**PEA session 1\_Transcription**

[Attendee 1] (0:18 - 0:33)

I'm going to play a little bit of a song. And listen like a question, who do they say they want is all I know, and if I like it.

[Background Audio / Music Performer] (0:38 - 0:48)

I can make 180,000 years, you spit on the way, uh-huh. Rap till it's out of breath, off the gate, on the way, uh-huh. Take a flight, she wanna take a lift, on the Marley, my knees on the way, uh-huh.

[Background Audio / Music Performer] (0:48 - 0:51)

I might take a shot, I might take a risk, it don't matter, baby, I'm straight, uh-huh.

[Background Audio / Music Performer] (0:51 - 1:05)

I got a lily on and a princess house, purple paint on the wall, uh-huh. Sitting down on this fancy couch and I can't sleep straight, I'm straight, uh-huh. Twenty-two, I'm in Paris, baby, got a stripper's kiss on my face, uh-huh.

Roll up in a Bentley, I'm a Christian, I'm straight, uh-huh.

[Background Audio / Music Performer] (1:05 - 1:12)

I can make 180,000 years, you spit on the way, uh-huh. Take a flight, she wanna take a lift, on the way, uh-huh.

[Background Audio / Music Performer] (1:12 - 1:28)

I got a lily on and a princess house, purple paint on the wall, uh-huh. Sitting down on this fancy couch and I can't sleep straight, I'm straight, uh-huh. I got a lily on and a princess house, purple paint on the wall, uh-huh.

Sitting down on this fancy couch and I can't sleep straight, I'm straight, uh-huh.

[Background Audio / Music Performer] (1:28 - 1:42)

I can make 180,000 years, you spit on the way, uh-huh. Rap till Saturn breaks, all the cake on the way, uh-huh. Take a flight, she wanna take a lift, on the Molly Madden's on the way, uh-huh.

[Background Audio / Music Performer] (1:42 - 1:45)

Might take a shot, I might take a risk, it don't matter, baby, I'm straight, uh-huh.

[Background Audio / Music Performer] (1:45 - 1:58)

Got a lily on and a princess house, purple paint on the wall, uh-huh. Sitting down on this fancy couch and I can't sleep straight, I'm straight, uh-huh. Twenty-two, I'm in Paris, baby, got a stripper's kiss on my face, uh-huh.

Roll up in a Bentley, I'm a Christian, I'm straight, uh-huh.

[Background Audio / Music Performer] (2:00 - 2:09)

I go to bed late, I'm on a date, no clout, uh-huh.

[Background Audio / Music Performer] (2:09 - 2:22)

I need to buy a book, I'm a free bunny, no clout, uh-huh. I go to bed late, I'm on a date, no clout, uh-huh. I need to buy a book, I'm a free bunny, no clout, uh-huh.

It was Sunday, Sunday, then I got a girl, what's up, uh-huh?

[Announcer / Staff] (2:45 - 3:00)

Let's get down, let's get down to business. It's your two and a half minute warning ladies and gents. We've had a million nights just like those, so let's get down, let's get down to business.

[Attendee 14] (3:11 - 3:15)

It's your two minute warning, so if you want to take your seats, we're going in two minutes.

[Attendee 7] (3:15 - 3:45)

It's your two minute warning, so if you want to take your seats, we're going in two minutes.

[Josh Keegan] (4:05 - 4:18)

Ladies and gents, this is your 60 second warning, 60 seconds, so time to finish up those conversations. Take your seats, get ready for showtime in just under one minute.

[Attendee 14] (4:22 - 4:36)

We've had a million nights just like those, so let's get down, let's get down to business.

[Attendee 7] (4:43 - 5:06)

It's your two minute warning, so if you want to take your seats, we're going in two minutes.

[Attendee 9] (5:06 - 5:40)

It's your two minute warning, so if you want to take your seats, we're going in two minutes.

[Attendee 1] (5:40 - 5:44)

How are we doing, are we good? How are we doing, are we good?

[Josh Keegan] (5:45 - 6:49)

Awesome, early start, all had your caffeine, ready to go. Thanks for being here on time, no scalding hands today, it's all good, well done. So welcome, welcome to Property Entrepreneur Advance.

So I just wanted to start off by saying happy International Women's Day. Let's give a big round of applause please, thank you very much, well done ladies. Well done ladies, obviously we want to celebrate our world class women, the women that are in our community.

There's not enough of them, we want more of them, we need to protect the ones we've got. So be nice to the ladies today guys, this is their day, so it's all good. How was your breakfast ladies, good?

Yeah, so obviously we did our little celebratory breakfast, thanks very much Rachel for hosting that, that was awesome. I saw the agenda, so I didn't want to come anywhere near that room just in case. I just feel really nervous, I even feel a bit nervous now talking about it, I'm going to say the wrong thing.

I wasn't, well I wasn't, your name's not on the list, you're not coming in.

[Attendee 13] (6:49 - 6:58)

It's a girls' club, it's a girls' club. Nice, nice, nice.

[Josh Keegan] (6:58 - 15:59)

No, but it's fantastic and yeah, it was an absolute pleasure to host you all for breakfast, thank you Rachel. And yeah, happy International Women's Day everybody. So for those people that haven't said it to the women in their lives, this might be, not now because you can't get your phones out, but at some point it might be nice to recognise that.

So welcome to workshop six. So believe it or not, workshop six means that after this we are halfway through the year, which is absolutely crazy. So we need to get some work done, but we don't have to do all the work.

What we need to do is get our teams, our high performers, doing a lot of the work for us. So this workshop is all about high performance management and actually trying to get the onus off us to have all the ideas and keep the energy going in the business and put it onto them. So we're going to give you some frameworks now that are going to allow you to set and forget for the year.

So you do all this work in winter and then you can start to give it to members of your team, set up the systems, so you don't have to constantly be remembering all these leadership and management functions through the year, messing up, missing reviews, worrying about money. This workshop will solve all those things. So yeah, I did mention phones already.

We should all be well versed now in the no phone thing. I did call people out on Wednesday. Poor guy.

I've called one guy out and he sent me a message yesterday saying, Adam, I'm literally so sorry that I was on my phone during the thing. I've been thinking about it all day and I really apologize. That's what I would expect from all of you.

Why don't I get a message like that from you guys? OK, I was like, show strength of character. Congratulations.

He was like, I'm never going to be able to leave the business if I don't get off my phone. I was like, you're right. You're right.

So let's put those away. There's absolutely no need for them today. You've made a big investment to be here in time, a big investment in money, and you need to get the most out every second of today.

It's not going to happen on your phone, in WhatsApp. That's always going to be there. So let's have absolute focus for today.

Is that OK? Say yes. Awesome.

OK, so. We know now this is the last workshop of winter. We're all experienced.

We know what's happening. We've got this deadline looming of the 31st of March. Who is feeling like this deadline is really hanging over them right now?

And they just got way too much to do. Who's got way too much to do? OK, good.

I hope it's everybody. Otherwise you're taking it way too easy. And this is what I've been banging the drum about in the community.

And over the last three or four months is this concept of having a hard 12 weeks to have an easy 12 months. Because when I spoke, when I opened up this morning, it was like the more work we do now, the more we've thought about it, the more that we front loaded it, the easier the rest of the year is going to be. It's like a development project.

If you just sign the papers and meet the builder on site on Monday to start work, you've got however long that bill is going to go on for. It's going to be a mess. It's going to be a disaster.

It's going to rely on you. If you do a development pack ahead of time and you've got everything planned out, budget schedules, timelines, plans, then you just run to the plan, don't you? And it's so much easier.

And this is what we've got to do in our businesses. This is the whole point of having winter to write our business plan. So everything's set in stone.

Then you can get on and do the job. Everyone can do the job for you. I'm definitely up against it.

Who saw this video of mine in the group? Yeah, I look tired, overworked. That's where I'm at the moment.

I'm literally putting everything on the table to get property entrepreneur leveled up, ready for the summer. And this is how we really should be feeling. I call it winter overwhelm.

It's like strategy was great. We're in the water, we're in the cave. Everyone's high five each other, having a lovely time.

And we're clapping and having strategy day. And then you realize, oh, my God, I've got so much work to do. I've set myself all these targets.

I've got three different targets in my personal life. I've got three targets in my business. But all these things, bless you, all these things to achieve.

And if I want to have a game changing year and have some step changes, actually winter is where the work gets done. So you should be feeling a bit overwhelmed if you're feeling confused. My message is go back to your year of and go back to your headline strategies.

You shouldn't be doing any thinking now. You should be just going back to what you already set and absolutely nailing it. And you should be working hard.

You should be in that zone. OK, so workshop six. So the first session is all to do with finance.

So when I talk about having clarity over the future and not having any anxiety. Most entrepreneurs don't plan financially and then they get all sorts of nasty surprises. They potentially have a cash flow issue and they didn't do any sort of forecasting.

Successful entrepreneurs and all of you in this room will do a financial forecast to know where they're going to be over the next 12 months. They know the investments they've got to make. They know when the cash is coming in and when it's going out.

And they're going to do a future forecast. So Josh is going to be taking that. So you've taken us through that in session one.

So you've got absolute clarity over your numbers for the next 12 months. In session two, we want to focus on what's really important to us as leaders of the business. What is top of the mountain in terms of our KPIs?

So you already have an idea of this when you set your tangible targets on strategy day. But we don't want to drive by emotion. We want to be able to just see on a dashboard how we're doing.

And so Dan's going to come on and talk us through the director's dashboard, which was something that Chelsea was asking about in the group. So it's perfect timing, Chelsea. We're going to make sure that you've got what you need when you need it on a dashboard so that you can literally know how the business is doing tangibly going into the year ahead.

Then obviously after lunch, we'll come back. And I talked about making your team do the heavy lifting. Well, that means as leaders and managers, we've got to set up a framework.

And we call it the high performance framework. And it's basically a series of dates, calendars, like schedules, agendas that are going to mean you can run your business like a proper business and get accountability spikes all through the year. So that's called the high performance management framework.

So once you've set all those things up, then it's going to be quite a lot of work. I'm not going to lie to you. But you do the work now and then you can run it for the rest of the year.

So that's today's workshop. So a bit of an update from me. I said I've been working really hard.

Obviously, our headline strategy is new team, new dream. It's to bring in A players only into the business. We've got to hire in finance and marketing.

I'll talk about that now. And it's been going really well. I've been really barely in the midnight or trying to level up before spring.

So obviously our first objective was this world class finance function. Well, that basically meant I had to rehire the finance team, completely rehire the finance team. We had to start again.

And I'm absolutely delighted to announce that I have instructed Josh, the UFD, to help Property Entrepreneur do our world class finance function. So congratulations, Josh. Let's give him a round of applause.

Absolute no brainer. Absolute no brainer. I mean, honestly, like someone said to me, why did you use Josh?

I said, I know I've literally done this before in my old business. I've outsourced the finance function. I've restructured it.

I said, but Josh is going to do it. He's going to do it for me better because he's a chartered accountant quicker. So I was like, this is exactly what I need.

So it was an absolute no brainer to instruct Josh, and they're doing a great job. So thanks so much, Josh. Marketing machine.

We all know that Dan does all of the marketing at PE. Bianca helped him a lot last year. But we need to create like a team, basically a marketing team within our business.

So I have to do a marketing hire. And I have hired a lady called Sophie. She's starting on Tuesday.

So she's got loads of experience in digital marketing. We had over 500 people apply for that job. It was absolutely crazy.

And she really was the best candidate by far. Oxford graduate, knows what she's doing. Super bright.

Probably going to run rings around me. But I'm really looking forward to her joining next week. We want to get these perfect packages together for all of you guys, for our customers, so we can have a range of products to offer people.

And really, that is just about building it out. So I've actually hired someone into our operations team called Yolanda. She worked with me at Capital Living.

She basically ran the business for me. Our ops team, Lauren and Bianca, was struggling. I've given them so many things to do.

They just needed extra capacity. Lots of people in our team need extra capacity. I was delighted to bring Yolanda in.

So it's happening. It's happening. These people are in place or they're coming in place.

We're going to have another finance hire coming on board towards the end of the month. By spring, we're ready to go. We've got our team.

We're ready to rock. And we're going to go do it. So it's all very exciting in Property Entrepreneur.

But how have you guys been doing? How have you done last month? How have your game changers gone for Feb?

