



# **FIND** **BUILD** **SELL**

**HOW I TURNED A \$100 BACKYARD BAR  
INTO A \$100 MILLION PUB EMPIRE**

**STEPHEN J. HUNT**

**WILEY**

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*Some events, people and timeframes have been condensed, merged or truncated to keep the story rolling along.*

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# Introduction

**The greater the difficulty, the more glory in surmounting it.**  
*Epictetus*

My name is Hunt. Stephen Hunt. Clearly, my ancestors were hunters, and so am I. My name reflects perfectly what I do—so much so, I bought a dog, a German shorthaired pointer (Snoop, on the left), in honour of that ancestry. He is one of the best hunting dogs you can find. I bought him because he reminds me of who I am, and what I was destined to be.



**Snoop, on the left, the best hunting dog you can find.**

## **FIND. BUILD. SELL**

In short, I am a Hunter. I track down good pubs that have the potential to be great. I round up the team who can help me restore them to their former glory. I sniff out the best deals to maximise efficiencies. I then deliver them to my investors, and do it all again. I'll stop with the dog analogy ... you get the drift.

## **Hunt by name, hunt by nature**

If you believe in the science of epigenetics, I am aptly named. Now epigenetics may sound like a depilatory tool you'd see for sale on The Shopping Channel, but it's the study of how behaviours and environment affect the way our genes work. Interestingly, a study discovered that 30 per cent of white men were more likely to match their career to their surname. (This is why we see Mr McBurney become a fire chief, Mr Brain become a neurosurgeon or Mr Soo Yoo a lawyer—all of whom are real people, by the way, according to the website 'boredpanda'.)

Is that luck, destiny, nature, nurture?

I don't know, and it doesn't matter. Whatever it is, I consider myself lucky to be The Pub Hunter. I've found myself here, at 48 years old, walking side by side with my wife and partner in life, Fidelma, our five children and a \$100 million pub portfolio that continues to grow daily, delivering outstanding returns for my investors and life-changing opportunities for my employees and franchisees. I couldn't be happier with the way life turned out, but it wasn't all beer and skittles when I started out.

## **How I got started**

I was a ginger-haired, fat-fingered, freckled-faced kid from suburban Sydney. I was also left-handed and had one kidney. What I did have going for me was that I was good with numbers and good with people. Those qualities have served me well. I now run Hunt Hospitality, a

conglomerate that owns seven pubs up and down the east coast of Australia. We employ 350 staff and have won some of the most prestigious awards in the industry.

I started out washing dishes in pubs, and graduated to running them and, eventually, buying them. My *modus operandi* was simple: I'd choose poorly performing pubs, renovate, revalue and resell them for a higher price, repay the investors with an outstanding rate of return, and then do it all again. I got so good at buying pubs that friends, and then friends of friends, would say, 'Steve, can we be a part of this? Can I get in on the deal?', and I'd say, 'Sure', so I started to take on sophisticated, high-net-worth investors. I made them so much money, I became a private equity fund manager and started an investment fund, called The SJH Pub Fund. Top marks for creativity there, but it is what it is: a fund that owns, operates and manages a portfolio of successful pubs. I launched it in 2015 and it's been growing at a rate of 15.42 per cent with a cash return of 12.18 per cent per year since it started.

I'm not a trained accountant, but to manage such a complex investment portfolio, I had to become very, very good at reading numbers. And I did. I have my family to thank for that. My dad is an accountant, as are three of my four siblings, so I've been surrounded by numbers all my life. It wasn't unusual to talk about financial statements over breakfast, lines of credit over lunch and debt funding over dinner. My parents were ultra-conservative people, and they would have loved for me to become an accountant, but I had different plans. I took my passion for people and pubs and leveraged those talents to make a profit. I have found my strengths and made them work for me. When you find what you love and can make a buck from it, you'll never 'work' another day in your life.

## **The scent of a deal**

I got my first 'scent' of a deal when I was four years old and was given a bucket of Lego for my birthday. I was playing with Luke, my next-door neighbour, and he said, 'Can I buy that bucket of Lego off you?' 'How much for?' I asked. 'Three dollars?' he said. This was a fortune for a little kid like me, and I fantasised about all the lollies I could buy with

## **FIND. BUILD. SELL**

this unexpected windfall. I was about to say ‘Sold!’, when my mum pulled me aside and whispered, ‘Stephen, think about it. You could sell the bucket to him for three dollars, or you could sell him the individual bricks for 50 cents a brick, and make 20 dollars. What would you prefer?’ ‘Can I charge him 70 cents a brick?’ My entrepreneurial chops were on display, even then. ‘That would be greedy, Stephen,’ she said. ‘And don’t forget, Luke could go to the shops and buy them for less than that.’

In that moment, I discovered the principles of pricing structures and market forces. I owe my mother a great debt for teaching me, at such a young age, the essentials of entrepreneurship. I sealed the deal with Luke, headed down to the shops and filled my pockets with cobbles and chocolate bullets.

