**PPN Session Two 7.11.2024\_Transcription**

[Speaker 4] (0:00 - 0:14)

Let's get down, let's get down to business. Give you one more night, one more night to get this. We've had a million, million nights just like this.

So let's get down, let's get down to business.

[Speaker 18] (0:16 - 0:27)

Let's get down, let's get down to business. Give you one more night, one more night to get this. We've had a million, million nights just like this.

[Speaker 4] (0:27 - 0:47)

So let's get down, let's get down face to face Back and forth, back and forth with the bullshit You know I said it before, I don't mean it It's been a while since I had your attention So in my heart you're with it

[Shiv Haria] (1:01 - 1:04)

Ladies and gents, it's your two minute warning, have a seat

[Speaker 4] (1:04 - 1:34)

Dreams we had don't ever fall away We can't leave them if we stay the same And I can't do this for another day So let's get down, let's get down to business Let's get down, let's get down to business Give you one more night, one more night to get this We've had a million, million nights just like this So let's get down, let's get down to business

[Speaker 18] (1:36 - 1:50)

Let's get down, let's get down to business Give you one more night, one more night to get this We've had a million, million nights just like this So let's get down, let's get down to business

[Shiv Haria] (1:51 - 1:59)

Ladies and gents, we're going to be starting in one minute, one minute warning This is your one minute warning, grab your drinks and have a seat

[Speaker 16] (2:05 - 2:08)

Ladies and gents, let's give Shiv a massive round of applause please

[Shiv Haria] (2:15 - 3:55)

Perfect, okay brilliant Who's talking to someone new? Perfect, that's what we want to see Have your seats please quickly guys, seats Is this for me to sing?

Is this the new slide deck? No? Okay guys, so before the break, quiet please Craig?

Perfect, before the break We did a couple of bits of homework, I just want to recap them quickly with you guys So we have focus on easy money, that's the first bit We then also have booking your strategy sessions and the third thing is To set up your winter hit list which we're going to go through in a little bit This is all in the back of your workbooks I want to just remind you whilst we're here about private dining You will have all received a whatsapp message if you have been invited to a private dining There are going to be three tables this afternoon, there's going to be the superstars with Shiv Can we get a little cheer, superstars with Shiv We're going to have the all stars with Adam

[Speaker 22] (3:56 - 3:59)

And we're going to have the jammy dodgers with Jon

[Shiv Haria] (4:01 - 7:43)

Oh Graham's here on time Graham I'm just going to go back a couple of hours so we can get back on track So three tables guys for private dining The superstars with Shiv, the all stars with Adam and the jammy dodgers with Josh So what I need you to start doing is start thinking of questions right now If you don't have a question, what we want to be covering at lunchtime is Your direction of travel for this year What's your direction of travel, let's start discussing that And remember that we're having these private dining tables so we can turn decades into days The people in the room are everything that you need to be successful in 2025 And the private dining table is an intimate setting where you can start to share some of that stuff And get some feedback on that.

Does that make sense? Last month we showed you this offer for Financial Fortress, it was the pre-launch offer And you get basically wealth management in a box With our famous Josh Keegan But I want to tell you that this offer has now ended So we're now open to the open market, it's still a fantastic thing If you haven't booked on it and you think absolutely this is something I need to do, I need to get my wealth back on track Then scan the QR code and get in with this, this will not come again and it's absolutely fantastic The next thing is PE parents, how many of you are parents in the room?

