



# Interview with Paul Renner Dealmaker

Transcript / Bonus Notes

Paul Renner / Des Vadgama

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Des:

Hello, this is Des Vadgama and today I'm talking with a gentleman called Paul Renner who is a specialist in **deal making** and getting deals done.

He's had literally over 15 years track record and experience in this arena and Paul is actually very very experienced not just in the commercial reality of getting deals done but also as I call it The Academic Process, the ABC's as I call it of this whole arena, the subject of **deal making**.

And along the way, over those many years literally banks and financial institutions and regulators have actually pulled in Paul's services and help and he's actually been consulted along the way not just by companies but by high net-worth individuals.

Paul, are you on the line?

Paul:

Yes, hello Des, I'm on the line, how are you?

Des:

Very good, Paul, how are you doing?

Paul:

Very well thank you, yes, good to talk with you.

Des:

Now to get a little bit of background Paul, how did you get started in the whole arena?

Paul:

Well it's a strange story; I started this through the family business, and originally the family business was in hotels and restaurants in Switzerland and through unfortunate circumstances a member of the family was actually defrauded.

I was very good of seeing connections and putting pieces together and by putting all different pieces together I ended up traveling around the

world trying to recover the funds and then through that were put in touch with regulators, banks and law enforcement and actually ended up putting a business together.

So by coordinating everything together I realized through your connections you can actually create other deals as well and ended up recovering the funds for my family as well.

And obviously being in the catering trade you have to deal with suppliers every single day and obviously that's why I sort of was able to meet people and do great deals and when you're also dealing with lawyers or dealing with intermediaries , you have to create deals to move to the next stage.

**Intermediaries** plural of **in·ter·me·di·ar·y**

**Noun:** A person who acts as a link between people in order to try to bring about an agreement or reconciliation; a mediator.

So that's how I got into this business and that lead me to create a book with the International Chamber of Commerce and creating other databases and creating a business literally from that start.

Des:

That's quite amazing and what would you say really intrigues or fascinates you about the whole deal making sector?

Paul:

I'd say the best part of deal making is you get to choose your time in who to deal with. With that you're not fixed to a 9-5 like as I mentioned we were in the catering trade. In the beginning we're used to getting up early in the morning for the first customers coming in at 6:00 and we'd go to bed at 2-3am in the morning when the last customers had to go to bed so my time is always flexible, I never had a 9-5 job.

So I get to choose who I deal with and the same thing with deal making is I get to choose my time; I can work on a project and once that project is finished I can park it and do other things and then work on another project.

There's always something new to create and once I've created that I can monitor that and the other benefit I'd say is I get to travel around the world doing some of these deals. As you progress forward you start to see different deals and different opportunities around you.

Des:

That's interesting. So along the way what would you say are some of the most important business lessons you've learned, Paul?

Paul:

The most important thing I say is don't wait for everything to be perfect.



**Take ACTION and START**

With any type of deal **nothing will be perfect from the beginning** and you'll learn as you go along and you'll refine as you go along.

With the case for the family business is I wasn't an expert at the beginning, I actually learned on the job and it was actually through meeting people and talking to people, you then sort of find what works and what doesn't work and you're always constantly refining the process.



**Refine the Process as you go along**

So don't ever wait until everything's perfect before you start.

And then I would say the second lesson would be just **focus on your goal, focus on what you want to achieve.**



# FOCUS



With the deal that I was working on I knew where I had to go to and sometimes you get sidetracked but you always have to bring it back and say,

“focus ... **where is my result, where do I have to go to?**”

and sometimes if you feel discouraged I would say “well look how far I’ve come” I would look behind and say,

“this is the stage we’ve come, that’s where we started, here we are today, and that’s how far we’ve got to go towards our goal,” and that would keep me motivated to keep going forward.

So if you ever a time you feel stuck or something just think that’s how far you’ve come to where you are today and you’ll realize you’ve actually done more steps than you think you have and that will help keep you motivated towards going towards your goals.