This is the time where we're going to put some music on. You're going to scan the QR code in the workbook. If you open your workbooks and turn to the front, you'll have a QR code there.

And you scan it. And this is when you can get your phones out and enter your score for last month. So it should just be inside front cover.

Scan the QR code. If you want to put some music on, this shouldn't be more than a couple of 10, 15 seconds max. If you need to get out your workbook, obviously, and count them up, that's fair enough.

So I'll give you a bit of time if you want to do that now. Please, no talking, ladies and gents. Let's keep the focus.

[Event Facilitator (Assistant)] (16:38 - 16:44)

Scan the QR code, enter the number, and then put the phone down. Or shut the laptop.

[Josh Keegan] (17:34 - 18:18)

Okay, we've done that, ladies and gents. Put our phones down. I'm always looking forward to seeing those scores.

Umesh was top of the leaderboard last month. So I'm interested to see who's top of the leaderboard this month. Right.

Okay. So we're rocking and rolling. And it's very fitting, actually, that we're going to start the day with one of our world-class women coming to stage.

So obviously, we've got this extra bit of content for you. It's to do with the market right now. And it's particularly the commercial property space, which I know lots of people are interested in, are looking at, or already investing in, ladies and gents.

So she needs no introduction. But obviously, you know, she is one of our esteemed board members. She founded the Commercial Property Academy.

And like I said, she is one of our world-class women. Let's give Susie Carter a massive round of applause, please. Thank you very much, Susie.

[Attendee 1] (18:21 - 18:25)

Hi, everyone.

[Suzi Carter] (18:25 - 33:43)

Happy International Women's Day. There we go. You can hear me now.

Great to see you all. So I'm just going to do a very quick session on deals, deals, deals. And I know that a lot of you will have been on Dan's mid-month mentoring when he talked about some of the deals that he'd seen in auctions.

And I'm going to kind of carry on that theme from a commercial perspective. So I know Dan shared some of these. He wanted me just to kind of recap on what he shared.

So this one, 16 acres up in the northeast, 25,000-square-foot property, went for $265K in auction. Sounds too good to be true, right? It probably needs a shed load of work to it, I'd imagine.

But, like, I mean, incredible on the face of it. So, you know, obviously, that's a resi deal. This one Dan shared as well, three years left, commercial offices, three years left on the lease, GDV of somewhere between $1.5M and $2M, sold for $690K. Again, not doing DD or kind of looked at it, but on the face of it, that seems like a pretty good buy in auction. And this property, 15,000-square-feet of offices for $350K. Now, if you're going to take one, if you're interested in commercial, you can take one nugget away from this talk.

I would say that offices, big office space is, it's a, well, I'm going to say it's a shit show. I know in a moment to swear, but I can't think of the other word for it. So basically, it's just a mess.

So obviously, we've got all these changing trends because of COVID. And you've got all these big kind of offices that were built in the 80s, 90s, where leases are coming to an end. And nobody knows what to do with them.

And they're not necessarily straightforward, resi conversions. But as Dan's shown on Mancor House, like there's fantastic opportunity to use those multi-let offices. Like there's an incredible market for that right now as SME businesses, businesses want small office space.

So something like this, I can just see that you would keep it as commercial with a potential residential PD angle in the future. But you would, you know, in the short term, you'd want to have a commercial angle. And I think that, you know, what a lot of people think with commercial is you have to do, automatically do a resi conversion.

But really commercial angles like this potentially can be highly profitable. So those of you who watch the auctions, I'm based in Gloucestershire. So I'm going to do, going to be quite Gloucestershire centric with some of these.

You'll have seen that there's quite a lot of this happening, withdrawn prior, unsold and, you know, pages and pages of the stuff, basically. And what that means, what that tells me and what I know about the commercial market in some locations. And the important thing about the commercial market at the moment is we can't generalize because different sectors, different locations are all performing differently.

But what that tells me about the, in my area is that vendors motivation isn't strong enough at the moment. So there's a gap still at the moment between what vendors want and what purchases are prepared to pay. And obviously what purchases are prepared to, easy for me to say, what purchases are prepared to pay is largely driven by commercial finance.

So you genuinely can't get commercial finance at less than 8%, probably more like 10% at the moment. And cash buyers definitely rule the day at the moment. And so vendors just haven't, a lot of vendors haven't caught on to this yet.

And you'll see a lot of this as well, price on application. What does this mean? So that means that agents haven't got, literally haven't got a clue what to price it at.

So they just put price on applications. And don't listen to the agents about the market at the moment. One thing that I've really, really noticed is that agents are all talking up the market at the moment.

They're all saying, oh, yeah, you know, the worst is behind us. Onwards and upwards. And well, they might be right in some locations for some types of property.

You know, things like logistics, I think probably will increase in value this year. But a lot of types of property, I think they're totally deluded. And of course, it's not in their interest, is it, to talk the market up.

Like that's their job is to get high prices and to get maximum commission. So don't listen to agents. Don't listen to agents ever.

But don't, especially don't listen to agents at the moment. So, yeah, if price an application, potentially they might accept an offer or potentially just have no idea what to price it at. So at this phase of the market, motivation is key.

And that genuinely differs between the areas of the country that you're investing in and the types of commercial real estate that you're investing in. Like I said, you know, big blocks of offices. You can genuinely get bargains at the moment.

I've seen so many of them come to the market. As long as you know what you're going to do with it and as long as you've got some, you know, multiple exits on it, which is a real key. Then, you know, these big blocks genuinely are great buys at the moment.

On the flip side, as I say, you know, if you're looking at logistics space, which probably very few of us are. But if you're looking at logistics space, then expect that, you know, the pricing is going to be significantly more similarly. And I've got a couple of examples in a minute.

If you're looking in the southeast at resi conversions, the pricing is still going to be quite punchy, I would say. Not everywhere, but there's generally going to be quite more punchy pricing than, say, some of those opportunities up north like Dan's. So this one, I've just been kind of I've been looking at loads of deals recently.

So I'm based in Gloucestershire, Worcestershire area. And this is an interesting one. So sold for one hundred and twenty one K auction.

It's the phone zone. It's literally just off prime pitch. Actually, it doesn't look like it is, but it's literally opposite the shopping centre.

But obviously it's a secondary retail parade. What's interesting about this one is it's sold for one hundred and twenty one K because there's basically a very, very short term rolling lease on here. And it's it's rented for seven hundred and fifty pounds a month.

So on the face of it, it's probably worth about one hundred and twenty one K. But if you look at the property next door, it's actually rented for two and a half thousand pounds a month. And the uppers aren't converted.

The uppers aren't converted either. So if you were to do a capitalization, say at ten, eleven percent on the on the property next door yield, then you're probably looking at somewhere between two eighty and three hundred thousand pounds. So that's the beauty of commercial, obviously, is that you can do a paper exercise like that.

You can do a lease surrender, take the lease back and then do a reletting and you can actually get the value without doing any work. So a lot of my clients, when they first come to me, they look at something like this and they say, oh, I can do a conversion. Well, yeah, you probably can at some point.

There's probably ways and means of doing it. But why would you want to go to all that hassle if you just put a different type of lease in place and actually get a massive, you know, double the double the value just by just by doing that? So that's an interesting one.

This one in a place called Cinderford in the Forest of Dean. Very niche. So this is a former police station.

It's got planning for three houses. And I'm seeing loads of this at the moment in auctions where obviously developers have they've come off a bridge or the bridge, you know, the bridge has become too expensive or the, you know, the bill costs are too high. So half finished properties like this where they've been taken over by the banks and they're being sold in auction.

So you can see this one, you know, I mean, obviously, you'd have to do DD at the standard. They've done it in the building regs, et cetera. But on the face of it, you know, quite interesting.

And that was that was on auction sale the first time in auction. It was on at two thirty. It then it then went back into auction at one ninety.

GDV is probably around four fifty on that. So it obviously depends on how much work's left to do. It's actually sold at two thirty recently.

But again, on the face of it, doesn't look like a bad deal to me. But let's contrast this one. So one of my clients was looking at this one recently.

It's in just over the bridge in Twickenham from Richmond on Thames. So obviously, prime, prime location when he was looking at looking at it. I said, this is going to go that, you know, there's going to be so much interest in this.

And why? Because it's in Richmond on Thames. You know, like, you know, people know that that's going to be a good long term buy.

So that was on the market at seven, three, five. And you can see here almost exactly the same state. God knows how many lights are going to have in this property, but it's going to be exactly the same state.

And and that actually sold for one point one five. And so, you know, that's the difference. So this is this is where you have to be smart in the market at the moment.

This is not this is not a market where, you know, everything's going to stack for you. One thing I have on my board and with my platinum club, which is the kind of follow on from the board, is that we we have like an automation where we look at the Gazette where all the receiverships are registered. And that's cross cross reference with companies house and the land registry.

And every Monday we get a details of administrations, receiverships and fantastic way to buy real estate at the moment. But obviously, you need to make sure that you do you did and also your cash buyer to get some speed and certainty on those. So I've no idea why the sheep's wearing sunglasses or why there's flames behind it.

But I just thought it was funny. But, you know, basically don't be a sheep in this market. You know, like don't just jump on the bandwagon.

Everything's got to be converted. The uppers have always got to be converted to resi. You know, buying in areas where there's loads and loads of interest.

You know, you need to be you need to be smart. You need to be the Wiley Fox. You need to be really thinking about your strategies and commercial and not being scattergun about it.

So what am I? What are my top tips and my final sentiments? Well, basically, you need to you need to niche.

I know I bang on about niching a lot, but genuinely in this market, like it's the most important thing. You can't you can't be scattergun. You have to pick your area and your type of property very carefully and just make sure that you know what you're doing.

So just some top tips and follow the requirements. There's a really nice website called the Requirement List, which lists loads and loads of commercial requirements, mainly retail and leisure, actually, and restaurant. But, you know, roadside retail, which is going to anything from drive throughs to petrol stations to EV charging stations, whatever that there's huge demand for that.

If you can find sites for that, there's the sky's the limit, really. And obviously that needs to have a certain amount of traffic flows past it. It needs to be on prominent trunk roads, et cetera, where there's going to be enough people going through.

You've got to look for problems. You've got to look for location. So, as I said, you know, you can't not everywhere is going to work.

Potentially short leases. So with commercial, you could just do paper exercises where, you know, look for short leases where potentially the current tenant might want to stay or, you know, because of your niching knowledge that you could get longer leases in the market. Look for things where potentially there's no conversion, because actually, because all the sheep are going towards conversion.

I'm not saying it's a bad strategy, by the way. It can be a fantastic strategy. We just don't always think that's what you have to do.

If there's just commercial angles, actually, you know, you can do these paper based exercises. You can do reconfiguration for commercial and secondary offices, like I said, certain areas with retail where, you know, everyone thinks that retail is dead. It's on short leases in some areas.

That's absolutely true. But there's also other areas where retail is flourishing. My investment area in retail.

I know that I could let it every day of the week on 10 year leases. It very rarely comes up. It's, you know, it's just the thriving high streets and finance.

You know, look, look, vendors are starting to refinance. I hear the word on the street is that banks are starting to foreclose now. They're getting sick of all these LTVs being breached and there's going to be more receiverships, etc.

coming through. Don't follow the herds. I think I've probably said that.

You know, think about the type of property, the location carefully. Next one, in terms of sourcing, build on relationships. Motivation is absolutely key in this market.

You know, you really are looking for motivation. Build relationships with vendors through direct to vendor marketing. Again, look for the motivation and commercial agents, commercial agents.

About 70 percent of deals are done off market, maybe more. Actually, if you're a cash buyer or even if you're using investor cash or whatever, you know, they will do a deal with you if you're credible. So make sure you make that point when you speak to the agents.

And direct to vendor is a fantastic way of sourcing in this market. As I said, administrators and in auctions is kind of where all the receivership administration properties are going in. In terms of being a cash buyer, I would say without exception, if you say you're going to need commercial finance at the moment, agents just won't deal with you.

I spoke to a commercial agent the other day, said they've not done a non-cash deal for about a year with investors. So that gives you an indication of kind of, you know, the likelihood of you'd be able to do that. So you can refinance afterwards.

So what I would always say is make sure that if you buy cash, just make sure that you've spoken to a broker before you offer. Ideally, make sure you know how you can refinance those deals, but buy cash to get the deal done. And, you know, if you're a cash buyer, especially if you're doing direct to vendor, you can look at more creative deals, you know, exchange delay completion options, et cetera, et cetera.