Perfect, so PE parents you'll know that trying to juggle All the stuff that we do in the blueprints with having a family Is probably too much juggling going on there So what we want to do is we want to try and adapt some of these blueprints that we have to family life And that's the whole point of PE parents, it's live Zoom attendance only So it's not going to be recorded, you can't attend via streaming You have to be live on that Zoom to attend it And in order to book there is a QR code in your workbook, so have a check at the back of your workbook The next date is going to be the 21st of November at 12pm at noon So put that on the actions list right now if you're a PE parent The 21st of November at 12 noon is when the next session is going to be By Clare Reid Amazing, we can do better than that, come on guys Brilliant And now we have open mic time So every month we have an opportunity, you have an opportunity To share your journey, to share your successes, share your challenges with the rest of this community Remember this is also a way for the community to get to know who you are It is no mistake that the people who stand up here Are the people who end up winning the awards at the end of the year So what I'm going to do right now is I'm going to invite anyone that wants to come up to the right of the stage And I'm going to invite also the new members Please stand up if you want to come up, stand up and come to the sides And what I want you to do is we're going to share your experiences with Sober October I don't know about for you, it was really difficult for me this year, I don't know why Really difficult, Kevin Edge kept me on track We can also share your progress with the Cave Time topics, there was a lot of stuff going on there A lot of homework for us to do and ultimately your plans for the year ahead Or share your successes and challenges, any successes and challenges that you had What I need you guys to do, listen in on this You have 30 seconds max Max Dolman, 30 seconds max Where's some of the newer people, new members as well Come on, this is all time for us Ok perfect, so first person, come on up Round of applause Amazing

[Speaker 9] (7:46 - 8:33)

Hello, hi, welcome And what I would like to share with you is My biggest realisation is when I did the live by design scorecard I actually shared it already with the community on Facebook I realised what my finances are They're not where I want them to be yet But what I only realised when I'm on my live journey is actually 89%, so I was super happy with it So I'm one of those, I'm a manifesting generator, I don't stop So my idea of resting is actually doing the research I've got 30 seconds So yeah Thank you very much Thank you

[Speaker 23] (8:37 - 8:39)

Amazing, next

[Speaker 12] (8:39 - 9:18)

Matt, 30 seconds This is just a share and a recommendation for everybody We've been doing our SWOT analysis this week and last month But we've been sharing it, part of the mastermind, to each other So we've been delving into the weaknesses, the opportunities and threats And just peeling back the layer For me it was a massive lesson to find out that apparently I do talk too much However, I just recommend anyone to do it You might feel vulnerable to do it, but you could get some really good learning lessons So share it with your family or some friends And find out a little bit more about yourself

[Speaker 23] (9:18 - 9:19)

Amazing, round of applause

[Speaker 19] (9:25 - 9:49)

So, accountability spike So last month I said to my group and people who knew me I'm going to move from 93 to 91 I got to 90.5 kilos Dropped 2% body fat and gained 1 kilo of muscle This month my accountability, I want to come back next month and tell you that I'm down to 89.5 And dropped another 2% Because I know there's a six pack in there somewhere

[Shiv Haria] (9:51 - 9:57)

Come on up Chris Chris, 30 seconds

[Speaker 7] (9:59 - 10:39)

Last year I had hit a tipping point where I pushed myself over the years To really quite serious burnout and had really bad insomnia Pretty much the whole of last year And I just wanted to say a massive shout out to this process Because as well as focusing on the business side of things Focusing on the life by design massively helped me actually really put measures in place Specifically the support from Sen, the business partner, the mastermind group And really big shout out to Mr Matt Dolman, Mindful Matt over there Who really helped me see the value in just slowing down and putting some mindfulness practice in place To really get control of that I'm pleased to say that as of our trip to Bali, I've been sleeping like a baby

[Speaker 10] (10:41 - 11:22)

Amazing, come on up Hi everyone, so as most of you know I'm 21 And that means that right now I'm watching a lot of my friends at university And actually pretty much all of them don't know what they want to do with their lives So I'm trying to put together a coaching program To help young people understand what they want to do in their lives And pursue passions that they're excited about, whether that's a job or starting a business So I just want to open it up to the group, if anyone's got young children Coming out as adults, as it was, nephews, nieces That maybe feel a bit lost, I'd love to try and help them And improve concepts and my coaching steps

