**27-03-2024 - Video\_Transcription**

[Attendee 5] (4:11 - 7:16)

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[Attendee 7] (7:26 - 7:35)

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[Josh Keegan] (7:35 - 7:43)

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[Attendee 7] (7:43 - 7:55)

. Yeah, I think so. I just landed in Warsaw in Poland, getting ready for a networking event tomorrow.

It's a big one. It's 800 property people or business people, actually.

[Josh Keegan] (7:55 - 7:58)

Nice. Are you speaking or are you just networking?

[Attendee 7] (7:59 - 8:04)

We are one of the main sponsors. Well, sorry, we are the main sponsor of the event.

[Josh Keegan] (8:04 - 8:04)

Awesome.

[Attendee 7] (8:04 - 8:08)

As a director of networking. Thank you.

[Josh Keegan] (8:08 - 8:09)

Nice. That's great to hear.

[Attendee 5] (8:10 - 8:28)

Just give everyone a few more minutes just to get themselves in. Hi, Natalie. Hi, Steve.

Hi, Andrew. Hi, Carol. Hi, Claire.

Hi, Alex. Mr. Dolman. Good to see you.

Sharon, Lorraine, Paul, Sue, Gina, Ashley, Tom.

[Attendee 3] (8:31 - 8:42)

Josh, as a reward for turning up, can you give us a little clue or a sneak peek on what's happening on Monday? You're doing your big reveal.

[Josh Keegan] (8:43 - 9:41)

Oh, right. No, no, I can't. Unfortunately, I'd love to, but I can't.

If I knew I'd tell you if I knew if I knew what was going on, I'd let you. Right, keep your eyes peeled. Right, we're going to dive into it then, ladies and gents.

Cool. So a very warm welcome to Midweek Mentoring. Before I dive in, we get to kind of see, get a bit of a temperature check in the room, because in this session, we're going to be looking at Bulletproof Business Model, which is building on the workshop a few weeks back.

Who has made some progress with this? A few nods. Steve, who?

Andrew's shaking his head. Who has finished this? Lorraine, well done.

There she is. I think that's, yeah, cool. That looks like a hand up.

[Attendee 3] (9:43 - 9:45)

No, it's not a hand up. Sorry.

[Josh Keegan] (9:45 - 9:47)

Oh, right. Is it more of a salute?

[Attendee 3] (9:47 - 9:50)

I thought I was on mute and my video was off.

[Josh Keegan] (9:50 - 10:40)

All right, cool. So no one's finished it. Nice.

Who needs a bit of help? Yeah, most people in the room. Cool.

So what we're going to do in this session is we're going to do a bit of a recap on Bulletproof Business Model, just remind you exactly what it is, because in the workshop, we did the theory. And in this session, I want to use this to help you guys actually build this out in practice. And we'll work with one or two of you on the call and actually help you build yours out.

So if you want help doing that on this call, feel free to write in the chat box that you want some support. And then I'll pick a couple of people and we'll work with them to get this built. So write in the chat box if you want some support for you personally on your call, on this call.

Right. So I'm just going to share my screen.

[Attendee 8] (10:47 - 10:47)

One sec.

[Josh Keegan] (10:57 - 19:17)

So set the scene. What are we actually doing? So if you think there's three questions you need the answers to by the end of winter, the first is, where are you now?

So, you know, what, where are you financially at this point in time? You know, where do you stand at the moment? And we did this a couple of months ago.

We did world class finance function. So the concept here is you get a team in place of people that can tell you every month budget to actuals. This is what this property made you.

This is what your business is making. This is how much you're spending on team members. This is what your sales looks like.

This is what your cost of sales is. So your clarity on where you are now. The next phase is then where are you going?

And that's the business model. And the concept here is it's like, right, we know where we are. And maybe at the moment we run a rental portfolio.

We've got 30 rooms. We've got 20 managed rooms or 50 in total. It's like we know where we are.

We're making three grand a month. And it's like, well, where do we want to get to? Well, we want to get to a place where we've got 150 rooms, 100 of those are rent to rent, 50 of those are managed.

We're going to charge this price. It's going to cost us this much. We're going to have this team.

It's going to make us 10,000 pound a month. So where are you now? The business model is where are you going?

What's the end goal? What does your business look like? And how does your business fundamentally make money?

So what prices are you going to charge? What's your minimum gross margin? What's your overhead budget?

What's your profit going to be? What's your net profit margin going to be? And what this does, this basically becomes the rules of the game.

So it's like, this is our targets, where we're trying to get to, but also it's the rules. So it's like, you know, if you said in your business model, your business model works, if you do, if you sell 20 sourced deals this year, and each deal needs to be sold at 6997, well, that's your rule. So don't sell a deal for five grand, you know, it needs to be 6997.

And that's sort of the power of this business model. Because once you've created this, you've got all these rules in place. So if you stick to the rules, generally, the finances will just follow and you'll do well.

And if you if you aren't doing well, and maybe you could, you're going to get to 7,000 pound a month this year, and you're actually at four and a half. Well, you just need to see which one of those rules you're breaking. So maybe you said your overheads was going to be 10,000 pound a month, you're spending 13 and a half, or you said your price was going to be 5000 pounds, it's actually been 3000 pounds.

Or you said your sales total was going to be 20 deals, you've done six. So you can see which rule you're breaking, where you actually need to progress, and you need to improve. The concept here is finance driven business, not business driven finances.

So finance driven business. So rather than just saying, I just want to grow, I want to get bigger, or want to just, you know, I want to do 20 deals this year. And like, just hoping that your business is going to generate your profit by, you know, turning up and going to work, what we do is we get a bit more strategic, we say, well, what do we actually want to achieve financially?

What do we actually want to want to make this year? How much money do we want to make? What's a realistic amount of sales we can do?

What we what we comfortable with from an overhead perspective. And we say, right, well, this is what the business needs to look like financially. And we allow that to drive the business that to drive decision making.

So rather than actually going, right, well, I just I feel like the business should make 10 grand a month, you go, actually, no, I need to take six grand. So I'm going on 20% on and plus 20% corporation tax. That's 9000 pounds, right?

What's the easiest way to get 9000 pounds, if we sell our product at this price, minimum gross margin, and this overhead will achieve that 9000 pounds. So basically, we assign the financials, and then the business will then be built into that. And that's how we, you know, make this stuff happen.

Rather than what most entrepreneurs do is they just kind of always going to increase sales this year, we're just going to, you know, get some more people in the office. And it's like, they're constantly just juggling with the challenges of the business. And their business never actually makes the money that they need to actually make.

How do you do that? Well, it's approved business model. And this is what this looks like.

Very simple. And I'm going to get my sheet open sheet open in the moment, then we're actually going to build some of these together. You wouldn't build a house blueprint, don't build a business without a business model.

And I've literally just signed up all of my business models on my forecast for my entire group of companies today. And honestly, the feeling when that's done, it's just phenomenal. And I'd say my probably the most important business model for me as Ultimate FD, it's a trading business.