Especially, again, if we follow the motivation, because that's what we're looking for. The absolute number one way that myself and my clients are getting deals at the moment is through follow up. So, you know, where you put a realistic offer in, which agents initially laugh out of court, but then eventually when two or three other deals have fallen away, you're the only one that follows up.

You know, so diarise those follow ups and make sure that, you know, you're on it, because you're literally probably be the only one that actually follows up on that deal. And, you know, keep commercial as commercial. You don't have to do conversions.

You can do these paper-based exercises, reconfigurations, et cetera, and actually make as much money in commercial at the moment as you can through conversions. So, yeah, just some top tips. If you want to know a bit any more about commercial, about this kind of window of opportunity we're in at the moment where the market's on a downward spiral, where vendors are starting to become more motivated, then you can scan this QR code.

And there's a report called the Woo Report, which is window of opportunity that you can download. So, yeah, thanks for having me. And I think there's time for questions.

Are there, Adam?

[Josh Keegan] (33:45 - 33:57)

Any questions for Susie on the commercial market? What's going on? Why is it so hard to get commercial lending right now?

Why are the banks just not doing it?

[Suzi Carter] (33:57 - 35:37)

So obviously rates have gone up. So that's one thing. But basically what happens in the commercial market is that commercial always responds first.

So because commercial borrowers and lenders tend to be more clued in, more sophisticated at the upper echelons, basically they feel jittery first. So they get more clued into economic conditions first. So they start getting more jittery.

What they're doing, banks are actually instructing their valuers, probably 95% of the time, for their valuers to value on vacant possession value. So even if you go in there and you do a bit of asset management and you've added, you know, double the value, let's say, they're still instructing their valuers to go in and value on vacant possession. The trick with that is to find properties where the vacant possession value and the market value are very close together.

And what that means is that if you buy a property where you know it's probably going to take a year or 18 months to let, a valuer is going to come along and say, well, it's going to take a year or 18 months to let. So therefore, you know, I'm going to down value the average rent because of that void period. But if you can prove to a valuer that actually you can let that property within one to six months, your down valuation on a vacant possession value actually isn't going to be that much, because what they do is they just look at they do the average rent over five years.

And so they're not taking bricks and mortar. They're basically looking at kind of what the average would be. And if that average isn't affected that much by being vacant, then you'll get a very similar valuation.

So that's the absolute trick you can play at the moment in commercial finance.

[Josh Keegan] (35:37 - 35:41)

Great tip. Any more questions yet? Matt and Richie.

That'd be great. Thanks, guys.

[Attendee 5] (35:42 - 36:38)

Hi. Morning. We've got a branded box.

Yeah, baby. Very nice. So I've always been involved in residential, not really ever looked at commercial.

It's kind of like a two prong question, really, is when looking at that phone retail shop there, from having limited knowledge, I think maybe from my reading the newspapers and on TV is that the high street market is dying. So as an investor looking at considering a commercial unit, I'm looking at those top units for bedrooms and convert them into residential. But my first impression is I'm worried that if I take on and buy a commercial unit at the bottom is the marked high street dying.

So am I going to get a basically a customer to rent it from me? So really is the question, how is the high street market in terms of commercial units to know that there will be someone that would actually rent it from me if I was to buy a unit?

[Suzi Carter] (36:38 - 37:53)

Yeah. So you need to do some DV on that and just make sure that you ask agents and look at kind of what's been letting locally, etc. So make sure you do some due diligence on that.

I think my comment on that one in Worcester, for example. So the way I would look at that is I would say, OK, so you're absolutely bang on. There are going to be there's going to be a lot of retail in town centers.

It just won't be retail anymore because those that are in like the tertiary pitch, you know, there's just there's just too much retail, especially where the shopping centers. But this one is just literally opposite the shopping center. So the likelihood is that there will always be some form of secondary retail there.

So you're never going to get your boots, the chemist or whatever. Of course not. But you are probably going to get your phone shops, your more kind of mom and pop type shops there.

So obviously, it's all down to the locality. So you really can't generalize in this market. But that's where you can steal a march because the masses think that that's exactly the case.

So they're all kind of saying, God, I've got to do this conversion to Resi. And actually, if you know better, if you're niching and you really understand the market and you know that actually there's a letting market for that kind of property, then obviously that's where you can really steal a march on it because you know that you can do that kind of deal. So, yeah, I mean, you just definitely can't generalize.

You're absolutely bang on in some locations. You wouldn't touch that with the barge pole in that particular one. I think that would probably be OK.

[Attendee 5] (37:53 - 37:54)

Thank you.

[Attendee 13] (37:57 - 37:58)

Richard? Gently.

[Attendee 11] (38:01 - 38:22)

Hey, Susie. Hi. The herds and the masses are quite big and the market is very noisy where they're all shopping and deals they're trying to find.

By niching, by being a cash investor for doing this, is it a busy market? Do you need to move really quickly? Or are there more deals than there are investors if you get the right niche in the right areas?

[Suzi Carter] (38:22 - 39:36)

So if you look at the commercial portals at the moment, you'd be like, there's nothing on the market. There's nothing on the market. What's going on?

But actually, what's happening is all the deals are being done off market. And what agents don't want to do is they don't want to advertise at crazy low prices because that's going to bring the market down. That naturally brings the market down.

So you'll find that a lot of stuff's being done off market. So it's really relationships are key. You need to make sure that you build these relationships with retail agents or industrial agents or office agents or whatever.

And then you're in their little black book where you can actually get notified of these deals to begin with. I would say that the number one tip there would be relationships. So build relationships with vendors, do direct to vendor marketing, build relationships with receivers.

So, for example, when I get my receiver notification, I don't drop them an email. I phone up the switchboard and say, can I speak to the person who's dealing with this property? And yes, I do get rebuffed quite a lot.

But eventually you do get through to a few and you build these relationships. And you just become the go to person. And so, yeah, there's a bit of a time lag with that.

But relationships are absolutely key to get those deals, because, yes, if you were to look at things on the market, not so you can't do deals on the market because far from it, because you can. But I think, yeah, to get the very best deals, you need to build those relationships.

[Josh Keegan] (39:39 - 39:45)

Any more questions for Susie? OK, let's give Susie a big round of applause, ladies and gentlemen.

[Attendee 1] (39:45 - 39:46)

Thank you.

[Josh Keegan] (39:51 - 43:30)

Awesome. So I saw a few people downloaded her report. I love that.

The report. Yeah, it's a good one. I like that.

OK, so moving on. So that was commercial property. A little bit of an update about the market.

I think it's really interesting, isn't it? It's exciting. I know not a lot about commercial, but I know that if I was trying to get into a strategy, that's probably something I would seriously look at.

So moving on now to future forecast. So this is this is all about having financial clarity for the year to remove anxiety. Because what do most entrepreneurs do?

They definitely don't plan for the future money wise. They definitely just live off the bank account. They do a quick calculation in their heads.

Am I going to get through the next month? What have I got going in? What have I got going out?

And it's sort of done in the shower, in the car. And it's definitely not anything legitimate. But what we do is we give you a model.

Josh is going to give you a model. Building on what we did in December with your business model. So you can now plan the next 12 months of your business's finance to avoid any disaster scenarios, any stress or any worry, because even just worrying about your balance, if I'm going to be able to pay this credit card bill or supplier is just wasted energy.

For anyone who's still looking at their bank account and their bank balance and worrying, wondering if they're going to be able to meet all their obligations, you haven't done this work. You haven't figured it out and you haven't been able to see it off. So we want to know if an iceberg is coming.

And that's what the future forecast is all about. Just removes all anxiety from the next 12 months. And if you do have an iceberg coming, it gives you time to solve it.

It gives you time to go and raise money against it. Like I've said, ladies and gents, for years and years and years, being fluent in finance is just not optional. But we don't have a choice.

So you can't just put your head, your hand to your ears and not listen to this next session. I think it doesn't apply to me. This is where the mistakes come in.

And you really won't know if the iceberg is coming. So we really do have to listen up. Finance is obviously a key part of our business plan.

Today's session and most of winter is all about getting us ready for our AGM. The AGM is where we publish our business plan. And in our business plan, we will have our financial numbers, our business model, our financial forecast.

We may not show that version to our team. That version might be just for the shareholders or for you or for your investors or stakeholders, whatever you want. But this is a key part of the business plan.

And for those people that are joining me for the AGM and we're doing this in a day, you definitely won't be able to come to that workshop having not done this work and think you can write your business plan in a day. So you need to have had your financial numbers done in advance. You can come for the AGM and insert those numbers, having done a lot of the heavy lifting.

So you need to do this. This will be your homework for the month, whether you're joining me for the AGM or you're not joining me for the AGM. This is going to be absolutely crucial.

Just talking about the AGM, I will be holding a midweek mentoring session on it next Wednesday, where I'll run you through the template. So the template that we provide you very briefly. I'm also going to show you the actual how to hold, which I'm going to share with you in session three as well.

But I will be running over the actual meeting agenda in a bit of detail for how you actually hold an AGM with your team. So it's going to give you like a format structure start to finish. Does that sound good?

Right. So we're doing some finance now. Is everyone ready for some finance?

Is everyone ready for some finance? Good stuff. OK, this is absolutely crucial.

Let's give a massive round of applause and a big welcome to the stage. Mr. UFD himself, Mr. Josh Giegel, ladies and gents.

[Josh Keegan (Introduction/Opening Skit)] (43:31 - 43:45)

Juice myself, my name is Ho. Jakes do not hold me. I used to build snowflakes, but I'm hosting.

I can't sleep and go to bed, you can call me. CEO of the ROC. All good?

[Event MC (Possibly Adam Goff)] (43:45 - 43:54)

Good start to the day? Come on, come on guys, seriously. Good start to the day?

I'm going right inside for this. Brilliant.

[Josh Keegan] (43:56 - 53:26)

So I've seen a few more people come in and sit down. So basically what we're going to be doing in this session, if you think about what today is all about, it's all about high performance management. Who wants to manage their teams, their businesses to a high performing level?

Who doesn't want to do that? Trick question. Well done.

You're listening. That's good. You've had your coffee this morning.

Exactly. And this is, I would argue, and I'm a bit biased because this is what I do, is the most important part of the high performance management framework is the numbers. And, you know, you might think I'm very, very capitalist to say, but this is what business is all about.

And if you're going to work hard, if you're going to do all these sales, if you're going to recruit all these team members, do all the systemisation, then I'd like to think you're hoping to get paid from actually doing that. And where entrepreneurs fall down is they go out and they just build these businesses without a thought, giving this a thought, and they just build an unprofitable mess and they create a really unprofitable job. They'd be better off going and stacking the shelves or doing whatever and just going to get paid minimum wage.

And that's not where we want you to be. So this is a tool that you need. Everybody in this room needs to actually manage the finance in their business.

And we're going to show you how to create it. And I'm going to show you how you actually implement it. So, as I said, most entrepreneurs, they turn up each day, turn up each month.

They make some sales, they build a website, they do some systemisation, and they just hope that the numbers will take care of themselves. And they have curveballs, they get busy and all of a sudden they get to the end of the year. And they're like, all right, this year didn't quite pan out how I hoped it was going to be.

I've not drawn the money I wanted to. I've not had the free time I wanted to have. I've not been able to invest in my financial fortress.

I don't have the bank balance I was meant to have by the end of this year. Who's been in that boat? Viewers?

I've definitely been in that boat. And it's just disappointing. It's frustrating.

Why? Why does this happen? I had such great plans at the start of the year and it's all falling apart.

Where we want you to get to be is where you have crystal clear clarity over the next 12 months. You know, month by month, what your sales are going to be, what your costs are going to be, who you're going to recruit and by when, how much you're going to spend on marketing, when you're going to do your summer campaigns and have it all totally, totally mapped out. So you can be crystal clear.

You've made all of your decisions up front. And when capital comes in, of course, we adjust and we reflect and we tweak things. Of course we do.

But we're doing it based on a well laid plan. A plan that we're really well considered and we're super, super clear on. And we talk about business driven finance.

We want to be in a place where we've decided what the output is going to be. And when you decide what the output is going to be, within all the action we take is make sure the output actually happens. And we start with the future forecast.