[Shiv Haria] (11:22 - 11:35)

Amazing, and just share your name as well Because we all want to get to know you Perfect, fantastic, thanks Finn Let's introduce ourselves when you come up Ben

[Speaker 21] (11:37 - 11:50)

Hi I'm Ben, this is my third year on PE And this is a really small thing but it's directly from PE 10,000 steps a day, 2 litres of water, 2 pieces of fruit I had to buy a new belt

[Shiv Haria] (11:54 - 11:59)

Property entrepreneur gets expensive Come on mate, let's go

[Shiv] (11:59 - 12:38)

Quick one to start, big round of applause for our man Shiv You're awesome, I'm Sen And as Shiv said, everything we need is in this room And so I have a question in relation to a small challenge With two really good HMOs currently vacant in Nottingham Outside of Varie for me, my preference would be that these would be on a long lease So the question to you guys is, there might be someone here Who knows a provider who could slot in and take on that lease And in return something for you So if you can help with that yourself or know someone who can, please come and give me a shout and have a chat

[Shiv Haria] (12:38 - 12:45)

Hands up if you can help with that There we go, we've got somebody, perfect

[Speaker 20] (12:50 - 13:02)

Hi I'm Grant and this is my wife Kay We run a company called KG Shortstay And this year we've faced one of our biggest problems to date Which Kay is going to quickly share with you

[Speaker 17] (13:02 - 13:16)

So a lot of you already know this, but very recently we found out that one of our highest employers defrauded us For plus £150,000, left us with 30 occupiers Families in our properties that didn't want to move

[Speaker 20] (13:16 - 13:18)

26 properties in total

[Speaker 17] (13:19 - 13:35)

So thank you to everybody that's asked us questions over the last 6 weeks Thank you Adam We got everyone out And we secured financing to support all our clients to make sure no one lost any money

[Shiv Haria] (13:35 - 13:42)

Amazing, round of applause guys Can we tell that Grant to Dynamo?

[Speaker 15] (13:44 - 14:21)

Have a little introduction as well Hi everyone, I'm Steve Caldwell Mostly you might know that I'm starting Expat Property People Which is about connecting UK expat investors who are buying property in the UK With service providers from the UK The niche I'm going for is to get world class service providers Who can really ride that crest of the wave and not the dross that you can find out there So if anyone is a service provider with or without expat experience It's really about people who invest in themselves to make themselves better So please come and see me and we'll see if we can get you part of the community

[Shiv Haria] (14:21 - 14:29)

Amazing, excellent Steve, thanks Come on Akash, two, double act No you get 30 seconds

[Speaker 16] (14:31 - 14:52)

We just want to say, it's literally what Shiv says, everything you need is in this room After the budget where they talked about pensions coming into IHT Me and Tej have come together to provide the tax and finance advice together To try and help those people So I'm just the bodyguard

[Speaker 23] (14:54 - 14:56)

What's the thing that you're providing?

[Speaker 16] (14:57 - 15:03)

The tax structure and the finance advice For anyone who's got IHT liability

[Shiv Haria] (15:03 - 15:13)

Amazing, well done, a round of applause for that Off we go A little introduction

[Speaker 8] (15:13 - 15:21)

A few weeks ago I was in the shower

[Speaker 22] (15:23 - 15:24)

Visualise

[Speaker 8] (15:26 - 16:07)

I was in the shower and I was reflecting Three years ago this month It was only one month I was drying off and I picked up my phone And there was a message on there How uncanny is that I thought I'm in, I'll do it At the same time I thought if I'm going to do that I might as well exercise and eat healthily and just change my lifestyle for a bit I feel amazing and for the first time since I did the get up I did about half a marathon and I'm over 100k

[Speaker 22] (16:09 - 16:15)

Amazing, this is what you can do guys on the blueprints Go for it

[Speaker 6] (16:15 - 16:42)

Hi guys, I'm Gareth Morgan from South Wales, you can tell by the accent My company's Prime Property Finance so we're a specialist mortgage brokerage So if anyone needs any help with any deals, BRR, bridging development or anything like that then please get in touch My biggest lesson from last year was actually The takeaway for me was around reduction in alcohol Being from South Wales, heavy rugby, culture, environment It's quite challenging, so that's been a game changer for me, sleeping much better as well

[Shiv Haria] (16:42 - 16:44)

You've given up alcohol completely?