Our overheads have gone up to about, they're going to be about 15,000 pound a month. And so I need to get this right. I need to like make sure that it's right, it's nailed and that I know exactly what I've got to sell, how much I've got to sell it for, what the gross margin is going to be on every single sale, what I'm going to make from ongoing clients, what I'm going to make from, you know, one-off projects, how much can we do a bespoke project for?

And it's just, it's just clear and it's just crystal clear. And I know exactly now, exactly what my sales target is, exactly what my minimum price per sale has got to be, exactly what my gross margin needs to be on the two main products that we actually offer, exactly what my overhead budget is going to be, exactly when I'm going to recruit a salesperson. So I've got it all in there.

And it's like the clarity you have once that's done is amazing. Then not only do I know the business is going to make a set level of margin that I'm comfortable with, but I also know exactly how much money I'm going to be able to draw for that business, which then goes into my, what I call master cash manager, which then basically means, you know, I've just, we've just planned out our holiday. So we know we can spend X amount of money per quarter on holidays.

We know we can get the bathroom done and the drive done. And you just, it basically just unlocks this whole like level of clarity around, you know, what's actually going to happen this year, which is why it's so important you get this nailed. So there were six steps to this.

I'm going to take you through the, just remind you what these are, then we're going to do this in practice. So the first was prices and packages. So remember we talked about, I don't know why my hand is up on my screen, lower my hand.

So prices and packages. So the first basis concept is what are you going to charge? And when you sell stuff, you know, we don't want to sell products.

We want to sell packages and packages are things that are bundled together, which basically means that one plus one equals three. So if you have a training business, you know, don't just sell the training products, sell additional one-to-one support, sell the WhatsApp group, sell all these additional things and bundle it together. And then you'll, it's not just one plus one equals two, it's one plus one equals three.

And that's where we get the additional margins. Then we have cost of goods sold. So how much is it going to sell you to sell, to make a sale?

Remember costs of goods sold are variable costs. So if your, if your sales go up, these will go up too. So, you know, if you, if your rental income goes up, well, then you're going to have additional cost of goods sold associated with their rental income because you've got a new property.

If you have a service accommodation business and you get some big bookings, you're going to spend more on cleaning and, you know, your linen, et cetera. So, but if you don't have those bookings, your cleaning and linen costs, you know, you're not going to keep paying them out because there's no need to. So your cost of goods sold is like the increase of costs with your sales.

Then you've got your gross margin, which is basically your, your sales minus your cost of goods sold, which is basically the profitability of your product. And then you've got your net margin, which is gross margin, less overheads means the net margin, which is basically the bottom line that, you know, the bit at the end. Then we've got your sweet spots.

So we're going to talk about sweet spots. So step changes and sweet spots and the sweet spot being where three elements are in balance. So businesses don't always work.

They work at certain sweet spots and a sweet spot for you is where your leverage as a director or owner is good. You know, you're not having to work 12 hour days to sustain your business. The business is lucrative.

You're achieving a minimum margin that you want to achieve. And also there's five-star service. So your clients are happy and they're getting the service that they need.

So you need to identify what size you can be at and balance those three elements together. And then the final is overheads. How much are you going to spend to actually run this business?

And like overheads define the, you know, your net profit, because you can have two businesses. One is a let agency with an office in London and one is a let agency where all of the people are based overseas in the Philippines. And I've got, you know, I work with multiple clients that are like that, that have those two different models.

And although they can have the exact same size portfolio, charge the exact same fees, the one that's not based in London with paying office, paying all their overheads, it's going to be much less, much more profitable than the one that's based in London. So it's just your overheads, how you actually allocate your overheads to make your business work. So those are the six steps.

So any questions before we go further?

[Attendee 5] (19:21 - 19:23)

Feel free to write in the chat or to.

[Attendee 8] (19:25 - 19:32)

How do we, how do we do this for just a landlord, not really customer based?

[Josh Keegan] (19:33 - 19:42)

Yeah, cool. So I'll take you through that. I'll take you through that in a moment.

Steve?

[Attendee 6] (19:44 - 19:54)

Yeah, probably similar to Andy's question there. Is this some of the, some of this might be based on the unknown future. So you just have to take an educated guess or you have to find some science behind it.

[Josh Keegan] (19:55 - 21:11)

Well, so it's like, it's, it's financial business, isn't it? So the concept, like, for example, ultimately I could like go, well, I just don't know how many sales we're going to make or, you know, what's going to come through the door or, yeah, I just don't know. But it's not really going to help me because I can't plan a team.

I can't plan resources, can't plan capacity. So rather than that, I go, well, you know, last year we did this amount of sales. This year we've grown the podcast by this.

We're going to spend marks on this for sales and marketing person. Now I'm going to have this, this and this in place. I'm going to go, well, if last year we did, if we sold two, you know, one package a month or 1.5 packages a month on average, I'm going to guess, well, actually I'm going to sell two packages a month on average. If you think like, well, okay, so that's cool when I build that into the model, but then also we're going to be doing more on like team members over the spring, but then also that becomes their targets. So now my sales person is targeting X amount per month of sales based on that model. So you have to make an educated guess and it's harder at the start and much easier as you've kind of done a few times with property businesses.

I mean, what you're asking the question for Steve, which business, which type of business are you thinking for your property portfolio?

[Attendee 6] (21:13 - 21:17)

I'm not, yeah, I keep flipping between two. Let's do a property portfolio.

[Josh Keegan] (21:17 - 24:09)

Cool. Well, let's do that. So we can do like a portfolio.

So on your, on the, on the sheet that we shared with you, you'd be able to see this one that says UFD business model portfolio, just before we dive into it, what, what businesses do people want to look at? If anyone just writes in the chat box, what business do you want to model? Just pop in the chat box.

I can get a gauge of what everyone wants to look at. Nice. Okay, cool.

So, okay, perfect. Cool. Awesome.

So what we'll do is, is, is a lot of people want to do a portfolio. So we'll do a portfolio initially. And then potentially I might have a look, then I might do Lorraine's PA services as well, because I know that that would, that the way we'll do that would apply to, for example, I know Greg needs, you know, space is selling time and selling services.

So it's like Greg, for example, I could be Google for Greg to look into, and probably a few of you. Yes, we'll go down that route, if that's okay. And then development, like, yeah, we can, we can have a look at that as well.

So let's do that. And so we do portfolio. Yeah, yeah.

So if we do portfolio, we'll do PA electrical, because Ashley's putting electrical, I know Greg wants that too. And that kind of tick a few boxes there. And that'll also kind of cover the consultancy for Catherine should do anyway, and then we can have a look at development.

So we'll do those two. Nice, cool. So let's start with your portfolio.

So who wants us to build their portfolio form? Who's that? Steve?

Steve. Sorry. Awesome.

No, sorry. I can't see that I can see now. Right.

So basically, what we're doing here is, is we're going to build like a investment portfolio. Is it like rent to rental? What is it?

Investment. Investment portfolio. Cool.

So what we're gonna do first is, and with this, if you do need to make some assumptions, I'm assuming you've not found all these deals yet. Is that correct? Cool.

So it's like, we need to get a feel for, we need to make some assumptions. And the whole point is, we get some paper, then we can play around with it. So we start with what, what are you, is it rent, what are you planning on doing?

Is it rent to rental, HMOs?

