

From the M&A Source Chair

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"Come gather 'round people wherever you roam and admit that the waters around you have grown and accept it that soon you'll be drenched to the bone.

If your time to you is worth savin' then you better start swimmin' or you'll sink like a stone for the times they are a-changin'."
- Bob Dylan, 1964



Listening to Dylan years ago, it was not as obvious as it is today that he penned these lyrics especially for M&A professionals. Not too far back into the old millennium, I was privileged to serve our profession as IBBA's president. The M&A Source was an upstart still finding its way. Fred Zirkle suggested a highly questionable notion that the Internet was going to become important to our profession and suggested we should bring up a Web page. E-mail was a rung above a party trick for nerds. National intermediaries were few, mostly closed cooperative groups, a big seminar driven company and front-end fee "marketing" companies. National advertising was prohibitively expensive and horribly inefficient. Independent experts in local markets were the dominant force. High tech was a thermal paper fax machine that no longer required holding a handset to listen for the recipient to answer. There was still some serious debate as to whether computers in the office were an emerging necessity, a luxury or an option. Remember?

Where are we today? We must admit the waters around us have grown and the times they are a changin! Lone wolves are pressured from every direction in their local markets. The internet democratized the market. Seldom can intermediaries trade on their mysterious contacts to sell their services as "access" to the real buyers. Seminar driven clones are abundant in everyone's market. Owners have numbed to the barrage of "I've got a buyer" direct mail campaigns. Clients expect immediate exposure to buyers from around the world. Unanticipated buyers pop up unceremoniously from Internet ads, expecting prompt attention to their cryptic messages. Latest and greatest

ideas for marketing intermediary services or advertising businesses for sale on the Internet have rolled in and washed out in waves. Gamblers may still find office pools to wager on who will discover the right formula or happen to be standing when the dust settles. Hype about the explosion in M&A deals has recruited "newbies" (some very good and some very bad) to the profession, even as CPA's and attorneys have sought intermediary work more aggressively and effectively. Oh Lord, won't you send me an owner who hasn't already been approached by several "buyers" wanting their business?

Sensing the changes, top M&A intermediaries are moving quickly to find strategic alliances, ways to stay even with the rapid pace of change and ways to differentiate themselves. The M&A Source provides critical resources to blend independence with alliances, stay abreast, enhance practices and differentiate professional capabilities. Membership brings opportunities and excellent forums to share intelligence about markets, best practices, tools, techniques and new opportunities. This is well established through our education courses, conference topics, surveys, networking forums and the semi-annual M&A Expo. Our Web site bulletin board is sure to grow as a highly efficient tool for rapid sharing of information and ideas among members.

Outgoing M&A Chair, Bob Gurrola unveiled a superb new program at our fall conference. M&A Source members can now demonstrate national recognition of their expertise under our Masters Mergers and Acquisitions Intermediary (MMAI) designation. The MMAI clearly distinguishes expert practitioners from their competitors, through verified M&A specific education, professional activities and documented experience in multiple middle market transactions. Applications

will be sent to you soon and I urge you to be among the first to apply and receive this valuable distinction in June at the New Orleans conference.

As the new Chair of The M&A Source, it is amazing and rewarding to see the scale of efforts being expended for our members by our volunteer leaders and professional staff. Over the next several months we will announce specific new programs offering additional shared intelligence and tools, a comprehensive suite of M&A education courses and conference workshops with focus groups for practice enhancement. The Expo remains a highly effective tool supplementing the deal book and our Web site. We have just seen a major upgrade to the Web site and are now looking at ways to enhance its message to better educate visitors as to the value and wisdom of engaging the services of intermediaries who are affiliated with The M&A Source. A face-lift is underway for our proprietary newsletter that is used so effectively by many members in locally marketing their practices. Doug Robbins is heading a "creative development" committee to seek valuable new and improved services members of The M&A Source.

At the recent conference, I was reminded of the strength and value of good people working cooperatively to enhance our profession and ensure their own personal successes.

Congratulations to Darrell Fouts, FCBI, recipient of the inaugural "M&A Source Darrell Fouts Award." This award is now to be given annually in recognition of contributions that are exemplary of Darrell's vision and leadership in enhancing the M&A Source and our profession. It is a high honor from his peers, and well deserved.

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As the economy waivers, deals languish and uncertainty looms, we will all look for the ways to anticipate and manage change. There is no better investment in intermediaries' professional futures than membership in The M&A Source, to keep ones finger on the changes, learn effective ways to cope, share resources cooperatively and find newly emerging opportunities in

which to excel. If you are not yet in the Source, join us. If you lapsed, take another look - you'll be surprised at the developments. If you are a member now, thank you. Stay with us and don't sink like a stone for your time is worth savin,' we've started swimmin,' for the times they are a changin.'

John C. Johnson, FCBI has been a professional intermediary for 15 years.

He owns Bluestem Resources Group in Tulsa, Oklahoma. In addition to activities in IBBA and The M&A Source, John is a leader in his business community, serving on many state and local boards. He received the Tulsa Chamber's "2001 Financial Services Advocate Award" and is a state nominee in the SBA competition. John can be reached at 918.749.4315 or JJohnson@BluestemResources.com. ■