[Speaker 6] (16:45 - 17:05)

Not quite, steady, steady Moving in the right direction The biggest challenge for me at the moment, I've got a six flat office conversion going on for housing association And my builders walked off site We're 95% of the way there, so it's not the end of the world

[Speaker 23] (17:07 - 17:12)

That's why your sleeves are up Come on Neil, have a go

[Speaker 5] (17:14 - 18:04)

Hi, I'm Neil Ridge, I'm new round here, thanks for letting me in So my 28 day challenge Was to do three strength sessions a week for the month And I failed miserably And I've been setting that goal every week for ages And actually look back in the diary and it's been one session maybe two So what I did was cut myself a little bit of slack Because this year I've been on an amazing journey with my physical health I've dropped about eight kilos in the best shape I've been at So I just cut that down to ten minutes a day and made that a non-negotiable And it was a good reminder, you can't do everything But you can do anything, but you can't do everything And also just bringing those goals down and that's working really well So I'm happy with that

[Speaker 3] (18:08 - 19:04)

Hi everyone, my name is Suzanne MC for those that don't know My background is interior design and project management and I do limited layouts For other developers, landers and investors We have our own development company, Myself and Crave, where we do Larger developments and because of that we have our trade to developer Masterclass that we started two years ago thanks to The support in the room with PE, which is going really well And we'd like to grow that even more So the challenge for us this year is to get more people onto that course And whether we keep it as a year long course with one intake Or whether we put it online and then do mentoring That's the decision we need to make Our course is accredited and I've got the team in place If you have a course and you'd like it accredited to stand out in the crowd Speak to me and I can get that suited for you too

[Speaker 13] (19:10 - 19:51)

Hi I'm Katie So this is a little bit of accountability So I'm on the tools as an electrician Subcontractor, due to the nature of the work you can be let go at any time Trying to replace my income with sales role stuff that I really love to do Get off the tools because that's what's holding me back It's more than I actually technically got sacked, so it sped up the process And my accountability is that I'm not going to take on another site for the next month I'm going to find a little bit of work to pick up pieces Also Josh won't come up here but we've just agreed an assisted sale Which should make us about 65k minimum And that's been going for 12 months, our parents have finally invested with us as well Amazing

[Speaker 22] (19:53 - 19:55)

A lot of good things there

[Speaker 14] (20:00 - 20:40)

Hello I'm Casey And yes I recognise that this is a property room and property is still my first love But I'm going in a different direction I am starting to work with women who are going through perimenopause while parenting through puberty Cool, niche And you were saying anything in this room So I am looking for women who are either Experiencing that themselves or if you know and love Let's Chat A woman who is going through that, please let me know Get my contact information I am just starting up and I would love to start working with

[Shiv Haria] (20:43 - 23:56)

Amazing, fantastic Guys one more before we have a round of applause for everyone I wanted to share something, one of my stoptober Where's Kevin Edge, still not in the room Wanted to put my phone on black and white And I went as far as putting a diary entry every single day Of my week saying black and white phone, black and white phone That didn't work, I told my PA to message me every single day And I just found that I kept getting back on to colour Without knowing it, boom I'm on colour, what am I doing on colour, black and white Before you know it I'm on colour again, so I didn't do my stoptober But what the importance of that is to let you know that as Ian says on the board If you say yes and you do it, that's fine If you say no and you don't do it, that's fine, but you can't sign up to do something And then not do it, which is what I did, really important lesson So a round of applause for everyone that did open mic Perfect, so next thing then is that we know that most business owners Operate very tactically and we know that they end up doing deals Operating their business and like I said at the end of the day they don't end up making any money Property entrepreneurs, everyone in this room for example is going to be operating strategically We determine the rules of the game, we stick to the rules And we end up making profit, but more importantly before we start the year We know exactly how much profit we're going to be making Here's a good analogy for you, especially if you have kids, how many of you have kids in the room?