[Attendee 11] (24:09 - 24:09)

HMOs.

[Josh Keegan] (24:09 - 24:11)

Sorry, is it HMOs, single let's say?

[Attendee 11] (24:11 - 24:11)

HMOs.

[Josh Keegan] (24:12 - 24:34)

And in the areas you're looking at, what, five beds, five plus? Five beds, yeah. Five beds, HMOs, outside our school floor in Manchester.

Oh, cool. Perfect. So that works.

I know that, I know the market. So if we start with monthly rent, so what are you anticipating? Just share with me.

I know, I know this can vary, but in these areas, you look at what you're anticipating.

[Attendee 6] (24:34 - 24:37)

The ones I'm getting in a minute are like six, seven, five a room.

[Josh Keegan] (24:38 - 24:45)

Cool. Is that all on suite and stuff? All on suite, yeah, yeah.

Where are you getting that?

[Attendee 6] (24:46 - 24:46)

Middleton.

[Josh Keegan] (24:48 - 26:12)

Oh, that's good. And Bolton. That's good.

All right. Per property. So that's six, seven, five.

I mean, that does sound a bit punchy to me. I would probably use something a little bit less, just because we want this to be like a worst case, and then you can overchoose. I'm going to put six, two, five in, and then we want to be in a place where we're building the business on the worst case, and then we overachieve.

So a hundred percent, if you can get 750, a thousand quid a room, just go for it, but I want to build this worst case. So what this is doing is saying, right, for Steve's property, 625 pound, we're going to assume that he has five rooms per HMO. Now, of course, all of this is going to be opportunities to beat this.

So, you know, I'm not saying to Steve, you can only do five beds. I'm saying minimum, minimum 625 per room, minimum five beds. If you can get an eight bed, 10 bed, and if he can charge 750, a thousand quid, like go for it.

But we want to set the minimum rules and then we can overachieve them. We want to make sure the business works at a minimum space first, and then overachieve. Cool.

So we have to make some assumptions. So we've got some cost of goods sold in here. So management, have you got an agent that's going to manage it for you?

Yeah. Yeah. 10% of rent.

Cool. So it's putting 10% in there. Utilities, we'll probably just, just for speed, I'll make a few assumptions.

So let's just show you utilities, about 375, maintenance. I'll probably just put in like 5% in there.

[Attendee 6] (26:12 - 26:13)

Yeah. Yeah.

[Josh Keegan] (26:14 - 26:26)

Insurance. Yeah. About 10, 15 pound a month, realistically.

Mortgage and lease fee. So on the mortgage, I mean, have you got an assumption around kind of roughly what you're going to be buying these properties for? And what are the mortgages?

[Attendee 6] (26:26 - 26:30)

Yeah. I'll just give you, I'll give you a current date. 1400, I think is my mortgage.

[Josh Keegan] (26:31 - 27:24)

Okay, cool. So you have to make some assumptions guys. And if you want to like to play around, you can just, you've got to make an assumption that seems about right.

Compliance is just a 10 pound a month. Gas safety certs. Yeah.

Maybe like licensing, gas safety, PI electrical, all the stuff that you have to do and fire risk assessments. Horrendous. And then gross profit there.

So basically what this is saying is. So this is saying per property, Steve would be making about 831 pound of basic gross profit per property. Does that sound about right Steve?

Is that low or high? About right. About right, cool.

And I'd say this is worst case because if we put in a suit bedroom, like numbers wouldn't change too much and things would look a lot better. We might also, you might put a void in here.

[Attendee 6] (27:31 - 27:32)

No, it wasn't me that.

[Josh Keegan] (27:34 - 27:39)

I think she was getting angry about the voids or she was. You just have to accept it.

[Attendee 9] (27:41 - 27:44)

Sorry, sorry. I was dealing with something else at the same time.

[Josh Keegan] (27:44 - 28:08)

Amazing. Right. So then, Smith doesn't like voids.

So then we've got the kind of a percentage here. And then what we'll do is go for like a target net margin. So, you know, how are you managing this, Steve?

Are you in a place where you're going to have anyone involved with this? Or is this going to be basically, you've got an agent, you're just going to kind of sit back and like.

[Attendee 6] (28:08 - 28:10)

I'm not an agent, I just make decisions.

[Josh Keegan] (28:11 - 28:13)

Are you going to have like any accountant?

[Attendee 6] (28:15 - 28:22)

Yeah, yeah, got an accountant. Yeah, we're going to bring in a VA team to sort of do sourcing for future ones. Things like that.

[Josh Keegan] (28:24 - 28:35)

So you might say, right, the gross profit is coming out 20, 27%. I'm going to put in about 20%. We'll play around with this in a minute.

And it says, say, right, because that's 7%, we can assume might need to be spent on team, et cetera.

[Attendee 11] (28:35 - 28:35)

Yeah.

[Josh Keegan] (28:36 - 29:24)

Then what we're going to do is go, right, well, how many properties? So that's a sweet spot for Steve, as he knows that he can get to about 50 units pretty comfortably. And he goes, right, well, I'm going to put 10 properties at five, 50 units.

And what does that look like? So that gives me a rent roll amount of 31,000 pounds. It gives me Costco sold at this, gross profit at this.

I'd have a 2,000 pounds to spend on overheads. I have a net profit of 6,250, the margin of 20%. And that's 75% 75 grand per year of actual profitability.

So just basically tells us that if Steve goes and wants to buy 10 properties, minimum of five rooms, this is what the numbers would look like. You'd have a net profit of 75 grand and he can spend two grand a month on overheads. Have you got an idea of where you want to get to this, Steve, this portfolio, the size?

[Attendee 6] (29:27 - 29:38)

Honestly, no. I think for this year, I just wanted to add another three to the two I've already got. I mean, this is all about the financial fortress numbers, isn't it?

Which will work out in time.

[Josh Keegan] (29:40 - 30:55)

Yeah, cool. So like if you just did three at this level, you'd be at a place where you'd be making 22 and a half grand per year. Net profit of 1875, you'd have about 619 pounds to spend on sourcing and VA's, et cetera.

So you want to play around with that. Yeah, that's good. And then what we can do is we can just allocate our overheads.

So let's go, right, we've got 619 quid, say 35 pounds for zero. Insurance, you don't really need that. Virtual assistant, right, I'm going to, 50 pounds for sourcing, let's say user signer.

Click on create, Google Drive, 12 pound. And you might go, right, I'm going to have a VA to do my emails, whatever. I can do a little bit of landlord letters, £50 a month.

And you might find actually you've got a bit spare. It gives you an idea of what you're actually going to spend. Oh, yeah, that's good.

And that's it, that's your model done. And then what you might want to do is go, right, year one is get number three. Then I might want to get to 10 properties.

Then I might want to get to 30 properties or whatever that's going to look like. You can just start to play around and see how it's actually going to work and how it's actually going to progress. You can also see, I was at Sean McCann this morning, where we were just playing with these numbers.

And what happens if you always get a minimum of six bed? You see like the numbers at six bed are pretty, pretty great in comparison. Yeah, or if we managed to get six.

Yeah.

