing that. And at the, I think it was, like, month four or month five, there was a Google algorithm update happened. Crushed his business and never recovered. So he ended up selling that same business with us for 220K when he could have gone closer to 500K or really, even a little bit over 500K. Right?



So I always challenge entrepreneurs to think in the bigger picture of growth, like, does that extra 20K or 30K make up for the fact you just lost over 200K? Usually the answer is no. So if you can sell your business to get closer to your personal business goals, I would do it, because you don't know what the opportunity cost is by waiting.

James: I love that. It's like, make sure you don't win the battle and lose the war, or like Dan Sullivan's 80 percent principle, 80 percent is probably good enough because there's this diminishing return in the last part. And I said to a friend of mine the other day, I've got this friend, he's pretty frugal and cunning with his finances and stuff, and he's always trying to squeeze that little bit of extra here or there, especially even out of his team and stuff, which I've over time trained him that that's like, they're the last people you want to squeeze.

And I said to him, You know what, I've actually had a pretty good life by paying too much for things and selling things for too little. It's okay to cut a path through without, so much pressure and hassle comes from that trying to squeeze the last drop when you could be on to the whole next piece of fruit.

Greg: It's that whole line, penny wise and pound foolish, right? Picking up pennies and losing dollars. Like, it makes sense, you know, like, you pay your people well, pay your service providers well, and if you do a good job with your strategy, you're going to get paid extremely well. It all works out in the end.

James: Just do good stuff, have a great product, and don't over optimize is really the big lesson I've got. You know, the episode just prior to this one, [episode 925](#), I was speaking to a client of mine I've had for over 10 years. And he has what I would call an un-optimized business, but it's just so drama-free, he's having the best life ever and a substantial income. It's a small team, low friction, no hassles. I love that.

Greg, really been a refreshing chat. I think this is very helpful if you're interested in maximizing your selling price. I'm super interested in this topic, because I've got a content site that I will sell at some point. And I'm just going to keep bringing in experts like Greg to help do that. And of course, that Empire Flippers marketplace looks like a really good place to be doing that. And you've got all the systems and processes in place.

We'll put a link off to [Empire Flippers](#). And, Greg, thanks so much for coming and sharing.

Greg: Yeah, thank you for having me. If anyone wants to reach out to me, my email is just greg@empireflippers.com. I'm usually pretty easy to get a hold of, happy to help whether you use this or not.



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