My father taught me my second lesson. When I was 10, we took a family trip to Hong Kong. We lined up at the money exchange counter to buy some Hong Kong currency. I watched my dad hand over the money to buy the notes, and a moment before the money changed hands, the exchange rate went up, and in the blink of an eye, we were given \$200 more than if we had bought it a few seconds earlier. In that moment, I learned that timing is everything: a critical element when buying and selling a business.

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## **The \$100 backyard bar**

I have to be honest. I didn’t set out to become a publican. Growing up in a middle-class suburban home with two rugby-loving brothers (and two equally sporty sisters), I was a sports-mad jock with a grand goal to play rugby for Australia. I did make several representative rugby union and league teams, represented my school in 11 different sports and was captain of the swimming team. Unfortunately, however, my talent did not quite match my ambitions. As a result, I had to find another career. But as a 17 year old, fresh out of school, I had no idea what I wanted to do. I was too busy mucking around with my mates, playing footy, drinking beer and having fun. Which is kind of how my business began. As they say, from little things big things grow. My pub empire started as a very small operation: it started in my backyard.

When I was 17 years old, my dad bought a massive BBQ and installed it down the back of the yard. It was a concrete monstrosity with a built-in chimney, removeable grills, cast-iron hotplates and more. He decked out the area with second-hand armchairs, eskies, a tarpaulin tent to keep out the rain, a tape deck and speakers so we could listen to music, and a string of party lights dripping off the trees so we didn't trip over in the dark.

He must have wanted us out of the house. It worked.

I spent most of my weekends down there, hanging out with my high-school buddies. I'd invite them all over after the footy, we'd get a few girls from school to come along and before you knew it, every teenager in the street would be popping over to see what the noise was all about. Everyone was welcome—even the teachers. It wasn't unusual on some weekends to have 100+ people down the back of the yard, partying away, with me at the helm. My parties got so popular, I rallied my mates to help me manage the logistics. One took care of the food, the other bought the grog, another manned the gate to deter any undesirables from dropping in. We were a well-oiled team.

One night we ran short of beers so my mate said, 'Just charge them \$2 for the beer you've got left in the esky'—so I did. I took that money, went down to the pub, bought more beers, came back, sold those and made \$100! I was stoked. Not only had I made a few bucks, I had enabled the party to carry on late into the night. I looked around at the faces of my friends laughing, joking, dancing, drinking: I could see the joy they were experiencing, feel the happiness they were exuding, and it was exhilarating. I had brought together this disparate group of people from many walks of life, and they were all having a great time because of me. I was having a ball too, but what I really enjoyed was watching other people have a good time. In that moment, my mate Paul turned to me and he said, 'Steve, I reckon you should do this for a living'.

'So do I, mate. So do I.'

And now I do.

This is my story.

## **What's this book about?**

Success leaves clues. I've written this book so you can stand on the shoulders of those who have gone before and fast track your success; so you can minimise errors, maximise opportunities and get cracking on your business idea as soon as possible. When I set out on this journey 30 years ago, I had no idea what I was doing or where it would lead. I do now and it's been a helluva ride. This book is the step-by-step guide to how I did it—a blueprint of sorts—so that you have the tools you need to find, build and sell the business of your dreams. Rip in.

### **Find**

What do you love? What are you good at? What does the market want? 'Find' the intersection of these three critical questions and you've got the foundations of a successful business. 'Find' is about identifying the right business idea for you, be it a new or existing entity, and finding the right team of people who can help you bring that idea to life. It's about finding the principles and values underpinning your entrepreneurial vision that will guide your very decision. It's about finding your strengths (and your weaknesses) so you can do more of what you love, and less of what you don't. It's about finding time to focus on what's important, and what's not, and knowing how to tell the difference. It's about finding the tools to curb anxiety, conquer worry and build resilience so you can stay the distance.

### **Build**

Do you run the business, or does it run you? Are you working in it, or on it? 'Build' is about taking the business you've bought (or created) and applying robust systems, procedures and processes so that you can automate the business without duplicating effort or reinventing the wheel. It's about how to 'build' your confidence, manage risk and create an intrapreneurial culture that answers the fundamental questions of 'Why are you in business?' 'What do you stand for?' and 'Who do you want to be?' It's about building systems that minimise conflict, improve productivity and maximise profits.

## **Sell**

Do you have an exit strategy for the business? Do you want to sell it, stay with it or list it? What's the end goal? 'Sell' is about building upon what you've created and maximising opportunities. It's about how to 'sell' yourself, your vision and your story to attract investors and partners who can help you realise your ambitions. It's about how to evaluate investment opportunities, source venture capital, negotiate the deal, prepare the business plan, pitch to investors and choose the right advisors.

