

Testimonial – Russ Dodson and Family First in Hospitality 1st August 2005

Over the past few years, we had constantly discussed purchasing a motel, and had made a few high level enquiries about various motels for sale.

In 2005, we realised that we were not getting any younger, and that if we were to make such a move we really had to do it soon. We analysed different advertisements, contacted a few brokers, inspected two motels, but soon came to the conclusion that we were looking at spending a large amount of money on something that we knew nothing about. We examined turnover and gross profit, however we had no idea of what drives the price of a motel, what profit margin we should expect, and what the return on investment should be. We were reluctant to make any decisions, as we knew they would be uninformed decisions.

Then we saw an advertisement by Family First in Hospitality, proposing a weekend seminar for people interested in purchasing a motel. The seminar was very reasonably priced, so we decided to attend – our logic being that if nothing else we would have a weekend away on the Coast.

The seminar was a real eye opener – Russ answered just about all of the finance related questions that we had been struggling with in the first 4 hours of the seminar – and then provided a wealth of practical advice to boot. The line up of associated professionals was also impressive, with legal, insurance and workplace health and safety experts. After the first day, we were feeling much more confident about what to look for when evaluating a motel.

Russ recommended a motel to us that met all of the criteria he had taught us to look for, and we accepted his services for Financial Analysis. Of course, we were a little nervous, as everything happened very quickly following the seminar, which was held in mid-March 2005. On initial inspection of the motel Russ accompanied us, and did a very good job of setting our expectations – the motel is a 3 ½ star motel, with a clientele that consists mainly of Contractors. Russ was completely up front about what could be improved and how and also recommended building and pest inspections. He provided a “warts and all” view of the motel, then gave us space to make a decision.

We decided to proceed, and Russ then continued his Financial Analysis, working with our Accountant and Solicitor. Russ made it clear that he would be working in the background, and that we could avail ourselves of his services when and if required, also offering loan brokerage if necessary. We initially made our own loan enquiries, but ended up using Russ’s services as the associated loan costs were very similar, and using Russ simplified the whole process significantly.

On a couple of occasions, we had some quite tricky negotiations with the vendor, and came close to calling the entire transaction off. Russ’s negotiation skills were invaluable on these occasions.

Our purchase is now complete, and we are two months into the operation. We are delighted to report that the financials are working out almost exactly as Russ forecast, and that we are extremely comfortable with our purchase and with the life style. Thank you Russ for matching us so well with a suitable business, and for running along beside us during the negotiation/planning/settlement period. Your services were truly appreciated, and assisted us greatly in making a sound informed decision.

Please feel free to pass on our contact details to anyone requiring verification of this testimonial.

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