So in this session, I'm going to take you through a few bits. So firstly, what is it? So to make it really clear, what is a future forecast?

This is basically a financial forecast, month by month, to basically dictate what you're going to be doing every single month, how your business is going to perform every single month. It's not happened yet. It's what's going to happen and what we're hoping will happen.

It's what we use to manage that performance into fruition. So it's really simple. Basically, it's a spreadsheet which tells you what your sales are going to be, what your cost is going to be and what your profit is going to be month by month for a year.

That's what the future forecast actually is. Why do we have it? Well, OK, there's so many reasons why you should have this.

This is high performance management. So firstly, it's going to hold you to account. So if you've decided what your profit is going to be, then you don't do anything about it.

Well, then your profit's probably not going to happen. But if you say I'm going to make 20,000 pounds of sales in July by doing a summer campaign, you know, if you don't do that, then you're not going to make the profit you want to make. So this this tool basically allows you to sign up and you're going to hold you to account.

It says, why haven't you made those sales? Why haven't you recruited that person? Why are your overheads much higher than you said?

So you're holding yourself accountable. In addition, why also it's so valuable is you can hold your teams accountable, too. So if you think about, you know, we're creating scorecards, these PDPs, all of this stuff that we're going to put in place to actually manage high performing teams.

Where should the sales target come from? Where should the occupancy target come from? Where should our monthly maintenance budget come from?

Should it come from this document? Because if you craft this, you get this all right. And then you feed this to your teams.

This is the clarity they need to actually run the business for you. So this document is not only going to give you the forecast for the entire business. You're going to say, look, metrics and numbers and feed it down to your teams.

And then they can look after the numbers for you because it's on their scorecards as part of their PDPs. And then the magic will happen. It will come to you through to fruition.

And how do we create it? We're going to do this in the room together. So we're going to get your laptops out in a little bit.

We're going to create this together. Very simple future forecast. You're going to get it.

It's not too hard. And we're going to help you actually create it in this room. I think 80 percent of it will be done from the drive you in this room.

You might have a little bit of homework to get it finished. But, you know, hopefully we can. 80 percent is good enough.

You can go in, cross the T's and dot the I's at home. This was a article in YPM. This is in 2017.

I'm sure you can dig out. I'm sure all of you got the copy. You probably took this article out.

It's probably sitting on your walls at home at the moment framed. This was how to fill 70 rooms in 12 weeks. And this was a challenge we did.

We're in this boat where the business was like at a certain size. And we basically had this opportunity in the summer season to basically double the size of the company. And, you know, we I was young and naive at the time.

I thought, you know what, I'm going to do it. I'm going to make it happen. So we put on social media.

This is what we're going to do. We're going to fill 70 rooms in 12 weeks, which any of you that have, you know, HMO portfolios or anything, that's quite a big thing to do when you're only 50 rooms and you're going to literally add 90 rooms onto your portfolio and fill 70 of them over 12 weeks. We're a brand new team.

They didn't know how to do it. It was it was a big, big, big thing to do. And we did a few numbers, did a few calculations, thought, you know, we once we've done this, we've made it.

We are finished. We can retire. We're done.

This business is finished. But we were very wrong because we went from making a modest profit to a modest loss. And then we also had books for our team to all go away.

So we spent three and a half thousand pounds to actually take all of our team away. We didn't realize when we booked that we weren't actually going to have any money to pay for that because we thought, well, we've grown. We're going to make all this money.

We're going to be like, we're balling and we can do it. We won't take the team away three and a half grand. It's cool, but actually we didn't have the money.

And it was all start realization for me because all that happened was we knew we were going to grow. We didn't map out quite properly. And we started recruiting temps for the capacity.

We brought another salesperson in, brought in more overheads. All that happened is that overheads just massively outstripped our growth. And then we didn't know that that was going to happen.

And then we didn't know we couldn't spend three and a half grand of money we didn't have to then take the team away. Lovely weekend away, great memories. But, you know, we were quite scared when we checked the bank balance.

What's going on here? We're meant to be smashing this. But I was too busy at the time.

We just did a few numbers on a few spreadsheets. We didn't work out properly. And this is what happens when you just do 20 percent.

You do a few numbers in your head, you're in the shower in the morning thinking, oh, yeah, that'll work. That'll work. It doesn't.

It falls flat on its face and you just can be disappointed. OK. Fast forward back to now, Ultimate FD.

So I've never ran Ultimate FD without a forecast. The whole time we've had Ultimate FD we've had a forecast. It's not always been spot on.

You know, it's a new business. We only incorporated Ultimate FD in October 2022. So it's relatively new.

We kind of kicked things off in January of actually last year. Relatively new business. But we had a forecast from the start.

Now, was it perfect? No, we made some bad assumptions, things that weren't how we said. But at least once we could see it, we could see what was going wrong.

We could go, well, why are we not making the profit we're making? We should be making right now. Oh, it's because we're actually, our team having to allocate more time than expected overheads.

Actually, we've paid for contracts. We pay for this, this and this. Gave us the information.

And because we had the information, we could steer the course of the ship to get us back into profit. And that meant that in six months we hit the VAT threshold. And in our first year of trading, we made over six figures in net profit, including direct drawings.

It's all to do with this forecast. I'm not a rocket scientist. I just looked at a forecast, worked it out and that informs all of our sales, all of our pitching.

All the team know what they've got to achieve, how many projects we're going to do. And that's the clarity you need. So how do we create it?

We do that first. And then we're going to talk about how you actually use this and how you actually implement this into your business. And that's the most important part.

You have a deadline. Adam shared this with you. What's the deadline?

31st of March. Yeah, cool. So 31st of March.

So we're going to have the AGM event. A lot of you will be actually in the room doing it with Adam. Really, you want to have this at least 80 percent there ready for that AGM event, if not 100 percent done.

By the time you've done your AGM, you've done your business plans, you should have your forecast done and dusted. Absolutely nailed for the financial year ahead. And when we're talking about forecasting, regardless of when your year end is, regardless of, you know, the start of the year is, the best practice is to forecast from April, the new financial year, to March.

So we're always forecasting April to March, regardless of your year end and your specific structure. The good news is you've actually done a lot of this work, hopefully, because we did this session, Bulletproof Business Model, back in December. So it was workshop three.

And your homework was to finish this off. So you've actually got a lot of the numbers you're going to need to pull your forecast together, done and dusted. And don't, you know, a few of you are panicking because you realize you've not done your homework and you've not done it yet.

But part of that is we need to have this finished to actually make this work happen as well. So if you think about what's the difference here, Bulletproof Business Model, if you remember, we did Rupin's kitchen business on stage. We built it all out.

How many sales are you going to make? What's your minimum price? What's your cost of goods sold?

What's your net margin going to be? What are your overheads? And it's a very simple spreadsheet.

But what do you think the difference is between the business model and the forecast? I want to shout out, where's the catchphrase? You've got this here, Richie.

[Attendee 19] (53:26 - 53:27)

Oh, cool.

[Josh Keegan] (53:28 - 53:36)

My name's cool. So the difference between the Bulletproof Business Model and the future forecast.

[Attendee 16] (53:36 - 54:02)

Oh, that's cute. It's in there somewhere. So your business model is a picture of your commercial balance.

So you might have one or two or a different step change. And then your forecast is actually the story and the projection or you're going to get there.

[Josh Keegan] (54:08 - 1:00:43)

So your business model is where are you going? Where are you trying to get to? So that might be right.

We did Rupin's business. You can choose any business in this room. So you've got HMO portfolio.

At the moment, I'm at 50 rooms. My average room price is 650 pounds per room. I want to make an average net margin of 20 percent.

And I know I need to go for 50 to 120 rooms. And I know when I'm at 120 rooms, I've got the overheads I need. I can spend the money on the team.

I've got a sweet spot, make as much money as I need to from that business. So that's where we're trying to get to. And that's the Bulletproof Business Model.

But then, you know, unfortunately, you're not going to just in April go, cool, I'm at 120 rooms. And just that's not just going to be numbers from April, is it? There's going to be a journey.

That's the end goal. There's going to be a journey to get there. What the forecast is doing is basically mapping out that journey for you.

Month one, month two, month three, month up to 12. How are you actually going to get from where you are now to that end goal, to that output, which is your business model? OK, so that's the difference between these two elements.

But what we're going to do is we're going to use our business model to actually build our forecast. So I'm going to open this up. And the way this is going to work is I'm going to open this up.

I'm going to do an example on stage for you. I'm going to show you all. And I'm going to take you through the process.

And then we're going to go into prime time. And you're going to do this. We're going to be around the room, hands up, help like the normal drill.

I'm going to help you actually create yours. And then we're going to just do another bit of session afterwards, just around how you're going to put this in place and into practice. Everyone clear?

Yeah, cool. Before we start, there'll be plenty of time for questions, etc. before we actually we actually get going.

So. So when you're ready, Jack, if you don't mind switching the screens, that'd be awesome. So all of these templates can be available for you.

They're already on the vault. So I'll take you through how to get those access in a moment. So remember, this was the Bulletproof business model.

This is what we did in workshop three. OK, and if I just clicked, hopefully you've got yours, yours, you know, on your computer. If I just click, I'm going to look at this business.

Now, this was the example we did with Rupin, which was basically his kitchen business where he sells kitchen, he sells worktops. I'm just going to continue that example. We all talked about it last time.

And it's just it's just quite nice and simple structure to work with. So I'm just going to run through this relatively at pace. So in here you've got your products and pricing.

So we've got Rupin selling kitchens at five thousand pounds a go. I've tweaked through the numbers to make it very simple. Worktops, let's say Rupin is selling a worktop and it's an average of two thousand pounds per worktop.

Yeah, I'm good. I'm good. Yeah.

I can't I can't change that. I can't change that screen on there. I can't control that screen.

No, no, no. Can you control that screen? But Adam's eyesight is getting old.

There we go. So products and pricing. We've got your kitchen here is five thousand pounds.

And we've got you worked up to two thousand pounds. That's basically the average price. You have to make assumptions in this.

If we're going to make assumptions. So say if Rupin knows he sells anywhere from kitchen is going to be anywhere from four thousand eight fifty to six thousand pounds. You might go right.

I'm going to go on the kind of low end of that assumption. I'm going to put five thousand pound in there. And we're in with all this stuff.

Like if we can beat it, that's cool. I'm not. You know, if we if Rupin starts in kitchen to ten grand, like sell kitchen at ten grand, that's brilliant.

And then works up to two thousand pounds. So if this was your, you know, you've got your business, one of your HMOs, you've got it for your rent to rent. You've got it for your essay.

It was all available. And you should have had that done already. Then we look at cost of goods sold.

Cost of goods sold are anything that basically fluctuate with the sales. So if your sales go up, the cost goes up. Kitchen business is a really good example, because if his sales go up and he sells another kitchen, he's going to have to pay for the labor to fit that kitchen.

It's going to have to pay for the actual raw materials to create that kitchen. It's going to pay for the handles on the cupboards. You know, so if he sells another kitchen, he's got to pay for those things.

So that's your cost of sales. So say two to 50 for to actually fit a kitchen and sell it. And then worked up is making really good margin on worked ups.

What he has to do is buy the works up and installs it. It's not too expensive to install. Few bits of silicon, et cetera.

And then he's got worked up installed. So cost of 500 pounds. So what this is doing is it's going to give you gross profit and gross profit.

Profit is the profitability of your site. How many times are we going to say that exact word, literally from Blueprint on the program about three times this year until we get it. The gross profit is the profitability of your.

About four people. Cool. So four of you are doing really well.

Well done. I don't know who it was about. Well, let's say gross profit is the profitability of your product or service.

OK, so it's the actual profit you're making by making another sale, which is different from your net profitability, which is profitability of your amazing of your business, which backs in your overheads. You know, actually running this team. So you see here right now.

Rupin's making 55 percent gross profit on his kitchens, which basically means if he says a 10,000 pound kitchen, how much gross profit is he going to make? By far as I've ever seen, shout it, she mouthed it. So I'll give you that, Casey.

Five thousand five hundred pounds. And then he's making 75 gross profit on his work tops, which means 75 percent, which basically means if he sells a 10,000 pound work top, he'd make seven thousand five hundred pounds. Just run numbers.

So these are the actual numbers here that's coming through. And then he's got his target net margin, which is what we did last time. So target the margin for the business, profitability of the business.