Des:

That’s a good point and I know certainly, within the business and commercial arena when you mention your first point there about don’t wait for everything to be perfect, I’ve often talked with individuals and worked with individuals who often try to get too many.... Try to see too many steps ahead or get too many steps ahead, if that makes sense, and they can end up being overwhelmed if they’re trying to do say 30 or 40 things at the same time. So do you find it’s easier to just focus, as I understand, on a few at a time?

Paul:

I think it's fine to focus on a few at a time, not to overload yourself and I'm guilty of that as well, I sometimes veer in another direction and you helped me as well you sort of focused me saying, "Paul, you've got to focus on this or that," and the most successful times are when I focus on a specific goal and say "that's where I've got to go to."

I find if I'm going to work on a goal in the morning I write down a list that says "these are the steps I've got to go through this day," that will help me a lot in what I'm trying to achieve.

The actual active writing something down saying "that's what I've got to achieve" gives me a guideline to help me achieve my goals.

Des:

Are there 1 or 2 further tips you'd add specifically on helping, say, a potential deal maker or someone who wants to start making deals, helping them to focus?

Paul:

I would say think of who your contacts are, what can you bring to a deal and I would write down a list of things on 2 sheets of paper of "What can we do" and on the other side, "These are people that can help me, these are the types of business I can help." It's always writing and refining and then once you've read something you say "that's what I need to move to," it's always trying to stay focused on a particular goal you're trying to achieve.

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<b>What Can I do?</b> <b>My SKILLS</b>	<b>Who DO I know to help?</b> <b>CONTACTS &amp; CONNECTIONS</b>
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Des:

Makes sense. Now what everyone thinks of the term “deal maker” often some of the big names come to mind like Donald Trump and certainly many years ago... this is going back a bit... but say going back to the 80's and so on, we have the likes of Sir James Goldsmith and even before that people like Onassis and so on, so we've had a number of big names and hundreds of others like that and often people kind of relate the deal making arena to these types of individuals which often isn't attainable or achievable for most people, but in your view can anyone be a deal maker?

Paul:

I would say it depends on your mindset. I think anybody in my mind can yes, be a deal maker. You don't have to think of yourself as a Donald Trump, as a Richard Branson, every day you sort of make deals.

In our catering trade we would have to make deals with the suppliers every single day. And in business you'll have to make deals with different people. But what you have to have is an open mind and be curious and delve deeper than most people do.

I've found it's a bit easier if you run your own company because you're working for yourself you have to get out there and have to create your own deals. And if you've been an employee a lot of times you wait for someone to tell you to do something, but again, when you transition from an employee to a deal maker that can be done but there will be some teething problems at the beginning, but again, the more you do it, the more you practice doing different deals the easier it gets.

Des:

I can imagine like anything else....the experience... it becomes almost ... what's that term about unconscious competence?

Paul:

There's 4 phases; there's the unconscious competence, then it goes up to that you sort of think... my mind's got a blank now you've got me... there's... you've got sort of unconscious competence at the end.

Des:

Conscious incompetence, or unconscious incompetence.... Yeah so obviously as you say, the more you do it and the... many of these different facets of getting a deal done actually there's a flow to it, is that right?

We all go through 4 stages when learning to master any subject and the same can be applied to Dealmaking.

These stages are:

- Stage 1 unconscious incompetence
- Stage 2 conscious incompetence
- Stage 3 conscious competence
- Stage 4 unconscious competence

At the beginning you are unaware that you don't know your subject or how to create deals or find deals or even know they exist. (Unconscious incompetence.)

As you progress you become aware that you know your subject or deals exist but you don't know how to find and close them. (Conscious incompetence).