[Attendee 4] (30:57 - 31:01)

Natalie, can you just tell me where that overhead budget came from, please?

[Josh Keegan] (31:01 - 31:21)

Yes, of course. So basically the overhead is a bit of like a balancing number. And we're saying that Steve's target margin is going to be 20%.

So we're saying, right, Steve wants to achieve 20%. And we've said up here that he's got a gross profit of £831 per property. So that when you do the math.

[Attendee 4] (31:22 - 31:23)

So it's the difference between the two there.

[Josh Keegan] (31:23 - 31:35)

Exactly. So when you do the math, sometimes it's all out. It's going, right, your gross profit is this.

We need this profit down here because it's done a percentage of that number. So the balance is £649.

[Attendee 4] (31:36 - 31:37)

Brilliant. Thank you.

[Josh Keegan] (31:38 - 32:23)

And there's a lot of logic to doing it this way as well. Because it's like, we want to see how much we've got available to spend to actually achieve it. And if it's not working, then this is the point.

It's like, if Steve's looking like, I can't only spend £649, I've got three VAs. I'm already spending £1,500 a month. And then I go, well, that means I've got to do a minimum of, you know, eight beds.

And I've got to get it to £750. And you start going, right, okay, cool. I've got the budget.

So you've got to play around with it. Or you might find that you get to a place where you go, actually, I don't see £619. I spend £350 on everything I need.

I'm actually going to increase this to 22.5%, for example. And you're right, well, cool, I'm fine. I've got high profit, et cetera.

Suzanne, how are you doing?

[Attendee 4] (32:24 - 32:24)

I'm good, thank you.

[Josh Keegan] (32:25 - 32:26)

Yeah, I'm good, thank you.

[Attendee 4] (32:26 - 32:45)

So I downloaded your Excel sheet. I haven't got the plus symbols at the side that allow me to add in the overheads. I don't know if you've got Excel or Mac that it's causing that to happen.

[Josh Keegan] (32:46 - 33:01)

Maybe at the end. I'll just show you a screen and we'll see if we can find it. I'm not sure.

You should have that. But maybe if you use the link. If you just use the link on Google Drive, just make your own copy.

That might work as well. Let's have a look at the end and see if we can see it.

[Attendee 4] (33:01 - 33:02)

Okay, cool, thank you.

[Attendee 8] (33:05 - 33:12)

I just tried it on my Mac. I just downloaded the file, literally. So it does seem to work with this plus sign at the side.

[Josh Keegan] (33:13 - 33:16)

Yeah, it's weird, Suzanne. I'm not sure the reason. Let's have a quick look.

[Attendee 4] (33:16 - 33:22)

Have you downloaded it into Word's Excel as opposed to Google Sheets?

[Attendee 8] (33:22 - 33:35)

I downloaded it. I just went on Facebook, downloaded the file on my iPad, sent it off to my MacBook. And then my MacBook, yeah, opened it up in Excel.

And it just has that plus sign that you're talking about.

[Attendee 4] (33:35 - 33:36)

Well, maybe I'll try downloading it again then.

[Josh Keegan] (33:37 - 34:17)

Yeah, maybe. It shouldn't disappear. We'll have a quick look anyway, Suzanne.

We've got time at the end. We'll have a quick look, share your screen. We'll look at it.

So that's basically Portfolio. So the only thing I would say on here is that this is mainly for anything that's new. And you probably want to also, you know, actually combine this with any existing.

So for example, Steve, you've already got a few properties. You have a Xero account that says, right, this is what that's producing. So you probably want to take this and add those numbers in.

So you can see what the overall picture is going to look like at the end. But this is like the business model for the new business this year. Yeah, cool.

Does that make sense? It makes perfect sense. Yeah, thanks.

And it's very simple. And then, yeah, it's very, very simple and straightforward. But this is basically your deal criteria.

This is what we're trying to get to. Nice.

[Attendee 5] (34:19 - 34:22)

Any questions before we move on to the next model from anybody?

[Attendee 8] (34:24 - 34:48)

Cool. So if you've got a portfolio of very different properties, so now you just talked about HMO, and then if we've got single layers and surface combination or whatever, do you have to do a model for each one? So it's like now buy to that portfolio, just say 10 properties, then do you stick all this information in there?

[Josh Keegan] (34:52 - 35:53)

I probably would for simplicity. Obviously, we're working with you. So we'll do it for you.

So you don't necessarily need to worry about it. But like, yeah, for simplicity, you probably would put them in each one. You'd want to think about what is a business model.

It's like how the way your service accommodations business is going to make money is going to be very different to the way you say single business is going to make money. And the business model is the rules on how you're going to essentially make money, achieve a margin. So you would want to treat them as different lines of business.

Like when I had the letting agency, although it was one business, we had a maintenance. We had a maintenance in there. We had tenant fines in there and we had management.

And each one of them had their own independent business model, which as a whole made up the entire business. But they work differently. Like I knew I had to charge a minimum tenant fine fee.

I knew to do that, it had a minimum cost of this. I knew all the maintenance. I knew how that works.

And each one had its own business model. But then the P&Ls combined to make the overall whole picture.

[Attendee 8] (35:54 - 35:56)

Okay, thank you.

[Josh Keegan] (35:56 - 36:18)

So for your service combination, you want to know average price per night occupancy, change over fees, average duration of stay. You want to understand all of that because that's what's going to drive that business. Whereas for your single, that's probably going to be more like rent reviews and occupancy rates, isn't it?

As opposed to anything else and more views at fixed rates. So you want to define each one.

[Attendee 6] (36:20 - 36:29)

Stephen, you've got your hand up again. Yeah, sorry. My signal dropped off when Andy asked this question.

Just what was that a question about? Just multiple businesses on the same tab or?

[Josh Keegan] (36:32 - 36:37)

Yeah, if you've got multiple different types of business, you'd probably have more on separate tabs.

[Attendee 6] (36:38 - 36:48)

Yeah, as you can see there, you've got letting agent portfolio. I think there's an essay one on here. And this template's on the Facebook page, I think, is it?

Yes.

[Josh Keegan] (36:51 - 37:32)

Cool. Right, let's do... So we're going to basically...

Well, I'm going to do Lorraine's PA business, but this will also kind of apply to consultancy and to the electrical guys in the room as well because it's very similar concepts and probably more of you that are doing different stuff. So if we go to business model basic, I'm just going to do it on here. So Lorraine, if you...

Are you there? Yeah. Cool.

I want to keep it simple for the purpose of making sure that we kind of get through it in this call, but to be very like... If you give me an overview, how does the pricing and stuff work for the business?

[Attendee 3] (37:35 - 37:37)

At the moment, it's simply just an hourly rate.

[Josh Keegan] (37:38 - 37:43)

Perfect, that's nice and easy. And is it just your time or is it multiple people's time?

[Attendee 3] (37:44 - 37:45)

Three at the moment.

[Josh Keegan] (37:46 - 37:49)

Three of you at the moment, cool. Is the hourly rate the same for all three?

[Attendee 3] (37:50 - 37:52)

What I charge over to clients, yes.

[Josh Keegan] (37:53 - 38:18)

Okay, cool. So what you do is you spend their price per hour and... Sorry.