Okay so you'll understand this one, imagine going on holiday and you end up Booking everything last minute, on the fly or ad hoc, you've not booked anything You end up getting there, we'll have the tickets for the flight, we'll fly over We'll have the tickets for the hotels, then we get there, what are we going to do? We don't know any of this, this is going to cause you a lot of stress, it's going to be Way more expensive and you're going to end up frankly wasting a lot of the time That you have on holiday organising stuff, okay, can everyone relate to this? But what we can do instead is we can operate strategically What does that mean?

That means that before we get there we pre-book our flights We pre-book our accommodation, our transfers, our tours Even maybe our meals, when we go on the Property Entrepreneur Board Retreat Our meals, our restaurants are booked in for us because then we don't have to think about any of that Kind of stuff, if we do that we can have a relaxing time, it can be a lot More efficient for us in terms of time but also in terms of money So it can be a lot cheaper for us and we end up enjoying the holiday, who gets what I'm saying? Perfect, so to tell us how we can operate strategically And to build our own business models we have a guest speaker for you guys I want you to put your hands together, this guest speaker started, scaled And systemised multiple businesses, they've sold their business On Property Entrepreneur, they're a best-selling author And they're a three times, three times Property Entrepreneur of the Year Award The most that we've had on Property Entrepreneur, please ladies and gentlemen Put your hands together for the ultimate FD himself, Josh Keegan

[Speaker 22] (24:04 - 24:05)

Josh Keegan

[Josh Keegan] (24:07 - 37:36)

We all good? Excited for the session head? Oh thank you, my wonderful assistant, thank you very much I really like that example that Shiv gave, it's just this whole concept of when you turn up You plan and you think about things in advance, the whole experience can be far more Relaxing and enjoyable and this is very much like a business It's like you want to turn up, having considered everything, know how everything's going to work And then you're actually going to enjoy the experience and enjoy the journey, you're not going to be disheartened You're going to make significant amounts of money, and the Bulletproof Business Model is without a doubt One of the most important and most lucrative assets that you can create for each and every one Of your businesses this year, who wants to make some more money this year? Cool, anyone not want to make some more money this year?