The next stage is you know your subject or how to find and close your deals. You follow a stage by stage plan until you succeed in your goals. (Conscious competence)

The last stage is when you automatically do the right things to find and close deals. You just "know" you are on the right track and you find the right connections to help you close your deals. (Unconscious competence)

Another analogy to explain the differences between stage 3 (conscious competence) and stage 4 (unconscious competence) is the process of learning to drive a car. In stage 3 you may know how to drive a car and as you drive you look in the mirror, observe the traffic, look out for other road users etc. You are conscious of everything around you. As you master your driving you can change gears, listen to music on the radio and navigate your car all without thinking about each part.

Paul:

Yes, there's a flow to it... and you won't have to see where the end goal is when you start off but you have your steps toward... you have a vague idea of where the goal is and then you aim towards that goal and then things will come along the way which will get you on that right path and I think a perfect analogy is with airline pilots; is that sort of like 90% of the time when you're going from one part of the country to another in an airplane, 90% of that time is you're off track, and it's actually being off track is what guides that airplane to that central line of where they need to go.

Des:

That's absolutely right... and for your information many years ago I qualified as a private pilot and you're absolutely right... the only challenge is with a small plane when you qualify, and train in a 2-seater or 4-seater the wind effects and other weather effects are more pronounced compared to a big airline.

So yes, and what you're saying is right which is a specific target or focus to get to whether it's 100 or 200 miles away, but counter-balancing effects that you're dealing with different situations come up along the way.

Paul:

Yes, and the same thing in businesses, nothing will be perfect; you might think "this will be the perfect plan, these will be the 1-10 steps and that everything will go in this direction" and you'll get through 1 and 2 and then something will happen to 3 which will take you in another direction and you'll have to pull it back or something will happen with the weather or flights will be canceled or meetings will be canceled – it doesn't matter – you keep going towards your goal and bring it back to that center line of saying "that's what I want to achieve" and then you'll get to where you want... where you have that perfect deal and you'll close that deal in the end.

Des:

So what would you say, Paul, are the main skills and abilities required?

Paul:

The main skills I would say is you need to bring value to the table, what can you add in a transaction, and it doesn't have to be so complex, it can be an introduction, different ways of seeing things.... in my case one of the first deals which was recovering the family funds was that I had to travel around the world and through different connections each person put me in touch with somebody else who would help, and then brought me in touch when we had to deal with lawyers to free and recover those funds... each stage was moving towards where you needed to go to, so.... What value can you bring to the table?



**What Value can you create or give?**



And then the second thing is you've got to listen to your client's wants and needs, and I find this a lot of times a lot of people think they hear what their client is actually saying but actually you've got to say "what have they really said?", and there's a saying that you have 2 ears and 1 mouth and we should listen twice as much as we speak and listen to what the client really wants as well.



**Listen to what your client wants and needs**



Des:

That's right and in the type of business I'm in where we talk about taking a consultative approach is that right?

Paul:  
That's correct, yes.

Des:  
And also, just really, and I know there's other facets to it, again as you're listening, for example, to a client in order to get a deal done there are other facets to it in terms of finding out specific requirements and obviously double-checking if that's what they specifically want as well and really **getting clarity and focus in terms of what the ultimate goals are** and these kind of issues come into the whole kind of consultative process is that right?

Paul:  
That's correct, yes. And it's a matter of going back to what does your client really want and what is he actually trying to achieve and sometimes the client may say this is what they want and it's actually when you write it down and see you sometimes have to go back to the client and say "Do you actually mean this or do you mean A or do you mean B?" and sometimes it could be exactly what he wants, and sometimes he'll say "You know what, you're right, I actually really want B I don't really want A," so again, really talking to the client, listening to what he wants and just going back to him with his comments and saying "well I found this is this exactly what you want?" and he'll say "that's what I'm looking for" or "no" and then you need to refine it as well, so again, it's listening to what the client wants and then creating value and then sort of finding what the client wants.

Des:  
Got it. Now, often a lot of listeners will find they kind of relate to specific examples like I often refer to case studies or examples of proof and really what I call real life experience, can you give us a couple of examples of the kind of successes... specific successes you've had, Paul?