So let's say... I won't ask you actual numbers, but let's say you charge £3 an hour, for example. And that's what you charge to clients.

[Attendee 3] (38:19 - 38:25)

Can you put in sort of like different hourly rates because some clients get charged more than others?

[Josh Keegan] (38:27 - 38:46)

Yeah, you can. But this is probably where we're trying to get to. Yeah.

So I guess that where we actually... I would probably put an app... For the purpose of this model, I'd probably put in an average, like this is where we want to be.

What's the average price per hour you want to be charging? What's that target figure? Do you know what it is?

[Attendee 3] (38:46 - 38:57)

Okay, yeah. What it is now, what I want to get to. Ideally, I want to get to 40, but that won't be for another year or so.

[Josh Keegan] (38:59 - 39:33)

Cool, but that's where we're trying to get to. So maybe let's put in 35, because we know it's going to be the first step, and then we'll get to 40 the following year to face the worst case. And then we'll say the actual...

So if you got assistant one... So we said there's three of you at the moment. Yeah.

Assistant two, assistant three. And what are the rates of the different assistants? Or do you just want to give me like roughly what you pay for them?

[Attendee 3] (39:33 - 39:35)

Do I include myself in that?

[Josh Keegan] (39:35 - 39:38)

Yeah, I mean, I would. So I would...

[Attendee 3] (39:38 - 39:39)

Myself is obviously the full rate.

[Josh Keegan] (39:39 - 40:04)

Yeah, but you probably... So a consideration for you is, if it's a business, really, you should be kind of get... You should be invoicing the business at a lower rate than what you're charging out, because the business, it wouldn't be...

So for example, I have a rate that I charge... Whenever clients want me involved in a project, I have a rate that I charge, but I invoice at the same margin as it would be if anyone else, because you want to be in a place where you could replace yourself.

[Attendee 3] (40:04 - 40:06)

Okay, yeah.

[Josh Keegan] (40:06 - 40:08)

So if we said...

[Attendee 3] (40:09 - 40:16)

First one being 20, second one being 15, third one being eight.

[Josh Keegan] (40:17 - 40:30)

Cool. So what I'm going to do is, I'm just going to roll these out. So price per hour, assistant one.

Price per hour, assistant two.

[Attendee 3] (40:32 - 40:39)

This is probably charged less for anyway, because that's what I would intend to do, yeah.

[Josh Keegan] (40:40 - 40:41)

So it's 25 quid.

[Attendee 3] (40:42 - 40:42)

Yeah.

[Josh Keegan] (40:43 - 41:07)

So you can take this away, you can play around with it. So what you've got there, you can see on assistant one, we're making 15 pounds per hour, and that's a 43% gross profit. Assistant two, we're making 57 pounds an hour.

Assistant three, we're making 68%. Sorry, we're making 17 pounds an hour, which is 68%. So we want more of assistant three, really.

If you can keep charging at that rate.

[Attendee 11] (41:07 - 41:07)

Yeah.

[Josh Keegan] (41:08 - 41:19)

Because it's interesting, because it's the lowest... To say if you were charging 25 pounds, the lowest price, it's easy to sell to clients, but it's also the lowest cog. So it's like, actually, that's where you need to be focusing your attention if you can.

[Attendee 11] (41:20 - 41:20)

Yeah.

[Josh Keegan] (41:21 - 41:48)

And then let's say you go, right, well, to make this business viable for me, I want to be achieving, say, 30% net margin. You go, I want to make sure the business kicks out 30% profit at the bottom. And then what we do for sweet spots is just think about the amount of hours.

So let's say, for example, you, you're going to work, you're going to... Your billable time is going to be... What is your billable time?

When you're not managing the business, it's like, oh, you're actually going to build a client. 38 hours a week or...

[Attendee 3] (41:50 - 41:55)

Um, yeah, probably. I want to get to something like 30, 35 hours a week.

[Josh Keegan] (41:56 - 43:18)

So that's 129 hours a month. Let's say assistant two is 35 times, let's say assistant three is, I don't know, 20 hours a week. You're on part-time or whatever.

You can put your own hours in. And what this is then going to do is say, right, so assuming assistant one's bidding 130 hours, assistant two's bidding 152 and assistant three's bidding 87. This is going to be bidding 12 grand a month.

The cost you're going to solve is going to be 5.5, which means your gross profit is going to be 6.4. Then you're going to have a gross margin of 53%. And then based on us achieving a target net margin of 30%, you've got £2,847 of overheads you can spend. And for you, like, because what you might find is your overheads are going to go like things that you might want in the accounting system.

You might want a time tracking system. You might want a virtual assistant to plan work or something. You might want a signer for your task management.

You might want Google Drive for them all. You might find a mobile application.

[Attendee 3] (43:18 - 43:24)

Yeah, I've got like a desktop subscription as well. Yeah, a remote desktop.

[Attendee 7] (43:26 - 43:27)

How much is that?

[Attendee 3] (43:28 - 43:32)

It's probably about, at the moment, it's about £40 a month.

[Josh Keegan] (43:33 - 45:19)

And what you also might find is these assistants, because it's similar to my business, although, you know, you want them booking onto clients, at times you're going to charge these rates because they're team meetings, they're having conversations with you, you're managing them. So you might find you've got like a bit of an allocation and overheads there. And we can say that, yeah.

That it's going to be like £200, £200. Make up numbers here. You just start like adding a thing in.

And you might find you get to this point where you go, right, we really don't need anything else on this at all. Like we don't need anything more. And I've still got £1,642 to allocate.

So you might find you're actually right. You know what? I'm going to put this up to 35%.

Put it up in further 40% to get to a place where you can actually, we can run a nice business here at 45, 43.5%. And I'll be making a five grand net profit month, 67 grand a year. Then of course you're also getting paid your £20 an hour for 130 hours a month. And so it's nice business.

You go, you know, that's working really well. And or you might explore, right, I'm actually gonna get somebody else in to do this and charge that rate. And you might have more assistance or you might go, right, actually this person's part-time.

Can I add some more hours in? So you start to play around with it and see where it works. And then this becomes your target.

And then you can say, right, assistant one, my target is I've got to build 130 hours at 35 pounds. Assistant two, you've got to build 152 hours at 35. And assistant three, you've got to build 87 hours at 25.

And then they've all got their targets and everyone knows what they've got to aim and strive for. And as long as you do that, it will all play out and it will all happen. Does that make sense?

[Attendee 3] (45:19 - 45:21)

Yeah, definitely. Thank you.

[Josh Keegan] (45:22 - 45:23)

It's all right.

[Attendee 3] (45:23 - 45:43)

Certainly gives me something to think about. Can you then start to add in packages? So I mean, some clients are coming to me saying, how about you put me on a retainer and I'll just give you a retainer fee every month sort of thing.

So despite how many hours it takes me to do their work, they'll just pay that retainer.

[Josh Keegan] (45:44 - 46:00)

Yeah, 100%. So I've only got like, I've only made space for like three bits here, but if you want me to add in, like how do you think if you want packages, you could either take one out or if you want packages, just drop me a note and I'll tweak the model so you can add more stuff in.