Good, well done So, this is that tool, this is what you need in your framework, in your toolbox To actually allow you to make more money this year. Most entrepreneurs, they turn up They hope for the best, they make a sale, they do a discount They spend more because they feel like they need more, and they're constantly building on the fly They're building as they go, and as a result they see an unprofitable business Something that doesn't fundamentally actually work and doesn't actually Ever generate any money. It's very easy As an entrepreneur to turn up and put food in the fridge, that is easy We can all turn up and create something that's going to pay us enough money To do our weekly shop at Audi, Tesco, Lidl, wherever you are on your journey But, what's really hard is to pay yourself But also has a business which generates you significant profit But until you do that, you're never going to achieve significant amounts of wealth Because this is the surplus, this is the chunks of income you can take You can invest, you can put in your financial fortress And the difference between a business that makes money and a business that just pays you to live Is a business model, and getting this right is going to be key to your success in 2025 Key sentiment, finance driven business, not business driven finances Your business has no interest in making any money for you Your properties do not want to make you wealthy, they want to cost you a fortune Your team members do not care if you double their salaries next month Your clients do not care if you're going to reduce their fee to them Their cost to them, and it's going to cost you significantly They don't care, no one cares, your business is like this child It's never actually going to serve you, it's just going to cost you Unless you start to control it, unless you start to put some rules in place And the key concept here is, it's a finance driven business So, you decide what the financial is going to look like, you decide what the metric is going to look like You decide what your minimum pricing is going to be, what products you sell, what your gross margin is Your net margin, all these different elements, and then you build a business that actually allows you to achieve that In practice, you wouldn't build a house without a blueprint Honestly, if you want to spend a lot of time and energy and effort Living in the worst house in the world, leave this workshop Go and buy yourself some bricks, and just start building That's how you create an awful house that you're never going to like, you're never going to live in long term None of us would do that, would we? We'd pay an architect, we'd get a specialist in to actually architect and map out the dream house that we're actually going to live in And that's how we end up with something that we're really proud of, that we absolutely love It's the exact same concept here, you need to work out how your business works Before you start building it, and to do this, we use the bullet proof business model And we're going to dive into this very shortly, I'm going to go over a few of the basics And a few of the concepts here, and we're actually going to build this in the room today So the aim of the game today is to leave advanced with this done And by the way, for those of you that have just come from the program on to advanced To reiterate what Shiv says, this is the magic of advanced, it's not leaving with a thousand pieces of homework That you're overwhelmed and you don't get time to do You want to really use this time to build this in the room, get it done, so you're left with your work actually done Rather than leaving with confusion, you've got to book it in the diary You're not quite sure how to do it, and you get stuck and it just never happens So that's what we're going to do today, that's the aim of the game Once you've got this, for each of your businesses you're going to have rules And number one rule is don't break the rules So when you have a minimum margin that you're going to make on your next contracting job Or a minimum price that Pat charges when he does a source deal for an investor You don't break those rules, you always charge that minimum price or more, you do not go below And one of the great things about this as well, is when you have this simple set of five rules In your business, for those of you that do shy away from your finances Who doesn't like looking at their monthly P&Ls?

Anyone? Who generally just doesn't want to speak to their bookkeeper? Yeah, most people in the room It's normal, it's like most of you are lying It's very normal, only the steals really like doing it Maybe the tempos, but it takes the pressure off you to do this Because if you have the rules, if you define your money making rules If you define your minimum price, your maximum overheads, your minimum gross margin And you've got them in your mind the whole time And when you're making decisions throughout the day, throughout the week, when you're speaking to clients You're sticking to them, a lot of your finances actually take care of themselves So when you get into that P&L review, when you look at how you've actually performed Generally there won't be any nasty surprises, so you want to get this nailed and you want to have this For each and every one of your business There are five elements to this, and hopefully you guys have watched The session you were asked to watch in advance, so I'm going to go through these at relative pace But obviously we're going to do a prime time workshop to actually get this done I'm going to take you through these elements, make sure you note them down The first is pricing and products So what products are you going to offer to your clients? So I'm going to keep picking on Pat because he's in the front row Pat has a sourcing business, his products would be a package deal Another product would be project management Another product he might consider, I wouldn't recommend it, would be the lettings, property management Those could be three products that Pat offers under one business Now for each of those products, you need a price So what is the minimum price for each of those different products and services that you offer?

If you have a property portfolio, one of your products might be professional HMO rooms One of them might be service accommodation rooms, one of them could be Properties for families, single lets, whatever it may be So what are the different products that you have in your business, and what is the minimum price you offer those products at? The next is COGS, who can remember what COGS stands for? Cost of Goods Sold So how much does it take, how much does it cost you to actually deliver on one of these goods or services?