The difference between your gross profit and your net margin would be your overheads. So the money you're actually going to spend to run the business team members, you know, employees, whatever is in the office, maybe a marketing budget, maybe an actual office for people to sit in or a showroom. And then what we did is we did a unit sweet spot.

So in this example, I said Rupin's going to sell four kitchens a month and he's going to sell four work tops a month. And if he does that, see, he's going to make 28 grand of sales a month. His cost is going to be 11,000 pounds.

It's going to operate on about 60 percent net margin. So gross margin is going to have a budget of seven thousand two hundred pounds that you can spend on people. And he's going to have a net profit of nine thousand eight hundred pounds and a 35 percent net profit margin.

Now, I've gone for that pace and we did a whole session on this. But the people following that logic. Yeah.

You know, sometimes looking at yourselves and work your way through it.

[Josh Keegan] (1:00:45 - 1:00:46)

No such thing as a stupid question.

[Josh Keegan] (1:00:47 - 1:15:59)

Unless you're asking what gross profit is. That's the only stupid question in this room today. So, yeah, feel free to ask any questions and we'll do a big question session before we dive into it.

So they're basically Rupin when he's at his sweet spot. So when he's hit that four kitchen sales a month, four work tops a month and he's achieving that consistently, theoretically, he's got a business that's going to kick him out. One hundred seventeen thousand pounds of annual net profit.

She's great. That's that's a really nice lifestyle business. Consistent sales.

That's a really great place to get that. But maybe Rupin at the moment is selling one kitchen a month and two work tops. So it's not like he's already there.

So we can't just say, right, from April, we're already making, you know, we don't want to build a forecast based on making nine thousand eight hundred pound profit a month now because we're not there. We've got a journey to get on. And Rupin's got to invest in marketing and he's got to do some sales campaigns, he's got to get some brochures, he's got team members in place that can fit enough kitchens, you know, four kitchens a month.

So he's got to get all of that stuff in place. And that's where the future forecast comes in. So this is where Rupin's trying to get to.

This is what he's identified as a real nice sweet spot for his business. And this is where he's aiming to get to. But he now needs to work out that this is where I am.

How am I actually going to get there? What's the journey I've actually got to go on? And that's where we bring in the future forecast.

So this is the future forecast document. I'll zoom in in a minute. This is very simple.

And this is basically just a P&L. It's basically just forecasting out a P&L. And I'm going to do this for Rupin's kitchen business and show you how it works.

And then, of course, we're going to work the room and help each and every one of you as we go around the room. OK, so income. What does Rupin get his income from?

He sells kitchens. Yes, I'm going to put in their kitchen. I'm going to put in their worktop.

Very simple. So your income line should just match whatever you've got on your on your business model. So whatever you've got here should just match your income lines.

And then what Rupin's going to do is he's going to have a bit of a think about his sales forecast. And he's going to go like we all know businesses don't grow in a linear fashion. I know where I want to get it to, but I know that it's probably going to be a bit of a journey to get there.

And he's just going to do his kind of best guess or best estimate or best forecast for how he's going to get from setting one kitchen a month to four kitchens a month. So what we might do is go right a month away is April. I'm going to sell.

I'm just going to still sell one kitchen. So that's five thousand pounds in May. I'm going to sell one kitchen as well.

But in June, we're going to gain some traction. I'm going to do a bit of leasing, a bit cold calling. And I think we're going to sell two kitchens.

So it's going to ten thousand pounds into that. And then, you know, he's going to follow the PE methodology and he's going to launch a big campaign in summer. And so what he's going to do is he knows he's going to really push it.

He's going to do whatever you need to do to sell, sell more kitchens. And he's going to forecast. He's going to make three kitchen sales in July, three kitchen sales in August.

And then he's going to get itself up to four kitchen sales in September. He's just typing in the numbers. Really simple.

He's going to do that. He thinks he's going to do that again in October. Then he knows if for whatever reason people get busy for Christmas in November, no one wants to do it.

Well, actually, it's probably opposite around. People want to get the kitchen done, don't they? Before.

Yes, actually, I think we're going to have a monster sale in November. But then in December, I think it's going to be a bit quieter because no one's, you know, everyone's got their kitchens. Everyone's to chill out and relax Christmas.

No one's got any money. So we're going to get going to sell to January. We're going to January sale.

You know, you just plug in the numbers and go, right, four kitchens, four kitchens and four kitchens. He's confident that's what he's going to do. He's got up to where he needs to be.

It's four kitchens, twenty thousand pounds. He's just going to do the same for his worktop. So he's going to go, well, I'm just going to assume that each worktop is just follows the same, the same pattern as my kitchens.

This may not be reality. Like you can do it however you want. If you think your worktop sales will be different or whatever is your cell is going to be different.

You can change that. And you're just going to put these in. OK, so really simple.

Just put the numbers in now. So as you know, especially with this, if you really want to, you know, play around with this spreadsheet so you can create some formulas to do this for you. Absolutely cool.

But for me, I just wanted to keep it really simple. So it's really attainable for everyone. So you can literally just just plug it all in now.

Nice. So now Rupert has a sales forecast. Cool.

He knows what he's going to do. He knows what his sales forecast is going to be. The plan is to make two.

He's going to make two hundred sixty six thousand pounds worth of sales. Just that box down here. He's going to do one hundred ninety thousand pounds of kitchens and seventy six thousand pounds of workshops.

And if Rupert then has anybody. Well, so think about this. Well, what we can do now is we Rupert and his wife Tracy or, you know, his sales team.

You can get a nice little whiteboard up in the office and every month he can write what the target is for the sales. You know, and he can write on that. Or for me, I do it quarterly.

So my wife would have my quarterly sales target. And my assistant, who's my sales assistant, she has quarterly sales target within a scorecard. And every week we report against how she's doing against that, that, you know, that sales target.

So once again, it's not just these are just numbers you. Oh, that's nice. And then you just forget about it's like these become the drivers in the business.

This is what everyone should know about and what everyone should be thinking about. That's how you get the high performance management in place. And what we might also do is add a few bits to this, which is basically our key assumptions.

So basically, what is a key assumption? It's just like, how have we derived these numbers? So we write right in here.

Minimum price per kitchen is 5,000 pounds. You might also write summer campaign to start in July. You might also write assumes we sell a worktop with every kitchen.

You see, these are the assumptions that make up this forecast. And these are the things you need to think about, because if you write down assumption that your minimum kitchen price can be 5,000 pounds, well that needs to then feed into the business. You need to sell them for 5,000 pounds.

If you know that you need to sell a worktop of every kitchen, well, you better make sure you sell a worktop with every kitchen. And if things start going wrong, it's probably because one of these key assumptions haven't actually been met within the business. So this is what's going to come into the company and give you like, well, we have to look at this spreadsheet all the time.

It's going to give you the rules, the things that you've got to achieve to make it all happen. The summer campaign to start in July. It's probably going to give no shock to Rupert, if he doesn't start his campaign in July, he's probably not going to make as many sales.

It's no shock. It's like we know what we need to do. We're making these decisions up front.

So it's really important. So you can then map out your entire year. And when you start thinking about your game changes, your top tens, it should all my all of my stuff feeds from this.

It's like, what do I need to do? Well, I said I was going to recruit this person. So my top ten for the month before is get an advert live to recruit this person.

It all feeds from this. So add your key assumptions here. And then what we're going to do is we've got any question on income.

Should be the most straightforward one. I put four questions at the end. So then we're going to look at cost of sales.

OK, so some some some math for each and every one of you. If Rupin's gross profit is going to be 55 percent. What percentage would this cost of sales be to achieve that 55 percent?

Forty five percent. Yeah. So basically it's just like 100 percent is all it could be.

So it's got to be the other the other part of it. If Rupin's workshops gross profit is 75 percent, what must this cost of sales be to achieve 5 percent? Amazing.

So. So I'm not trying to patronize it. I'm sorry if I'm patronizing it.

I just want to make sure everyone's clear on this. It's like it's all just numbers. It's like it's cool to have a meltdown.

So kitchen, what I'm going to put in here is I'm going to put in a cost of sales of 45 percent. I've already done it. And so basically what this model is going to do is it's going to assume that of my sales, I'm always going to be spending 45 percent of that on cost of sales.

So in that bump a month where I do 30,000 pounds worth of sales, it's going to cost me 13,500 pounds. Very simple. And then say for workshops, I put in 25 percent.

So it's very, very simple. So what you've got now is you've got very clear. Sales forecast and a cost of goods sold forecast there.

You've done the work and you've got a view of your gross profit and gross profit is the profitability of your product. I can't believe that happened again. Product.

But when the test at the end. So gross profit is profitability of your products. Rupert knows how profitable his sales are going to be.

So when he's making sales, he knows how profitable it's going to be. And it's often a gross profit margin of 61 percent. That's a really nice profit margin for a trading business.

I've seen by more and more businesses. And generally you want to be at that kind of for product based or service based business. 60, 70 percent gross margin is a really nice place to be to operate at like a 45, 40 percent net margin.

Now that can 100 percent change if you're depending on the type of business you've got. But that's a really nice sweet spot place to be. Then what we're going to do is go back to business model.

If you remember, Rupert said he wanted to achieve a net margin. So the profitability of our business of 35 percent. So what we've done is we've taken it across to the forecast template.

And we're putting in 35 percent of this little box here. And then I'll kick out like a holding 35 percent across the bottom. What this will then do is that you're right.

If you want a target net profit of 35 percent, it will then basically work back your overheads. So say look, this is your overhead budget. You've got month by month along here.

Now, if you remember when we did the Bulletproof business model, we had a little bit down here, a little plus. And you could then allocate your overheads in here. So remember, this is going to be what your overhead is going to be once you're there, once you've achieved what you want to achieve.

But you might find along the way you have to manage your overheads a little bit differently. You know, if Rupert's only going to be making two or three kitchen sales from day one, he might decide, actually, I'm going to just go and spend all my overhead budget now, forward fund it and make it happen. Or he might go, you know what, I'm going to recruit that virtual assistant in the summer when it gets busy.

Well, I'm actually not going to put I'm not going to pay for premium this on until we need it until October. So about making these decisions up front and actually working this stuff through. So what we've done down here and what you need to do is just put in your all your overheads.

And then what I've done initially is just basically drag them all across. So this is basically all the overheads across. Assuming we're going to spend it all from the start of the month and onwards.

I've just put them in here. What you can see up here is you got left to allocate. And this is minus, minus.

This is positive. So basically what we're saying here is we don't have enough sales yet to actually, you know, have these overheads. You see right now, if Rupert does this, he's going to make minus thousand pound loss, minus thousand pound loss.

And the way this model has been done, it's like, you know, those aren't huge losses. And I'm sure a lot of this could potentially sustain those losses. But, you know, if you start to scale this up, you've a hundred thousand pounds going in and out here and there.

These losses could be massive. So you need to make sure you're ready to manage them. So what I'm going to do is I've got all my overheads in.

I'm just going to start looking at it and go, well, actually, I don't think we're going to need this VA until we get to the summer. So I'm actually going to delete that cost from here. I don't think we need this VA until we get to delivery consisting four kitchens.

I'm just going to delete that cost from here. My PA, I need that. My team level one, I need that.

Fine. Maybe actually I don't need my team member for spring. I'm all good.

And they go, actually, I don't think we need to upgrade to a premium asana till we get to. I'm actually going to take a premium asana out. We don't have the money for it.

And actually, this compliance insurance that we need, I think we're going to be OK for a little bit. So Ruben starts playing around with this and he gets to a place where he goes, actually, this looks a bit better. I'm in a profit from day one.

And, you know, by the end of the year, I'm actually achieving one hundred and ten thousand pounds of actual net profit at the end. So I'm happy with that. I get to a place where at the end I've achieved the profit that I want to achieve.

And I've got that. So it's just a case of like playing around with this and going, what makes sense? Try to be really realistic, looking at your where you go in the business and making sure you can actually make this happen and make it sustained.

So then you want to make a few key assumptions. So you might be standing next to team number one, assumes twenty five pounds per hour or fifteen pound an hour. At twenty five hours a week, recruits in whatever that is, June.

You might see VA assumes 15 hours at five pound an hour from Philippines or wherever it's going to be. And you start writing your key assumption here. And this is basically like your your action.

So then you're going to do to actually make this happen and make it make it go ahead and actually make it happen. So that's the task. And before we dive into that, can you just go back to the side there for me, please?

