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Back when I was a young fella, just after the invention of electricity and the horseless carriage, the search for a partner was pretty simple. Come Friday arvo we'd rush home from work, grab a quick shower, splash on some Brut 33, put on our most alluring attire and drive back to the pub. I'm not proud of the driving bit but those were different times. Back then the Friday after work crowd in Toowoomba would fall madly in love with one venue only to desert it the next and move on. The females would move first, and the poor hapless blokes would simply follow. We would pray that one of our crew would end up dating a proper spunk which would hopefully introduce us to her group and open possibilities for the socially challenged. If you happened to be a bit odd and had a sense of humour the barriers of social acceptance seemed to fall away.....I'm told.

Those were simple days where a swipe left or right meant you had invaded the turf of a competitor and best put up or run. In this regard I have never lost a fight over 100 metres. The beauty of personal social interactions back then was an opportunity to actually meet people, figure out if you got on, share common interests, bond over mutually enjoyable outings..... hell, who am I kidding? We all know why the blokes were at the pub where the girls were and it had everything to do with mutually enjoyable activities.

If you got lucky you would end up meeting someone like the managing director. A sensible but fun bird with very understanding parents and no Bankcard debt incurred investing in motorcycles. The day my dad met her he offered her a Porsche to marry me. That debt remains outstanding! We've now been married for too many years (her definition, not mine) to mention and our relationship has survived. Those of you who know me well will marvel at this miracle and most likely nominate the MD for a Sainthood.

Truth is it takes effort to make a personal partnership work. You gotta be diplomatic yet honest. Shared goals are a must. Some level of forgiveness will no doubt be called for as will a degree of patience. However, to me the most important aspect is to get it right from the outset. Too often relationships fail for reasons that should have been apparent once the initial rush of lust and excitement had passed.

And with that rambling introduction I will now try and segue from personal to business relationships, and more specifically investment partnerships. It strikes me that many of the positive attributes we see in successful relationships can be applied directly to management rights syndicates. While I'm not advocating hanging out in pubs trying to meet the right manager, I'm in no doubt that finding that person is key. The reality is that a great manager can turn a poorly performing business around while a terrible manager can destroy even the most strongly performing asset.

I'm an investor in a few management rights groups and my motivation is always driven by the quality of management. Once such a person is identified and I think we share similar goals and ethics let the hunt for the right asset begin. This is not a cookie-cutter process. In many cases the challenge is to match the manager to the asset. Different skill sets and life experience can inform the perfect match. It is true that a great manager and a great business may not necessarily be compatible. Kinda like that personal relationship stuff I was talking about earlier.

Once that perfect match is identified it's imperative to set out expectations. I recall the MD doing so quite early in our courtship. If you come home late and inebriated, you will be sleeping in the back yard. If you play that guitar too loud you will need to find an understanding proctologist. Once we have kids you can no longer ride motorcycles..... you know guys, all that sort of fun killing stuff.

For business partnerships communication is everything. If things are going well, that should be one-sided management messaging just keeping the group up to date. Silent partners should ensure a sound understanding of the word silent, unless things go sideways. At that point strong management reporting becomes essential and partners should work together to strategise solutions to any present or anticipated problems. Sadly, in my experience this rarely happens. Touch wood the businesses I have invested in are managed by highly professional people and for the most part things run seamlessly.

In over 25 years financing and investing in management rights groups there is one key dynamic that upsets the apple cart time and again. The highly experienced manager with the great CV turns out to be a turkey with terrible communication skills and a persecution complex. In some cases, I have witnessed seemingly sane managers do absolutely unpredictable and crazy things. Worse still once this unfortunate situation emerges a siege mentality manifests itself and no amount of support and effort can resolve the impasse.

My advice, regardless of how wonderful your intending manager seems to be, have a partnership agreement that assumes they go crazy and need to be removed. Hopefully you'll never need to use it but think of it like a prenup. You know, I love you and want to spend the rest of my days with you but just in case you turn out to be a homicidal maniac let's write down some expectations. We did it in our wedding vows..... something about death and parting. Probably not appropriate for a business agreement but you get the picture.

If you are an investor in a syndicate know that ambivalence can be a killer. Yes, stay silent but make sure you have a spokesperson who is across the business performance, has nurtured a great relationship with the manager and is not afraid to have the challenging discussions. I often see negative situations emerging in partnerships we have funded and more often than not none of the investors is prepared to grasp the nettle. Sometimes a brave soul will step forward but it's often too late. In numerous cases over the years that brave soul, with no investment in the group, ends up being me. As you can imagine my finely tuned levels of empathy and negotiating skill nearly always..... again, who are we kidding? Mostly by the time I get the phone call the manager has well and truly gone rogue or the body corporate are on the warpath, or both.

Henry Kissinger couldn't fix some of these problems so what chance do I have? These situations don't require diplomacy; they need a marriage counsellor.

In closing I should stress that the challenges I am talking about are in the minority but once they emerge it's incredibly hard to put that genie back in the bottle. Far better to get it right from the outset. Great manager and great business. That's the dating game.

I'll leave you with this quote from Fiona Shaw which I suspect the MD uses often:
"I'm married to a very unusual person, but maybe it took a very unusual person to be willing to marry me".

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