These can be called variable costs They can be called direct costs, because basically these are costs that go up when you sell more So you sell an additional product or service That's going to incur a cost, that's your cost of goods sold So every time you make an additional sale, what is the additional cost you're going to have to bear as a result of that sale? For trading businesses, this is a bit easier For Pat, if he's project managing for people, he sells a project management package Then he might have to recruit a project manager So if they didn't do that deal, he wouldn't have to pay for a project manager For property businesses, generally I would say the cost of goods sold are anything to actually run that property So if you make income from a HMO, your cost of goods sold would be The cost you incur to have that property So it might be your gas and electricity, your property management fees if you have an agent Your mortgage interest if you own the asset So that's your cost of goods sold The next is your net margin percentage So your net margin is the bit at the bottom, this is the bit that Dan was talking about earlier What percentage net margin do you actually make? This is normally a percentage and it's one of the most powerful indicators of efficiency So if you think as an entrepreneur The really great entrepreneurs, they get good at doing one thing really well And that's taking top line revenue and turning it really effectively and efficiently Into bottom line profit And all the stuff we teach you on Property to Entrepreneur, how to recruit people, how to systemise stuff How to make more sales, how to put your prices up, it's all just part of that mechanism To allow you to achieve more revenue and turn it into bottom line profit more efficiently And so that's a real indicator, it's really important Because if you don't have high net margins, it means you don't have a viable business So what is your net margin percentage? So if my net margin was 35% That would mean for every £1 of revenue I bring to the top line, that's 35p at the bottom Now of course you may have to pay tax on that, but that's also the fun money You can actually draw, you can actually take as dividends and you can actually enjoy So what is your net margin percentage going to be? Generally for trading businesses Service based trading businesses like sourcing companies, letting agencies, consultancy businesses Training companies, you want to be aiming for anywhere between 30-45% as a net margin To have a really lucrative business For manufacturing, for asset backed businesses, where you own the asset Like a rent to rent or whatever it may be, you might be more like 10-25% Depending on how leveraged you are and what your set up is with that But you want to have a target that you're aiming to hit, and as I said this is finance You're in business, you may not be at the target now, but if you decide that target And all your decisions are around hitting that target, that's how you get there, that's how you get to where you need to be Then step changes and sweet spots A sweet spot is a beautiful, beautiful thing And the people that do really well, like Shiv is a really good example, he's full of energy He wakes himself up and pinches himself every day He can't believe that he's actually got this business, he's in a sweet spot And that is where you're making really good chunks of money So that's, it's lucrative It's where it's leveraged, whereby as a director You can put as little or as much time into it as you want to, it requires minimal time from you So you're not having to work 12 hours to make that money, you can literally work an hour a week, two hours a week Have your one to ones with your team on a Monday And the third element to that, what do you think the third element is? Yeah, 5 star service, so it's service, so your clients love you And the business is operating really well And you want to find the size of your business where all of those Three things come together, where it pays you well It doesn't require hours and hours of your time, so it's leveraged And it's also amazing service, your clients love you When you're out of kilter, when you grow too big and then your service falls apart You may be making great money, but as soon as your service falls apart, what happens?

You're back in the business trying to sort it out, so it takes more of your time So when you're not in a sweet spot, you'll know it, and as you grow in this kind of linear fashion You'll find you'll go out of kilter, we want to identify where is your next sweet spot for your business And finally you've got your overhead budget So this is how much are you going to spend to actually run your business each and every month What are you going to spend on people that are sitting in the office, administration, accounting Zero packages, Asana, the things that are actually going to run your business for you So that's your overhead budget Don't worry, I'm going to go through that in more detail and show you an example in a minute This really is the acid test for your business If you're doing this exercise today, and like Dan talked about, there's easy money and there's hard money If you're doing this today, and you genuinely can't see how you're actually going to get this To 35-40% net margin, it might be The answer is this actually just doesn't work, it's not actually a viable business If you know you need to make 10 grand a month in this business, and no matter what you do No matter how many sales you put in, no matter how you try and leverage the overheads or chop and change it And you don't want to put your own time in, you might find that actually this just isn't viable It's not something you can scale, it's not something you can continue with And I would say that is not a negative, but it's a positive Like Katie standing up here and saying that she's just been fired from her job and everyone claps It's like we're in a special room But it's the same, if you genuinely are doing your business model And it just doesn't work, you should be happy That you've saved yourself 10, 15, 20 years of pain My dad's an example, he's been scaling a business for 20 years and it's just not a good business He's been fight, fight, battle after battle It's never actually paid him too well, he's not in a good place And he's exhausted and tired, and it's because it's a low margin business In the best case, in the best year, if nothing goes wrong and COVID doesn't happen And his factory's always selling and selling and selling, he might have made 10% I keep saying to him, it's just not a good business, he's like yeah but I could make 90 grand You could, if everything goes right, but it never does So you want to get to a place where you've done the acid test, you know you've got a viable business And if it's not working, think about, not necessarily throwing in the tools and piling it off now But think about how you're going to transition to a higher margin or how you can make a higher margin So we're going to do a primetime workshop, and I'm going to set you guys up for that in a moment And we're actually going to get this done in the room. Before I do that, I'm going to show you A live example of actually getting this done. So who wants to be my volunteer?