## **Who is this book for?**

You may not want to own a pub, but you can learn a lot of lessons from someone like me who has. Why? Because I live in the real world of business. I live in a world where my business lives and dies by the sword of selling a service at a profit that sustains me, my staff and my investors. If I don't sell something, to someone, today and every day, I fail. It's as simple as that. Unlike those in the tech sector and start-up land (and good luck to them, by the way), I don't have the luxury of telling investors, 'Invest in this obscure, untested, untried software that one day, somehow, will make you an absolute fortune. We don't have any sales, customers, traction, history or profit yet, but trust me, one day, we will!'

No. That's not the world I live in, and chances are, it's not the world you live in either. You're a small-business owner, working hard to chase your dream and turn your idea into a profitable enterprise. You get up early, stay back late, work like crazy in between, get home, say 'hi' to your family, collapse and then get up and do it all again the next day. In short, you're exhausted, you're overwhelmed and you want to do things differently.

You want to enjoy what you do, grow the business without going into debt, make it more profitable, do more with less and get smarter about the way you manage yourself, your team, your energy, your time and your money. You want to attract more, better customers who can afford

what you offer: who love what you do and aren't afraid to tell the world about it.

You don't want to be a billionaire, or maybe even a millionaire. You just want to have a thriving business that lets you do what you want to do, that pays you for a job well done; you want a business that runs without needing you to do everything; that has systems and procedures in place that ensure you know what's going on even when you're not there; that runs like clockwork so you can get on with working *on* the business, instead of *in* the business; that lets you get back to being with your family, taking a holiday now and then and sleeping soundly at night—without waking at 3 am worrying about cash flow, deal flow or work flow.

## **What problem does this book solve?**

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I've been running pubs since I was 18 and I've learned a few things along the way, and how to build a multimillion-dollar, multi-venue corporation is one of them. Through trial and error, I've discovered a blueprint for business success, and the best part is, my blueprint works for any business. Whether you're a hairdresser, stockbroker, fashion designer or car dealer, this system will work for you too.

If you live in the real world, like I do, and you'd like to learn how you can turn your passion into profit, do what you love and get paid handsomely to do so (so that you never have to work in a job you hate because the work you do is what you were born to do), this is the book for you.

There's never been a better time to make a change. If ever you were going to do something differently, the time is now. Don't waste another minute doing something you don't want to do, for a boss or company you neither like nor respect, for a wage or conditions that don't reflect your true worth, talent and potential. Don't be an armchair critic. Get out there, throw your hat in the ring and get cracking. After all, if a left-handed, one kidney-ed, ginger-haired kid from the back blocks of Sydney can do it, so can you.

Welcome to my world. The real world. Let's get started.



# Part I

# FIND

You've got an idea and found your passion and now you want to set up the rules of engagement for how you'll take on staff, customers and investors. So let's work out your strengths, identify your blind spots and help you develop the courage to try to step out of your comfort zone and develop strategies for mitigating the risks if you fail.

It's now time to discover the importance of finding time to focus on what matters, like being in the right room and taking time to learn and do the little things right.

Let's go!

## CHAPTER 1

# Find your passion

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**The future depends on what you do today.**

***Gandhi***

I've got seven pubs worth over \$100 million. Saying it like that makes it sound like it was easy to achieve. It wasn't. It's taken me 30 years to learn the formula for how to find, build and scale a bricks and mortar business. In the early days, I made many mistakes. In fact, I made so many I nearly went bankrupt before I had even begun.

I started out making \$100 at my backyard bar and gradually worked my way up, managing bars all over Sydney, London and Europe, working for some of the biggest and best names in the business. I was a sponge, absorbing everything around me, just waiting for that day when I could do it for myself and be my own boss.

My opportunity came, funnily enough, when I was sitting in a bar. What I'm about to tell you sounds like a plot from a Hollywood movie, but I can assure you that everything that happened was very real. I'm revealing the story here so that (hopefully) you can avoid repeating the rookie errors I made.

# What does it take to turn an underperforming business into a roaring success?

Discover how one of Australia's most successful hotel publicans turned his \$100 backyard beer garden into a \$100 million pub empire.

In his straightforward and down-to-earth Australian style, Stephen J. Hunt outlines the blueprint and frameworks he uses to turn failing and under-performing businesses into multi-million-dollar successes.

## You'll learn how to:

- turn your passion into profit and assess the right business opportunities for you
- rebrand (on a budget) to exponentially increase the value of a business
- develop a bullet-proof team culture that creates loyalty for life
- negotiate the best price when buying or selling a business
- pitch to investors using language they understand and value.

This step-by-step guide shows you how to use simple principles, systems and procedures to quickly (and easily) unlock vast value from any business. Whether you're buying, selling or reinvigorating an online or bricks-and-mortar business, or simply looking to build your long-term business and career goals, you'll uncover the secrets for success in any industry.




**STEPHEN J. HUNT** is the founder of Hunt Hospitality. He is the winner of numerous awards, including NSW Business 'Outstanding Business Leader', was a finalist in the *AFR*'s 'Most Innovative Businesses', is a private fund manager with over \$100 million under management and has over 300 staff. He lives with his wife and five children (and two dogs) in Newcastle, NSW.

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