[Attendee 3] (46:00 - 46:02)

Okay, perfect. Thank you.

[Josh Keegan] (46:02 - 48:00)

It's all right. And then for those of you, I'll just save this as well. So I'll add this sheet back into here so that when you've got this, you can literally like take it and use it.

For those of you with like electrical business, I know that Ashley's on the call. And Greg, so on this, like, so Ash, are you there? Hello, sorry.

Hey mate, no, it's all right. So for example, in your electrical business, you've got switchboard replacements. You've got electrician odd jobs.

Ash, something like that. So you've got switchboard replacements. So say it's 1,500 quid to replace a switchboard and it costs you, I don't know.

So 500. 500. You've got electrician odd jobs.

So say it's like call out fees and you basically pay your electrician to do that. A 35 pound per call out, you build 90 quid. And then you've got your work you do, which charge minimum 150 pound for, and you build a business 60 quid or whatever for, per hour.

And you've kind of got all that in place. And then what you want to do is just do the same. So let's assume you do three switchboard replacements a month.

Let's assume we do 30 odd jobs a month. Let's assume that Ash does 10 jobs a month. And this will kick all out for you like the same.

So you just want to play around a bit to kind of build this all out. You can get a feel for, you know, how the business model is actually going to work for you. Do you follow?

[Attendee 10] (48:00 - 48:04)

Yeah. Yeah, yeah. I've been doing it totally the wrong way then, basically.

[Attendee 11] (48:04 - 48:05)

Okay.

[Attendee 10] (48:06 - 48:29)

So I've been messing about, but I've been putting what the monthly cost is for each electrician. And then putting in what I charge for each product instead of the hourly charge, if that makes sense. I mean, you could do it like that.

So like I've got a price list for a lot of work. So I've just been basically putting that in.

[Josh Keegan] (48:30 - 48:48)

I mean, the objective is just, you need to know how much of each product you're going to sell, how much you're going to sell them for, and then what your overhead is going to be. So if that's working for you, that's brilliant. And I like the way Greg does his, it's probably more in line with he pays an hourly rate and then builds them out.

[Attendee 7] (48:49 - 48:59)

Actually, I've done different models for a different approach for this. I really like that model. I'm more than happy to share with you.

[Josh Keegan] (49:00 - 49:13)

Yeah, that'd be good. That'd be useful for you both here to jump on and discuss that. Nice.

So that's that. So property portfolio is done, PA business is done. Any questions before we jump into developments?

[Attendee 5] (49:18 - 49:23)

Cool. So there's a property development tab here.

[Josh Keegan] (49:32 - 49:50)

So probably being really honest, like in terms of developments, it's probably easier to, rather than try to fire a business model. I mean, who wants to do developments and wants this modeling? Like if you share what kind of what your plan is.

[Attendee 4] (49:52 - 49:53)

I put that in the chat.

[Josh Keegan] (49:55 - 50:01)

Yeah, so Suzanne, in terms of like developments, what's like, if you just tell me like, forget about the model for a sec, what's like the plan?

[Attendee 4] (50:02 - 50:23)

Well, we're doing developments. And obviously I'm just really struck. Even last year, I was struggling to put this into a business model because every development has different costs, different lengths of time.

And I'm just really finding it difficult to mold that into a business model.

[Attendee 5] (50:24 - 50:26)

Yeah, and I understand why.

[Josh Keegan] (50:30 - 50:37)

Do you know all the developments you're doing? Or are you not clear on that at this point?

[Attendee 4] (50:37 - 50:47)

Is it like- Yeah, we've got all the spreadsheets. We've got all the numbers. Yeah, I mean, I can stack the deal.

That's no problem. It's just trying to put it into a business model.

[Josh Keegan] (50:48 - 50:54)

So what I mean is for the next 12 months, do you know, do you need more developments or have you got your pipeline sorted?

[Attendee 4] (50:55 - 50:57)

We're looking actively for two more at the moment.

[Josh Keegan] (50:58 - 50:58)

Yeah.

[Attendee 4] (50:58 - 51:02)

Because we've just finished one. The next one's due to finish in about 12 weeks.

[Josh Keegan] (51:03 - 52:36)

For you then, what I'd say is like, it's probably for people doing developments, like it depends on the development, but if it's like quite a big lengthy one, I would personally, rather than try to put it into a business model because everyone's different as you suggested, I would have my sheets, which give me a, like your business model is basically the appraisal sheet, which says I need to get a minimum of 25% return, you know, GDV or whatever that's going to look like, or 25% profit.

And then what I would do is when you've done that appraisal, you secured that investment, I would just have a very simple 12 month cashflow forecast, which says, right, spend, interest, anticipate, sell cost, profit, and just actually build a forecast, which just has it in there rather than trying to do a business model. Business model is like the outcome that we're trying to get to, and really that's just your development. But I'm sure if you found five developments this year, you'd probably do them if they stack.

So I think for you, I'd probably just have a 12 month projection and I would just literally have like my deal appraisal, that's the rules, you do the appraisal, minimum this, ideally we want to spend X amount per square foot, you know, we want to buy at this kind of price. So you have like some assumptions made in your appraisal, but you do appraise each phrase individually. And then once you know, forecast it all out, like I'm doing one at the moment, and it's like, I've got project manager, the main thing I want is just a projection of cash flows.

I've done the return, I'm happy with the returns, so I just want a projection of cash flow so I can shove that into my forecast. So yeah, I think I probably wouldn't try and do a business model.

[Attendee 4] (52:37 - 52:42)

Some of the developments are taking longer than a year, so it's more of a two year forecast rather than a one.

[Josh Keegan] (52:42 - 53:16)

Yeah, that's fine. The objective is just to make sure you're clear on what cashes can look like. The other side of that, like the only time, when I would suggest you might want a business model, is if you're like Kevin Edge on the board, where he's consistently built 30 houses a year for the last five years, and then you can like build that out, and it's really predictable.

But if you like, if it's like a deal after, you know, there's different deals, different styles of deals, hard to predict. I would just build that, like have you did appraisal as your rules, and then that's your business model, and then it goes into your forecast when you've actually got a deal in place.

[Attendee 4] (53:16 - 53:18)

Okay, that makes more sense. Thank you.

[Josh Keegan] (53:18 - 53:22)

No worries. And it looks like Greg has come back to you and said that...

[Attendee 7] (53:24 - 53:48)

Yeah, I've just tried basically on the numbers on Mac, instead of Microsoft Excel numbers doesn't allow you to just click and expand, and then quickly hide. You will need to go right click and hide all the hidden rows, and hide them back again. But it's not as convenient as it is on the Microsoft Excel.

[Attendee 4] (53:48 - 53:56)

Yeah, I've just redownloaded it, and it's showing the Excel showing it now. So I don't know what went in the first one, but thank you.

[Attendee 5] (53:56 - 53:58)

It's teamwork. Thank you very much, Greg.

[Josh Keegan] (53:58 - 53:58)

Cool.

[Attendee 4] (53:59 - 53:59)

Thanks.

[Josh Keegan] (54:00 - 54:51)

I've got another 15 minutes. Like, I really want to help you guys get this nailed. And like, this is one of those things where it might be hard to get your head around, like why do you actually need this?