Paul:  
I can give you from my example.... When I was working on this first deal to recover funds for my family, because of the work I put in, the value I created... I ended up creating a message board, and then from that collecting information like I said I was very good at seeing all the connections, and I'm very good at seeing how things are put together. So

through some other connections through that I ended up getting contacts with the International Chamber of Commerce and working with them and did some consulting work for them and some presentations. From that I ended up having a book deal with them where they produced about 2,000 books and those books were at the high end – about £100 per book – so it was about £200,000 turnover for publishing that book.

And while I was doing that I was creating another database company and with some other partners we created a database company which we then used information that I gathered from my work and then built up the database company to sell information to banks and insurance companies, so that's one of the examples from my work.

Each part is, step by step and like I mentioned before, my goal when I first started wasn't to create a database company, or to write a book, it was just to get to the next stage and say "that's where I need to get to" and then other opportunities came into my life and I said "well I can do this or I can do that, and I can say well I've been offered this deal and I'll create something."

And again, when I was working with the ICC and with the database company all those were creating deals at the time.

Outside of myself I'd say I've got a lawyer friend and he's had to do some structure some finance for a bond through colleagues, and originally that was just some small legal work which was about 10,000 pound repayment at the beginning and over the period of 6 months that work ended up turning into a half million pound fee for the law firm.

And again, it just shows you what deals can be created from financing and the lawyer was very happy with his half million pound fee just from creating this financing from the bond.

Another example I could give is a colleague who does film and TV financing. What he does is he finds bridge loans for film financing and again, a lot of times I'd say when you talk to people and ask what they do and then you make your connections you start to see deals in a different way, and I never realized how film financing worked until my

colleague explained how the film financing works. When a film gets financed or auctioned, something like the BBC or in America ABC or NBC, is they'll have a project – for example, we'll call it a million pounds.

If the BBC wants to buy that project they will not give you the full amount, they'll give you  $\frac{3}{4}$  of that money, they'll give you £750,000 and then the other people who want to produce the film or TV production will have to go out and get the rest of the money.

This is where my colleague will come in with the rest of the financing. He will get the financing through banks and create the bridge loan and create deals out of that cash flow. So by getting that last £250,000 he will make his fee on that money and he can either then structure the deal any way he wants to. He can structure it as an extension of the film box office or the TV production over a couple of years, he could structure it as a set fee, an income stream or some sort one fee at the end. So those can be the different ways he can structure the deal.

Hopefully that gives you a flavor of the deals that can be created.

Des:

Definitely, what it tells me is that it's rather lucrative.

Paul:

It's very lucrative, yes.

Des:

And just as a guideline figure, Paul, how much... again, on average, because some of the number you've mentioned whether it's 200,000 or 500,000 and so on, some people they're comfortable with those figures but I know quite a lot of people, especially if they're starting out that they will find those a little bit hard to believe and so on, but on average, how much would you say is possible? How much can you actually earn in starting out in this kind of sector?

Paul:

There's no sort of set fee in being a deal maker. You're not restricted at all to a specific fee. It all depends on the project or the deal that you're

doing. You can charge a percentage of the deal, a success fee or a monthly retainer.



## **FEES: Charge a percentage of the deal, a success fee or a monthly retainer.**



If you introduce 2 parties and it ends up being a budget for publicity for a PR company, I think we already talked about this a couple of weeks ago of somebody looking to do some publicity and the fee would have been 10% of that deal, so the deal for the PR was about £40,000, so the fee would have been about £4,000 pounds. So again, it's nice income for somebody, a £4,000 fee for introducing 2 parties together. They're not the huge hundreds of thousands of pounds but there are fees where you can make a couple of thousand from the beginning.

If you do introductions once a month, £4000 to £5000 a month is quite nice for you as well. It all depends what sort of deals you're working on, what projects you're working on as well.