So this is the process. So you're going to select a business or an income stream to do this for. So you might choose your HMO portfolio.

You might choose one HMO. You might choose your trading business, whatever it is you think is going to be valuable for you to actually forecast at this point. And what I would say is you do need this for every part of your business.

So, for example, when we when we often work with clients, we basically have to do two forecasts. One is normally their existing property portfolio, which is basically looking back at actuals and creating this. And the other is normally like, I know I want to buy five properties this year or launch a letting agency or want to launch whatever.

So we don't have to a couple of forecasts. So choose one forecast that you feel like is nice, simple. And you kind of, you know, build the muscle in this group today.

And for example, like that, you've got your business with lots of income streams. You might not do all the income streams in this session. You might do one income stream now.

You've got trading business, lots of income streams. So choose an income stream or a business you can actually model. Start with sales, which is plug in the sales numbers and remember seasonal sales.

You know, you probably do more in summer than you will do in winter, etc. Add your cost of goods sold. And this is basically just your percentage.

So what percentage of your percentage cost is going to be to get your cost of goods sold? Allocate your overheads. And once again, you should have done this on your business model.

So you should have this already, but it's just a case of bringing your overheads in and then deciding when you're going to kick those overheads off. So we don't expect you to have all those overheads necessarily from day one. And play around with it.

So play around with it until it looks good. So you kind of get into the profit where you need to be or you kind of go, you know what? I'm being a bit unrealistic with that because I need, you know, I've got to get my, I've got a big marketing campaign and I'm going to need more people on at that point.

Or I'm being a bit unrealistic with this or unrealistic with that. Or actually, can I realistically expect to get to get full kitchen and full worktop sales after that marketing campaign without, you know, a in-house customer service person bringing people up, etc. So start playing around.

How can I actually do this and how can I actually make this happen? It's going to be prime time. It's going to be quiet.

No talking, please. And we're going to open this up on your laptop. So we'll tell you how to at the moment that it's going to be hands up for help.

Any questions before we get started with this? Yes, I've got. I'll do five.

I'll do five questions and then we'll dive into it. What I can also in terms of these questions, if the ideally these will be general, if it's very specific for your business, if you can do that in the hands of help, that'd be much appreciated just so we'll come and help you individually. Richie, you good?

Where's the catch watch, please? Thank you very much. Yeah, you go first.

You go first.

[Attendee 12] (1:15:59 - 1:16:21)

Yes. So for my lucrative layout business, I've had to front load the costs. So how would I add that into this then?

Because, for example, the training video, I've filmed it once and all the costs attached to that. How would I then put that into that spreadsheet? Yes.

[Josh Keegan] (1:16:21 - 1:16:36)

Do you want to go back into this spreadsheet for me, please? So very simply, you can just type it in. So down here, you just put training video.

Just type, I don't know if I want you to put in training video, whatever that's going to be.

[Attendee 12] (1:16:37 - 1:16:38)

You would just literally put it in one.

[Josh Keegan] (1:16:38 - 1:17:01)

Just type it in here. People might have marketing, for example, one off marketing costs, etc. You just put them in.

So you've got plenty of space. Anything that's yellow, you can write in. But if you already incurred that cost prior to your financial year, it probably wouldn't be in there.

It's only from April we're doing this run. OK, next question. Go on, Julian.

Sorry, Ritchie, I'll get the mic over to you in a second.

[Attendee 20] (1:17:02 - 1:17:13)

Thanks, Josh. Very clear. This is the theory of the forthcoming year.

Then how do you tally this with the actual practicalities of what actually happens in the business?

[Josh Keegan] (1:17:14 - 1:17:18)

I'm going to go through that afterwards because I'm going to get this in and then I've got a whole 10, 15 minutes on that.

[Attendee 18] (1:17:21 - 1:17:25)

How do you establish your target net margin?

[Josh Keegan] (1:17:25 - 1:17:34)

So we did this in the business model section and this is a bit of a kind of a guesstimate. So for you, you might. What is it you do for your existing portfolio?

[Attendee 18] (1:17:34 - 1:17:40)

I would do it for both. So existing HMO portfolio rooms, a new SA business, rent to rent.

[Josh Keegan] (1:17:41 - 1:18:52)

So, yeah, when you look at target net margin, it's a bit of a bit of guesswork. The kind of benchmarks I would always use are for a trading service based business. You want to be 35, 40 percent for a manufacturing or products based business is probably going to be anywhere from 15 to 25 percent.

But for an asset backed business like your HMO portfolio, it's probably going to be more than 8 to 12 percent. But what you want to do is you put that margin in first and maybe put in 12 percent. And if you're looking at that and it's saying that like literally value, OK, you got 12 percent, but you can spend £200 a month on your team managing this business for you.

You probably got to go, well actually I'm going to have to reduce my net margin. And so I've got more allocation for overheads, otherwise you're just going to have a job. So it's playing around with it till you get to a place where that gives you enough budget.

That's good. I know that sounds about right. And SA, you're probably going to look at a bit of a higher margin for that one.

Probably more like 20, 25 percent for SA, especially if you own the assets or lease the assets of its management. Rent to rent? Rent to rent, yeah.

I mean, it's arguably asset backed again. So from what I've seen for SA businesses, I reckon anywhere from 15 to 25 percent in SA. Graham's a good person to ask about SA.

You know, ask him what he makes, he'll tell you. And then anyone else that does SA, like what kind of margins are they in for? So it's just comparing with people that already do it.

[Attendee 18] (1:18:53 - 1:18:56)

So does anybody give me an idea of what the target net margin should be?

[Josh Keegan] (1:18:56 - 1:19:03)

You don't have to share, but maybe. So SA, rent to rent. A good margin, net margin for SA business, leverage would be?

[Attendee 17] (1:19:03 - 1:19:20)

Chris? Yeah, if you've got decent occupancy, like we were talking about last night, the diversity combination, you'd be looking at 25 percent. If you are more kind of peaks and peaksy with all the letting, then you could be more at 15 to 20.

[Josh Keegan] (1:19:20 - 1:19:42)

Right, I'll work off that at the moment. So the point we should play, and then this is like the acid test. So if you put that in and it's like, OK, cool, I can make £10 a month at 30% net margin.

I literally can't spend a penny on overhead, so there's a problem there. So you've got to play around until it gets to a level where you can leverage. Brilliant, thank you.

Susie, we'll just do one more question. We'll do Anthony and then Richie, and then after Susie and then we'll dive into it.

[Attendee 21] (1:19:42 - 1:19:52)

Is there a line of tax? Because that's one thing that I really like to see in the cash flow forecast, to make sure that the net net, I know what a net net position is.

[Josh Keegan] (1:19:52 - 1:20:28)

So there's not, because this is basically more the future forecast, the theory. I mean, if you want to put a line of tax in, you put a line of tax in. The way we operate this is the future forecast is basically business performance.

So it's pre any tax. But then what this does is then this kicks out into the master cash manager, which I'm going to talk about a little bit at the end, where you then factor in VAT, corporation tax, stamp duty, like larger one off events. So I'd say this is more business performance.

The master cash manager would then factor all those bits in. But Susie, make it your own. If it's going to work in your head better, the main thing is it's not a cash flow forecast.

[Josh Keegan] (1:20:28 - 1:20:33)

This is not a cash flow forecast. This is your P&L for the year.

[Josh Keegan] (1:20:33 - 1:20:42)

Then you can get into cash flow. But some people do like having tax in there. So if you want it in there, add it in.

I personally don't like it. Anthony? Mike's behind you.

[Attendee 19] (1:20:43 - 1:20:48)

Probably following on from Susie a little bit. What about director's pensions and director's salaries and stuff?

[Josh Keegan] (1:20:48 - 1:20:58)

So that all comes. Well, so if it's a director's salary to run the business, like, for example, that will go into your forecast. If it's like a, you know, probably pension is more of a drawing, isn't it?

[Attendee 19] (1:20:59 - 1:20:59)

Yeah.

[Josh Keegan] (1:20:59 - 1:21:02)

So I put that in your master cash manager, which we're going to talk about in a minute.

[Attendee 19] (1:21:02 - 1:21:08)

So like company cars, something that's not essential for the business, just leave them sort of thing. The perks basically for a director.

[Josh Keegan] (1:21:08 - 1:21:38)

Yeah. You have to take a bit of a view on it. So I wouldn't put my, in fact, I would put my, for my trading businesses, where it's all about margin and performance, I wouldn't put a car in.

It's like, it's just me basically getting the drawing. For my businesses where it's like I'm actually using it as basically just a bit of a vehicle to put some expenses like that through, I would have that because it helps me understand what the performance of that business can be. For you, I'd say for your business, you want to know that your margin is good.

And then you call these below the line so you can forecast it in your master cash manager or put them separate. Thank you. Richie, sorry to make you wait.

Sorry.

[Attendee 11] (1:21:39 - 1:21:45)

This is the forecast of the year, you do it at the AGM. How often do you review it and update it based on actual figures?

[Josh Keegan] (1:21:46 - 1:22:26)

I'm going to answer that question again towards the end, if that's OK, if you can wait till then. I know you're already waiting, but if you wait till then. So what we're going to do is we're going to put some, we're going to keep it nice and quiet in here.

And I'll give you guys 15, 20 minutes to break the back of this. I'll just do a bit of temperature checks, see how everyone's doing. Please don't talk.

You can download all of the sheets in the vault. If you go into Advanced Workshops 2024, Workshop 6 and Resources and Template. And in there you've got both the Business Model Template and the Future Forecast Template.

So first mission is to get that downloaded. And then once you've got that, please start working quietly. And if you have any questions, put your hands up.

[Attendee 14] (1:22:36 - 1:22:36)

Help.

[Josh Keegan] (1:22:37 - 1:22:43)

Yeah, of course. Sorry. Yeah.

And that you might just put this there. My apologies. So this is the process.

[Event Facilitator or Helper] (1:22:44 - 1:22:44)

This is what you've got to do.

[Josh Keegan] (1:22:45 - 1:22:52)

That's OK. So first of all, download the template. Any issues?

Put your hand up and then we'll go through it.

[Event Facilitator (Assistant)] (1:22:57 - 1:22:59)

20 minutes. 20 minutes.

[Josh Keegan] (1:24:44 - 1:27:55)

You already have a forecast. Some of you already got this. We've done it for some of you.

And if you already have, I just recommend just literally spending some time playing around with it and really getting into it. Maybe copy the file, play around with it and make sure you really feel what it's going to look like. Yes.

I would just put your hand up.

[Attendee 1] (1:30:59 - 1:39:01)

OK. That.

[Attendee 7] (1:39:13 - 1:39:13)

Okay.

[Attendee 1] (1:42:50 - 1:43:43)

Okay. Okay. Okay.

Okay. Okay. Okay.

Okay.

[Josh Keegan] (1:43:59 - 1:44:03)

Okay. Okay. We got time to help you, Michael.

Then I could help you eat, and then we'll finish.

[Attendee 7] (1:45:01 - 1:45:01)

Gentlemen.

[Josh Keegan] (1:45:04 - 1:49:50)

So, some of you, I think, have absolutely killed this, and it's basically done. Some of you have a bit more work to do, so you're kind of getting your head around the spreadsheet, and that's absolutely fine. I think the key thing is just make sure you go home, you follow this process.

You've got a couple of 90-minute cave times to actually get it done. It will happen for you very, very quickly and effectively. Yes, we're done.

I'm sorry. Yeah, sorry. I've got a very weird hand signal from Adam.

I know I thought he's telling me to get shorter. I don't know what it was. Yeah.

Please, for now, just close your laptops and we're going to finish off with the content session. We'll crack on afterwards. So if you've got a flavor for this, hopefully you've made some progress.

Hopefully you've seen how to understand it. Now, even if you found this hard, please don't just shy away from this. This is 90 minutes, a couple of 90 minute prime times to have this done.

And it's such an invaluable and important part of your business. Now I'm going to share with you how to actually use this within your company. So I'm going to just close the laptops for me, please.

How do you actually use this in your company? I'd say this is probably the most important part of this session. So I know you're working away, but please make sure you listen to this part.

Adam shared a year ago that he paid £10,000 for a forecast that he literally never used. And that's not where we want you to be. We don't want you to create this, put this work in, just actually not use it.