But like, I literally got off call this morning, where we built about eight business models for a client. And it's like, it's exactly what they need. Like, they couldn't literally function or plan this next year without these business models, because they dictate everything they're going to be doing this year, every decision, every package they've got designed for their team members, the amount of sales they're going to make.

And for them, it's just like, it's so fundamentally important. And for me, it's just like fundamental. Like, I've got to have this now before I get started with the year.

And it gives me like peace of mind, clarity, it takes the weight off my shoulders. Is anyone sitting there that's still not getting this or still struggling with it, or still has any more questions or needs any more support in getting this nailed? Josh?

Yes, Tom.

[Attendee 2] (54:52 - 55:29)

Yeah, my product's a lot more complicated. I explained to you on the last workshop. You did, yeah.

And yeah, I don't know how to work this in. Obviously, we buy smashed up used vehicles and sell the parts. So we've got one product is, you know, we're buying the vehicle.

There's probably a range of 30, 40 vehicles we're dealing with. And you probably get 130 on average, 130 parts we sell from 50 pounds to 4,000, 5,000, 6,000 pounds. So yeah, I don't know how to work that into the spreadsheet.

[Josh Keegan] (55:30 - 58:01)

Yeah, so yeah, we did discuss this. And I have given some thought for you. So I would say you just need to work on averages.

Yeah. And like, you've done a lot of vehicles now. I don't know what your kind of system is set up like to be able to see kind of like per vehicle for the last, however many, you've known this a number of years, haven't you?

But per vehicle for the last three years, can you look at, right, per van that we got in, we made 50,000 pounds worth of sales and then 30,000 pounds of that was gross profit per small car it was this, per truck, per lorry, it was this, whatever that's going to be. And then make some assumptions based on each vehicle type or break it down into like, whatever you think is going to work. So it might be that you get Ferraris and you get a certain amount, or it's like big car, small car, van, whatever it's going to be.

Make some assumptions based on that. And then what we want to do is the projection is how many vans are we going to get in this year? How many cars are we going to get in this year?

How many motorbikes are we going to get in this year? And put that into the forecast and that should kick out the numbers that we need as the assumptions. And that should then give you an indication of what you can expect to make.

Because what we can't have is like, if you think, what's your alternative? So you don't make assumptions, you don't need the model. Your alternative, you try and make this ridiculously complicated model, which as soon as we get past three or four weeks, you're going to forget how it works and you're going to lose interest in it and you're never going to look at it.

Or you make some assumptions knowing that it's probably going to be 85, 90% right. Because you look at three years worth of information or how much information you've got and you make some key assumptions. And then you've got an understanding of how many vehicles you need to get in for that year to make it work.

You've got an understanding of what your overheads can be in terms of people and people you're going to recruit, people to run your office, people to actually run the business, people to pick it all apart or whatever. You've got an understanding of how much marketing you're going to need to do. I don't know if you've got many competitors or if you need to build more contracts or build more pipeline.

And you're also going to know if you're going to hit it or not. Is it like, right, we need to get five cars a month. We need to get two lorries a month.

We need to get one motorbike. And it's all good if you end up getting three lorries, which is the same as five cars. Like who actually cares?

It's about that top line revenue number. But you need that plan because then we need to know like as long as you're hitting that plan, you can draw what you want from the business and the business is going to work and survive. So I think it's average.

Have you got the information, do you think? If you went back through some stuff?

[Attendee 2] (58:01 - 58:46)

It can be. I've got a lot of historic information and I know myself, if we buy a vehicle, we want to make four times what we paid for it. So I know certain vehicles will pull in 8,000 pounds.

Some will pull in 15, some will pull in 30. But that could be a span out over 12 months or two years by the time we get all that money in. But it's also what's on the market.

It's smashed up vehicles. Who's crashing vehicles? Sometimes we don't have a choice on what we're buying in.

We've just got to sort of find what's out there. And a lot of it's insurance write-offs of what we buy offline on online auctions.

[Josh Keegan] (58:47 - 59:15)

So you need to make some assumptions. You've already made some assumptions in your head because you know this year is going to work and you know it's a viable business. That there'll at least be five cars a month you can buy.

And you know you'll at least be paying anywhere from five to 30,000 pounds. And you know you're going to get four times. So you've already got some assumptions.

It's not just getting that down into like, like make sure it's out of your head onto paper. Like these are my assumptions. This is what's going to work.

This is how the business is going to fundamentally achieve what we need it to achieve.

[Attendee 2] (59:15 - 59:18)

Okay, I think, yep, I understand.

[Josh Keegan] (59:18 - 59:22)

You've kind of done it in your head. It's just getting it down and centric because the head is not a good place to store this.

[Attendee 2] (59:22 - 59:34)

It's all in my head. I've got, I don't know, 20 odd stuff, but it's me that does all the buying and trying to figure out what we should be buying, when we should be buying it. So it is all in my head.

[Josh Keegan] (59:35 - 1:00:14)

If you can get out of your head onto paper, you're then going to have rules. And then if you want to step away from buying, like the first thing you need is just rules. Right, if you're going to buy a car, we've got to get a minimum four times return.

If we're going to buy a van, we've got to get a minimum three and a half times return. So once you get this on paper, you'll actually be able to leverage this. This is part of the power of being able to do this.

Because right now, if you're the only one that will ever know how to operate this business profitably, because it's all in your head. But as soon as you can start articulating it, and it's not going to be right the first time, but you make some assumptions and create some of the rules of the game, that's how you can start leveraging and getting this stuff off your plate. Okay, got you.

All right, best of luck, Tom. Catherine?

[Attendee 1] (1:00:16 - 1:02:03)

Thank you, just quickly. As I was saying the other week, in the process of trying to create an online product, so if I'm doing interim consultancy, sort of like as a day job full time at the moment, it's how can I shift from that to do some consultancy as more of a wrapper alongside the product, but actually to sell the online product, literally sell it online. Now at the minute, the whole thing is, you know, it's one of those who knows what the numbers are going to be in terms of what it might sell for this product.

You were throwing some ideas around in the room the other day around what, you know, a day rate might look like, etc. And, you know, you could sort of say, do you have many hours per week, per month, alongside trying to run the property side as well. But how, I guess, you know, on an unknown of what the product's going to charge out at, and an unknown of what take up sales are going to be, etc.

I'm struggling to work through then what that's going to look like. In terms of costs, yeah, it's going to need sort of like a sales marketing team, I guess, because online sales, it's tricky nowadays as there's more and more products out there, training products. So you've got to cut through that, you know, using something like the oversubscribes, methodology, etc.

So somebody or some team to do that. But then beyond that, you know, what else is there as a cost? Don't know.

The actual creation of it is pretty much, I guess, down to me, apart from creating the actual platform, new website, etc., which again is an agency or one particular person or whatever else. So there's kind of too many unknowns, which isn't helping.

[Josh Keegan] (1:02:04 - 1:04:10)

Yeah, and it's difficult. Yeah, 100%. But I think it's similar kind of concept to what we just had in the chat with Tom.