And the client is happy to pay you this because you're providing value. The PR company would not have the client without you introducing them, and the person you're introducing to the PR company is happy to pay that 40,000 pounds fee because he's going to make tens of thousands out of that introduction.

Des:

Got it, and I guess one of the advantages especially with the internet these days is that much of this work... what I call the setup part of the work... can be done remotely, being based anywhere by internet, email and phone, is that right?

Paul:

Yes, yes! My best office is my laptop as I say. I can take my laptop with me I can have that laptop anywhere in the world.

I went on a trip a while ago and had my laptop with me and my business colleagues did not know I was somewhere in the Indian Ocean and they thought I was literally in London at the time.

It was through email. You can get Skype, you can do things on the internet and you can be anywhere you need to be. You set up your plans and say I'll be at a meeting at a certain time. I had colleagues from America fly in for a meeting and I flew in from Switzerland for another meeting and we literally were there for a day or two, and then we went different directions afterwards. You can be anywhere in the world and can do this too.

Des:

That's really good to hear and.... Any kind of insider secrets you want to mention about the deal making arena?

Paul:

I say the best deal making tip... the biggest pain or problem you can solve will create the most money for you.



**Solve the biggest pain or problem  
and you will make the most money**



I'll give you a classic example. As long as your computer is working fine, you have no need for any insurance or anything at all like that. But the moment a computer goes wrong you will pay anything to get that computer solved.

Somebody charges you a couple hundred pounds an hour to have that problem solved. You want it solved NOW.

So again, it depends how much pain somebody is suffering, and if you can find people are finding difficulties with... what pain they've got and you can solve that solution, that's where you'll make your biggest money.

So the same thing with the lawyer before, in creating his half million pound fee, his client wanted some bonds created. He had the finance in place. He had all the structures in place to help those clients create that, and he got a good fee for that one.

The same thing with the TV financing company, he creates the mezzanine financing. Without that financing they can't get that TV production created. So again, they're paying what's really their last chunk of money. If you can create it they're happy to pay your fee in the end.

So if you start to look at any type of deals, you'll see "well where is the problem, where is the pain that these people need, and what can I solve, what value can I add to it?" I think that would be my biggest insider secret.

Des:

That makes sense, so again, that partly comes out of the consultative process we were talked about earlier, and actually exploring the kind of issues and certainly with some of the work I do I always look for the biggest kind of challenge or problem that the individual is looking to solve, whether I have the solution or not is irrelevant, but I explore that and obviously once a client talks about it you can look into the goal and look at possible solutions if they exist.

Paul:

Exactly, yes. You don't have to have the solution straight away, you can research the solutions. You can speak to some of your contacts. With some of your colleagues they may say "well you need to speak to A, or B or C." Then from there you're actually progressing. You can say "well actually I now sorted that problem for somebody."

I'll give an example of a kind of deal I'm working on at the moment. I mentioned some people flew in from America and they're looking for lists of companies and I met with them for a couple of hours and we were having drinks and one of the things I mentioned was I knew somebody within credit card processing for some reason, and literally 5

minutes before they were going home they said “well Paul, can you help with somebody who knows credit card processing in South America?”

And I knew somebody who has, and now I’m constructing a deal between those 2 parties all from a chance remark.

So talk to people and listen to what they want and then something can come out of it as well.

Des:

Got it. And for those who want to find out more about the deal making, more tips and information and so on, where’s the best place to go, Paul?

Paul:

Best one would be go to my website, it’s [dealmakeracademy.co.uk](http://dealmakeracademy.co.uk), and then forward slash info and there’s a sign up box and I can send your listeners a newsletter and they’ll get the details and then I can send some more details to them, so that’s [dealmakeracademy.co.uk/info](http://dealmakeracademy.co.uk/info).

Des:

Perfect, thanks for that and good talking with you, and thanks for your time.

Paul:

Yes good talking with you as well, Des.

Thanks for your time as well.