Cause this is one of the most important and most valuable tools within your business. So I'm going to share with you that how you're actually going to use this within your companies now and how you're actually going to put this into practice. So first step one is complete the forecast and then actually use this, how you're going to put it in place.

So the first is tangible targets. Talked about this earlier. Your forecast is now basically your financial plan for your business.

So if you want other people who would like for other people to worry about their financial plan a bit more than them. Yeah, absolutely. It's a lot of pressure, a lot of stress.

So what are we going to do? We're going to feed these metrics down within to the business. So Dan's going to show you director's dashboard in session two.

You know, when are you going to put all these metrics in? Where are these metrics all going to come from? I mean, future forecasts, when you're going to recruit a sales assistant to the business, where is that target's going to come from?

Your future forecast. When I'm an LSE agency, where did my occupancy target come from? Well, I said it was 95%.

I actually 90% of my future forecast. I'm going to target in the business. And then my sales team cared more about hitting that 95% than I actually did.

And it just meant the numbers took care of themselves. So this all needs to trickle down into your business, using your scorecards, your PDPs, your director's dashboards that you're going to get shown in the next session. And this is how you manage a high performance business.

And you don't have to worry about the money, the numbers, because everyone else is worried about these metrics which drive these key numbers for you. The next is budget to actuals. And this is advanced, but you are all on advanced.

And rather than getting your pack through, your finance pack through from your finance team that says, oh, you know, well done, Dan Norman. You had a great month. You made £40,000 worth of profit.

Amazing. You smashed it out of the park. The conversation should be more like, well done, Dan.

But you said you were going to make £55,000 worth of profit. And we actually have a problem here because you've not hit the sales target. You've not done the campaign.

You said you weren't going to spend any more money on, weren't going to donate any more money to get up and give back. And you're too generous. You've given all your money away.

And now we've got cash flow issues and problems within the business. So budget to actuals. This is what this looks like.

And this is just taken from one of my finance packs. This is a very simple example. And for those of you with property portfolios, this is just vital.

You can argue, oh, why do a forecast for a property? It's very consistent. That's exactly what you should do, a forecast, because you've got budget to actuals.

So it basically tells you each month, greens and reds, do I need to worry about this property or not? I get this through. It tells me, look, we made £2,105 of profit.

It's come for £2,005. It's £100 less than expected. Is that a big deal?

Maybe, maybe not. But it was because actually we shouldn't have any utility costs for this property. We shouldn't have any TV license costs for this property because it's flipped to a charitable lease.

So I'm like, well, why are we against budget? It's because you're still paying for these. You shouldn't be.

OK, cool. Can we recharge them for charity, please? Have they been cancelled?

And it's just a quick conversation. It means you stay in control. And I've met people that have had problems like this in their business.

They've literally not realized that their tenants were swindling meters within their properties. And it cost them £20,000, £30,000 for three years of abuse because they just didn't see that in the numbers. They never had a budget.

They couldn't see the budget to actuals. They just accepted the profitability and you don't spot the mistakes. Budget to actuals, very simple.

What did the forecast say? What did you actually achieve? What were the differences and why?

And that kicks out action into your business. Really important part. The next part of this is forecast versus a budget.

Go on, Tej, do you want to ask a quick question? Where is the catchphrase?

[Attendee 10] (1:49:57 - 1:50:30)

It wasn't really a question, it was just an add to what you said about comparing budgets to actuals. So where we've done this with clients as well, they, for example, one person didn't realize that their insurance costs had gone up by about 200% until you compared it when he saw it in the budget versus actual on a quarterly basis. And then he was able to go back and find out why and then essentially switch provider.

Otherwise you'd have been locked in on auto renewal and all that stuff. So it really helps with spotting things early rather than wait until the year end and saying, oh crap, now I'm paying 200% more on my insurance.

[Josh Keegan] (1:50:31 - 1:54:15)

It's literally like when you've got big businesses, big HMO portfolios, multiple trading business, you will save literally tens if not hundreds of thousands of pounds by just doing this activity. It's well worth it. Also, it's going to save you time.

So you're only looking at the reds. You're only looking at the problems rather than having to look at everything. So next is forecast versus a budget.

Now a lot of people don't know this, but there's a difference between a budget and a forecast and these two words get used interchangeably. I'm guilty of doing it too sometimes. But a budget is something you set at the start of the year and it never changes.

It's the budget. It never changes. The budget never changes.

I'd say for the majority of people in this room, probably everybody in this room, there's not much value in a budget because things are going to change. Things are going to shift. It's going to take us longer to get that SA property down than we anticipated.

The mortgage rate is going to be a bit higher. We didn't quite hit our sales target. We're in another campaign in winter instead because we decided that's a good idea.

This client forgot, didn't pay us or whatever. So what we need is a forecast and a forecast gets updated with new assumptions. To answer Julian's question or somebody's question about how often this gets updated for our clients, we do every quarter.

Every quarter we have what's called a key assumptions meetings. We sit down, we say, well, what key assumptions have changed? Oh, you know, Rupin, you said you're going to sell £4,000 a kitchen or £5,000 a kitchen.

Actually, every kitchen you sold was seven and a half grand. So we can either keep the forecast the same and go, oh, why are we so high every single month? Or why are cost of sales higher than expected?

Because, well, it's because the price has gone up. So we need to have that same conversation for nine months to the end of the year and say, well, that's why it's different. Or we can just update the forecast.

And now we know, cool, that's been factored in, that's been budgeted for, we're all good. And we're having the high value conversations. When my portfolio was going to shift from the professional debt to the charitable leases, it was in the forecast, but I didn't know when it was going to happen.

So we put some assumptions in, but it happened a few months later than expected. So rather than have three months where we know it's not going to happen, it's going to happen three months later. And every month we sit down, oh, why is it different?

Oh, yeah, it's because we've not done that yet. There's no value in that repeated conversation. We update the forecast with the numbers.

So every quarter of our clients, we then update the numbers. So this is the forecast. It all gets signed off.

We have those conversations. And then we move on and we do that every single quarter for any kind of big and key assumptions. This is how you keep it present.

This is how you keep it valuable. It's not a theoretical document. You have to go back and refer to it and go, oh, what's happening?

What's the plan? What should we be doing? So it's a really live and important document for you.

The master cash manager, so kind of answering Susie's question a little bit. So the forecast is basically your performance within your business. This is basically your P&L.

Now, what you then have is if you don't have this, you can't then forecast cash because this is your net cash for operations. It's a technical term, which basically means when you're doing business, how much cash you're going to have at the end of each month. And then what you want to do is then have this as the top line on what we call the master cash manager, a template, and then we bring in all the non-operating expenditure.

So we might, for example, put incorporation tax. We might put VAT in there. We might know we're refurbing a property.

We might know we're getting a refinancing. In my master cash manager, I have to get my driveway done and spending personal, you know, taking lumps of cash out to spend money on my house. I have it all in there.

It's just like the holistic view of how one's business is all going to work. So that's one of the reasons why this is so important as well. So if you don't have this, you're going to really struggle to get your head around and forecast cash.

Then the final way you're going to use this is what we call playtime. This is the fun bit. So basically, I find it fun anyway.

So I love, like, what we've got the kind of master forecast has been agreed for the year, gets updates on the official one. But very often I'll go in, I'll download a copy onto my laptop and I'll just start playing around. What if I, you know, Adam wants me to do something for him, like, and kind of pay me X amount of money.

I'm like, cool. Sounds quite ominous, doesn't it?

[Attendee 16] (1:54:15 - 1:54:17)

But like, how is it going to work?

[Josh Keegan] (1:54:17 - 1:56:40)

Like, if I do that, what's it going to impact? You know, is it worth doing? Is it worth the money?

And my business, you know, I think about not launching my, do my Christmas campaign because we're too busy. We've got too much going on. How's that going to impact the forecast?

You just play around with the numbers and just feel like what happens if I do that? Whenever I'm buying a property, I'm buying a property that wasn't in the forecast. I'm not saying you can't do these things, but I'm putting it into the forecast.

How's it going to impact cash? How's it going to impact profitability? What's it going to look like?

What's the position? And I can make a good decision. So you play around with it and downloading this and playing with this yourself and enjoying, enjoying, like actually getting into these numbers.

And I'm just saying what the numbers can look like is a really high value part of the process, which is why you want to keep this simple. So if you've gone and pay for a £10,000 spreadsheet or forecast me tax counter that you're looking at going, I have no idea what this means. I have no idea what that tab does.

I've got 52 tabs and I'm very lost. It's not going to be too valuable, very simple, very easy to look at. Nice looking spreadsheet, simple, straightforward.

You can play around with, you can understand how it's going to work. So the homework for the month is as follows, which is to finalize your business model for 2024, 25. So you should have already done this in workshop three.

If you've not done it, it needs to be done this month. Populate your financial forecast, your future forecast spreadsheet. So as you get all that populated, review with your finance team and sign off.

What we're going to do is give this to our finance team. As you review about finance managers, our bookkeepers, make sure they're happy with it and it should get uploaded to zero. So you can have your budget to actuals.

And then finally, ensure that everything is done and dusted for your AGM, your business plan. So you can actually put this into a business plan and formalize this for the year ahead. This is set and forget.

Once this is done and dusted, it is set and forget. I don't understand how anyone can run their business without this. I just don't get it.

I just, I feel nervous. I feel anxious. I'm literally a nervous wreck.

And it'd be like making up as we go along. You need this in your business. You don't need to feed this into your team through your scorecards.

You need to hold yourself account. And it's basically the ultimate profit accountability tool. If you hold yourself account, if you hold your business account to make generate a certain level of profit, you will make a certain level of profit.

So you need to build this in place. You need these controllable places. One of the most important high performance management frameworks you could possibly have within your business.

[Attendee 15] (1:56:41 - 1:56:42)

Enjoy that?

[Josh Keegan] (1:56:43 - 2:03:23)

Right. Before I exit the stage, I want to share with you an opportunity, which we're launching today. So the financial fortress blueprint, this is a full level blueprint.

And it's what we do on the board every single year. And basically it's a comprehensive wealth strategy to build your financial fortress. And all of us, we've got busy businesses.

We've got way too much stuff going on. We need to make sure whilst we're doing this, that the end game is in sight. And that although we're making all this money, we're making all this noise, everything's happening.

We're doing our sales campaigns. We're processing, systemizing our businesses. We've got chunks of cash and it's going into financial fortress.

This really is the only game in town for everybody here. It should be what we're all aspiring to achieve, because the financial fortress is the key to financial independence. It's the key to retire.

And it's also the key to have fun in your businesses, because you can work and enjoy your businesses, knowing that if it all went wrong, if Covid happened again, you're safe. It's your safety net, it's your safety blanket, it is your insurance policy. So we're launching the financial fortress blueprint, which is a six week training program to you all.

But it's not for everybody. And the people that are going to get the value from this blueprint are people that are earning already only six figures, or who already have a seven figure net wealth. So if you're in a position where you're earning really good money for your business, you know, at some point, you're going to want to retire, you know, you want to achieve financial independence, but you're just busy, you've got too much stuff going on, then this is what you need.

It's a strategy, it's the framework to make sure you're fundamentally going to actually build something of value, your ladder's up against the right wall, and you're actually going to be able to finish and retire whenever it is you choose to, whenever it is you choose to tap out. This is the blueprint that I use to retire at 33, Adam uses to retire at 37, and Dan uses to retire at the age of 35. What we mean by retire, of course, we're still working, but it means we fundamentally have financial independence.

So this is a choice. It's a choice to stand on stage, it's a choice to work with you guys and build your forecast for you. And it's fun, it's something that I enjoy doing.

And everybody that's going places on Property Entrepreneur, all the people you aspire to and look up to, you've got Shiv, you've got Chris Moss, Susie Carter, Garrett Pears, Ian Bauer, everybody that's really going places, they're building these big businesses, but they're also taking that money and they're putting it into a financial fortress. They're not just building the business, they're very strategic about their wealth, the allocation of capital, and they're building their financial fortress. So over a six week program, by the end of it, we're going to do the work with you.

So you've got your offensive investment strategies, your defensive investment strategies, your long game, absolutely nailed, your personal cash flow management, exactly what your financial fortress needs to look like, what is your financial independence number, your rules and returns, what deals do you do, what deals don't you do, what deals are financial fortress, what deals aren't financial fortress.