It's like, you've got two choices, so you do nothing and you just see what happens. Or you try to make some assumptions. And, okay, you're not going to get these assumptions nailed.

And some of it will come, some of it we absolutely spot on and some of it will be like, oh, I just, I totally mishit that and got that wrong. But I'm not sure I'll be yet to the end of the year. I'm going, we said we're going to make, I said I was going to make this amount of sales and make 15 grand profit this year.

And I've actually made six. What happened? Oh, it's because I massively under assumed what it was going to cost me to develop this software.

I massively under assumed my marketing. Okay, cool. Right, well, let's then rebuild the business at a different size, different level of clients with that information in hand and then rebuild for next year.

Last year, like UFDs, it was basically ultimate FDs that kind of first official training year last year with like a brand new team and like basically running without as much of my input. And I did mishit it. Like I massively mishit the allocation which my team members would have to have to overhead.

So I assumed they'd be booked out on projects, but actually it was quite a lot booked to overheads. So we were much less profitable than I wanted to be. We still did well, but way less profitable.

Because I knew it, I was like, well this year, okay, the rule is max 20% of your time can be booked to overheads. I've now factored that in and now I'm building the business based on that factored in. And so it's like now we're building from a better foundation.

So I think one is, you know, what are your options? You really don't do it and you just hope, or you get some ideas, you put it together and say this is what I'm working towards. But the second element as well is we, you know, saying you don't know what you're going to charge or, you know, if you don't know what you're going to charge, you're not going to charge very much.

If you decide, right, this is the package. This is, these are all the elements of it. Of this package, I'm going to charge 3997.

And the first client comes to you, Steve turns up. She says, right, Catherine, I want some help. You go, cool.

This is our package. This is what we charge. But that's going to be a totally different sales pitch to, oh yeah, I'm not sure, you know, should we do it on app?

So you need to have an idea of what it's going to work. You need to make some assumptions. Does that make sense?

Yeah, absolutely.

[Attendee 11] (1:04:10 - 1:04:11)

Yeah.

[Josh Keegan] (1:04:12 - 1:04:19)

Yeah, it's probably where it is. But this is, this is going through this process. It's going to have to force you to think about those things.

[Attendee 11] (1:04:19 - 1:04:19)

Yeah.

[Josh Keegan] (1:04:19 - 1:04:49)

I know it's not comfortable. I know it's frustrating. It sounds like you don't know, but you have to like, yeah, it is.

And, but there's, I know you're blue. Yeah. So for you, because it's not right, you're going to be stressed out.

It's like, what's the point of doing it if I can't get it right? You just got to make some ideas and some assumptions. Put it together and just go, right, that will make sense.

That's all logical. I'm going to aim for this amount of clients, this minimum hourly rate and just go for it and then just monitor against it and use the data to improve it next year.

[Attendee 1] (1:04:50 - 1:04:52)

Yeah, that's helpful. Thank you. It's sensible as well.

So thank you.

[Josh Keegan] (1:04:52 - 1:04:55)

No worries. Smitha, let's finish up with yourself.

[Attendee 9] (1:04:56 - 1:05:18)

Yes. Thanks, Josh. I just, I'm just struggling to get my head around if you've got a property portfolio and obviously the properties are different values, different amounts of kind of mortgage insurance and other costs.

How do you then just put it all into one spreadsheet that tells you how many more units you need or?

[Josh Keegan] (1:05:19 - 1:06:02)

Yeah, so I'd say if you've got a portfolio like yours, I'd say this is probably more valuable if you're going to build in kind of a new portfolio. So if you're going to go, right, I want to get an extra 10 grand a month. How am I going to do it?

Right, I'm going to go on a spending spree and I'm going to buy HMOs. Right, how many rooms do I need to get to that point? For yours, I'd say it can be more valuable for you to actually look at historic and look at budgets and create like a forecast based on historic stuff rather than try to pull together the business model because you've kind of done the work and you've kind of, you built the portfolio.

So there's no point in trying to stress test that. I would just, for you, I'd just do where is now. So where are you now?

Which is like financial characters to where you are now as opposed to working too much about where you're going because you've kind of done the, where are you going? It's kind of there, isn't it?

[Attendee 9] (1:06:03 - 1:06:14)

Yeah, I guess. Yeah, I still feel like I don't really retain much money. So I guess it was like, I don't know how many more units I need to hit that or.

[Josh Keegan] (1:06:15 - 1:06:57)

So on that front then you say, right, where am I now? You've got your finance function. You've got your bookkeeper.

You've got, right, I'm making on average six grand a month for the last six months. Perfect, I want to get that to 10,000 pounds or whatever that's going to be for you. Cool, so how am I going to do that?

I think I'm going to do that with SA. Nice, right, well, how do I build the SA? Let's build the business model to get us to an extra four grand a month profit.

Right, that's 30 units, occupancy rate of 95%. Minimum price per night of 80 quid, you know, whatever turn around fees. There's actually, I think there's an SA model in this model.

So you can do that, for example, if that's what you're going to choose. So you're basically going to create the model to bridge that gap, get us where it needs to be.

[Attendee 9] (1:06:58 - 1:07:00)

Brilliant, have a play around. Thanks so much, Josh.

[Josh Keegan] (1:07:00 - 1:07:01)

No worries, pleasure.

[Attendee 5] (1:07:03 - 1:07:05)

Cool, any more questions before we finish?

[Attendee 6] (1:07:12 - 1:07:23)

Yeah, Steve just asked us. Yeah, sorry, I was going to ask the question, Josh. I've written in there anyway.

So I've got single LECs and HMOs. Do I just put them on different tabs? I probably would do, yeah.

Yeah, just make it easier.

[Josh Keegan] (1:07:24 - 1:07:29)

And you can always put it, yeah, you probably put like a little consolidated one as well. They're just different business models.

[Attendee 6] (1:07:30 - 1:07:31)

Yeah, okay, that's great.

[Josh Keegan] (1:07:33 - 1:08:03)

All right, everybody, thank you for your time. Best of luck with this. This really is one of the most important parts of the business.

It's like, how is the business fundamentally going to work? For those of you that are sitting there going, I just don't know, I'm not sure, I need to make assumptions. Like that's the game.

So we're trying to make some assumptions. We're trying to, because it's like financial in business, we want to decide what the business is going to look like. And then we're going to build it into that, not the other way around, not just turn up and just see what happens.

So yeah, best of luck with the whole thing. If anyone's got needs any more support, reach out into the community. And I'm more than happy to help wherever I can.

And yeah, I hope you found that valuable.

[Attendee 4] (1:08:04 - 1:08:05)

Thank you so much, Josh.

[Josh Keegan] (1:08:06 - 1:08:07)

Thank you all. Thank you.

[Attendee 4] (1:08:07 - 1:08:09)

Really helpful. Thank you.

[Josh Keegan] (1:08:09 - 1:08:12)

No worries. Best of luck, all. See you all later.

Bye.

[Attendee 6] (1:08:12 - 1:08:13)

Josh, I'll see you later.

[Josh Keegan] (1:08:14 - 1:08:15)

See you, bye, bye, bye.

[Attendee 5] (1:08:16 - 1:08:16)

Bye.