And over a six week program, you're basically going to have designed your comprehensive wealth strategy for the next one, three, five, 10 years. And this is what I did about three years ago. And this is what I use to stop messing around buying HMOs that weren't actually servicing me, stop buying every deal under the sun, to get really strategic and restructure my portfolio to achieve that financial independence and achieve that retirement at 33.

So six week program, it starts on April the 9th on a Tuesday afternoon, it's one o'clock until 2.30. And that's 90 minutes every single week for a six week program. There's going to be content, but also you can get the work done actually on the zoom calls as well. So it's not just the case of like, you're already busy, cool, we're going to sign up to this program, I get loads of extra work today, and I'm already tired, exhausted.

It's the accountability framework to actually get the work done over a six week program and actually haven't finished, you will have it finished by the end of that six weeks. In addition to that six weeks of training, you're going to get a WhatsApp group, which is basically open all hours. And my promise to you is that if you do this and commit, I will make sure it happens for you.

I'll do everything I can, everything with my power to give you all the training I can, all the guidance I can to get this done and dusted, because this blueprint is just so, so powerful. And it really does have the ability to change lives. The costs to do this is normally a board level cost.

So it's £30,000 plus VAT to join the board from October. Some of you that might be unobtainable, or for some of you, you're aware that you need this now, because the best time to do this was yesterday. And you've not got, you don't wait six months until you potentially get on the board by applying.

So making this available to everybody in this room, assuming you're in that high net worth category, and the cost to do is £5,000 plus VAT. So if you are running around, you're making lots of money from your businesses, you're already making six figures, you're buying deals, and you're just buying and buying and buying, you don't need to buy deals, but you're not quite sure where it's all going and what the strategy is. For you, this is just an absolute no-brainer.

Because this investment, if this yields you a 1% or 2% increase in your knowledge, increase in your investment portfolio, increase in your strategy, it will pay for itself. It will absolutely pay for itself. So it's an absolute no-brainer.

Does it make it a further no-brainer? If you sign up for this, you do the six weeks, you put the strategies in place, and you don't get a 10 times return on your investment, it's a money-back guarantee. So you come at the end and say, look, I didn't get the returns, strategies weren't all that cracked up to be, I can't see how this is actually going to help me, money-back guarantee, so you can have your money back.

So genuinely, if you are in this category, where you're not sure if you're buying the right deals, you're not sure that the journey you're on is to achieve your financial fortress and achieve this financial independence, and you're already making good money in your businesses, this is just an absolute no-brainer for you, money-back guarantee, and you will achieve 10x return on your investment. There's brochures on the table, so if you're interested in this, it's a small group only, you can actually scan the QR code and get yourself a place reserved, I know some of you already have, which is awesome, and if you want to ask any questions to myself, Adam or Bianca throughout the day about the logistics or anything about the course, feel free, or you can read the brochure for any more information.

All good? I'm personally just very passionate about this blueprint because it's like, literally, if I didn't do this three years ago, I don't think I would have stretched my portfolio, I don't think I'd have the independence of my family's insurance policy, I wouldn't have, like, the fun I'm having now doing these businesses, because it feels like business is a choice rather than this hard slog, like, you've got to make the money, bless you, Richard. Right, I just need to do one more thing before you come to the stage, Adam, if that's okay. So I'm going to welcome Adam to the stage in one moment, but I also wanted to share something very, very special, because Adam has had a very special birthday recently.

A very special birthday recently.

[Event MC (Possibly Adam Goff)] (2:03:24 - 2:03:32)

Adam achieved his 40th birthday a few weeks back, so ladies and gents, let's give him a round of applause.

[Josh Keegan] (2:03:37 - 2:03:43)

Amazing. Congratulations, Adam, well done. I didn't think you'd get here personally, but you've done it.

[Event MC (Possibly Adam Goff)] (2:03:43 - 2:03:48)

Well done, it's a massive pleasure. Let's welcome himself to the stage, Mr Adam Gore.

[Attendee 13] (2:03:56 - 2:03:59)

You wanted to put that in my face, didn't you?

[Attendee 1] (2:04:02 - 2:04:18)

That would have been lovely.

[Attendee 13] (2:04:20 - 2:04:34)

That's nice. That's really nice. Thank you very much, everybody.

Thank you for the cake and the balloons. Yeah, and my chair, lovely, brilliant. Maybe I should just tie them to my belt leaf and walk around with that all day, that would be really cool.

[Josh Keegan] (2:04:35 - 2:05:54)

So listen, that is a really important session we just did. Like, without a doubt, it's game changing, and it's the difference between what everyone else is doing, and what the people who know what they're doing are doing. Okay, so all of the resources are in the vault.

Not only that, if you want to listen to the advanced business modelling session, right, you can go back in the vault, you can listen to this session, because for those people that haven't got their business models done, or they're now doing a different business, thinking, what does all this mean? I've sort of forgotten half of it. It's all there on the vault.

It's all there on the vault. And Josh did it on Wednesday for the programme. So if that session isn't live today, it'll be live Monday.

It's there, you can listen to it, you know, pause, go at your own pace, make sure you understand this stuff, make sure you can speak finance. And Josh is also doing a mid week mentoring on business modelling. So if you want to ask him anything, jump on the zoom call that's available to all of you on advance for those specific questions as well, obviously, as I'm sure if you tag him in the app, ask him a question, he's going to be available to help.

Okay, so he's there if you need it as are Dan and I. So that's it for me. We're going to go to a break now.

Be pleased back in here at just before midday on time is late. We've enjoyed that. We'll give Josh a big round of applause, please.

Thanks very much.

[Attendee 14] (2:05:54 - 2:05:56)

Okay, see you soon.

[Attendee 4] (2:06:36 - 2:08:23)

Give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin Make me feel good, make me feel nice, give me your lovin' all through the night Make me feel good, make me feel nice, give me your lovin' all through the night All through the night, give me your lovin' All through the night, give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin',

[Attendee 1] (2:08:23 - 2:09:12)

give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin', give me your lovin We don't care what they say, no way, no way And we will never be the jacks of those who say we can't sit through

[Attendee 6] (2:09:12 - 2:09:15)

Cryin' all by ourselves

[Attendee 1] (2:09:16 - 2:09:26)

For the things that we've brought to this earth For the things that we've made our grace If you don't like God, then don't hate on me

[Attendee 2] (2:09:26 - 2:09:34)

Leave us alone, we don't need no apology We have no apologies for being fabulous

[Attendee 1] (2:09:34 - 2:10:08)

For what we've been brought to this earth For the things that we've brought to this earth For the things that we've made our grace If you don't like God, then don't hate on me Leave us alone, we don't need no apology If you don't like God, then don't hate on me Leave us alone, we don't need no apology Leave us alone, we don't need no apology

[Attendee 15] (2:10:08 - 2:10:11)

If you don't like God, then don't hate on me

[Attendee 8] (2:10:11 - 2:10:50)

Don't get it mixed up, it's been my story, it's never switched up And I never kissed up, except for the world, then I got my prostitutes Try to say I'm too wild, did my own thing, except for the cool crowd Late nights with the music too loud, I made it this far, and I'm also too proud So if you don't like me, it's time to know about my views I was raised in the land of ivy, the world looked different as far as I can see I'm doing me, don't buy me, only one time, I'ma tell you kindly Please stop, I don't need you, buy me, but if you search, then you know where to find me

[Attendee 1] (2:10:51 - 2:10:55)

I'm losing control of myself, don't tell me to tread

[Attendee 6] (2:10:55 - 2:10:57)

I'd rather be a wild one instead

[Attendee 3] (2:10:58 - 2:11:07)

Don't buy me, don't buy me info, the cool kids aren't cool to me They're not cooler than we are

[Attendee 1] (2:11:07 - 2:11:20)

If you don't like God, then don't hate on me Leave us alone, we don't need no apology

[Attendee 6] (2:11:20 - 2:11:28)

If you don't like God, then don't hate on me If you don't like God, then don't hate on me

[Attendee 1] (2:11:28 - 2:11:49)

Leave us alone, we don't need no apology If you don't like God, then don't hate on me Leave us alone, we don't need no apology If you don't like God, then don't hate on me Leave us alone, we don't need no apology

[Attendee 15] (2:11:49 - 2:11:50)

If you don't like God, then don't hate on me

[Attendee 1] (2:11:50 - 2:12:01)

Leave us alone, we don't need no apology If you don't like God, then don't hate on me Leave us alone, we don't need no apology Buy me myxxxx

[Attendee 3] (2:12:26 - 2:12:54)

Take a seat Right over there Sat on the stairs Stay or leave? The cabinets are bare And I'm unaware of just how We got into this mess Got so aggressive I know we meant all good intentions So pull me closer Why don't you pull me close?

Why don't you come on over?

[Attendee 1] (2:12:54 - 2:13:20)

I can't just let you go Oh baby Why don't you just leave me in the middle? I'm losing my mind just staring at you So why don't you just leave me in the middle? In the middle Oh baby Why don't you just leave me in the middle?

[Attendee 22] (2:13:22 - 2:13:25)

I'm losing my mind just staring at you So why don't you just leave me in the middle?

[Attendee 3] (2:13:27 - 2:13:54)

In the middle Oh, take a step Back for a minute Into the kitchen Floors are wet And time starts to run And dishes are broken How did we get into this mess? Got so aggressive I know we meant all good intentions So pull me closer Why don't you pull me close?

[Attendee 6] (2:13:55 - 2:13:57)

Why don't you come on over?

[Attendee 1] (2:13:57 - 2:14:11)

I can't just let you go Oh baby Why don't you just leave me in the middle? I'm losing my mind just staring at you So why don't you just leave me in the middle?

[Attendee 3] (2:14:18 - 2:14:41)

Looking at you again Just pouring out admission Regardless of my objection And it's not about my pride Oh baby Why don't you just leave me in the middle?

[Attendee 6] (2:14:42 - 2:14:51)

I'm losing my mind just staring at you So why don't you just leave me in the middle?

[Attendee 1] (2:14:51 - 2:14:59)

In the middle Oh baby Why don't you just leave me in the middle?

[Attendee 2] (2:15:36 - 2:16:26)

I come back to the places where we found us We're somewhere in a place between love and lust And I could go anywhere, anywhere is home Yeah I could go anywhere and never feel alone I come back to the places where we found us When I'm not with you I'm not me Nothing ever feels good When I'm not with you I'm not in control of what I do It's not me When I'm not with you I'm not me

[Attendee 1] (2:16:27 - 2:16:37)

Nothing ever feels good When I'm not with you I'm not in control of what I do It's not me

[Attendee 2] (2:16:37 - 2:17:27)

When I'm with you I feel good when I'm with you When I'm with you I feel good when I'm with you It's not me When I'm with you I come back to the places where we found us I come back, come back Nothing ever feels good When I'm not with you I'm not in control of what I do It's not me When I'm with you

[Attendee 1] (2:17:27 - 2:17:43)

I'm not me Nothing ever feels good When I'm not with you I'm not in control of what I do It's not me When I'm with you

[Attendee 15] (2:17:43 - 2:17:55)

I feel good when I'm with you When I'm with you I feel good when I'm with you

[Attendee 1] (2:17:55 - 2:18:26)

It's not me When I'm with you When I'm with you I feel good when I'm with you When I'm with you Nothing ever feels good When I'm not with you I'm not me Nothing ever feels good When I'm not with you I'm not in control of what I do

[Attendee 2] (2:18:26 - 2:18:34)

It's not me When I'm with you I feel good when I'm with you

[Attendee 15] (2:18:34 - 2:18:38)

When I'm with you

[Attendee 1] (2:18:38 - 2:18:42)

I feel good when I'm with you

[Attendee 6] (2:18:42 - 2:19:11)

It's not me When I'm with you It's you and your world And I'm caught in the middle Cut the edge of the knife And it hurts just a little And I know, and I know, and I know, and I know That I didn't be your friend Here's my head and my heart And I'm caught in the middle My hands are tied But not tied enough You're the fever, fever, fever

[Attendee 1] (2:19:11 - 2:19:19)

Oh, oh, oh I'm not me When I'm with you When I'm with you

[Attendee 6] (2:19:21 - 2:19:29)

You're the poison in my wine And I'm caught in the middle And I'm caught in the middle

[Attendee 1] (2:19:29 - 2:19:33)

But I'm not me When I'm with you