And I will cherry pick a good business. Who wants to be a volunteer? Don't all rush at once guys Suzanne, cool.

You don't have to, you can stay, are you coming over here? No, no, it's fine, come and get a chair. You can sit back down, whatever you want Maybe get Suzanne a mic, or you can walk up to me and say Suzanne if you want to So what's the business Suzanne?

[Speaker 3] (37:39 - 37:44)

It's our trade to developer masterclass So it's like a training business? Yeah.

[Josh Keegan] (37:44 - 39:17)

Cool, nice So what you guys are going to have in a moment is you're going to have this template Which we've progressed and moved forward And you're going to have a contents page with a load of business models that you can choose And then for those people that responded to the message, we've then built your specific business model Within here as well, so you can actually use it For a lot of you, if it's like a trading business like Suzanne's, the business model You can use is just called business model basic, so it's just a basic business model you can use It's like, my understanding of Suzanne's business is, well I think it will fit into this quite nicely So I'm going to just, we'll do this in practice Together, we'll only spend like 10 minutes on this Suzanne, so then everyone's got time to do it So you can fill in the banks if you need to.

What you need to do is You're going to download the sheet, get it on your laptop, and then we can use the yellow boxes To actually write in, and this is what we're populating and filling out So we're going to go through nice and steadily. So Suzanne, what is Do you want to come up here? Come on, bring a chair, give Suzanne a round of applause Come on Can I steal this chair?

Come on Suzanne, you can sit up at the front Alright So, Suzanne Yeah, it's the big interview seat, well you can sit wherever you want, wherever you feel comfortable Okay, cool. So Suzanne, product number one in your business What do you actually sell? So the masterclass is one Masterclass, so we're just going to literally in the yellow box write the products first, so masterclass, anything else?

[Speaker 3] (39:17 - 39:25)

Then we've got the accelerator Accelerator, yep. And the strategy evening Nice.

[Josh Keegan] (39:25 - 39:49)

So the first thing you guys are going to do Is you're literally going to put in your products over here Do you want me to make that bigger? Are you all good? Adam, are you alright?

Adam, on Zoom Every meeting, he's like, he's not sitting like this, his eyes go Okay Adam, I'll make it a bit bigger for you, there we go, a bit bigger So, masterclass, what's your price for your masterclass?

[Speaker 3] (39:52 - 40:06)

Let's just do it Sorry, so they pay A deposit first of all, and then they pay a monthly fee For 12 months, so it's £4.99 a month plus the AT Okay, cool.

[Josh Keegan] (40:06 - 40:19)

So we'll leave the AT out of it, we'll make it very simple Because we're not doing cash now, we're just going to do the actual price and then deposit would form in that kind of cash balance So keep it really simple, like, £4.99 a month is what they pay What about for the accelerator?

[Speaker 3] (40:19 - 40:26)

That's £4.99 a month as well, that's for 6 months, whereas the other ones are for 12 months And then what about strategy evening?

[Josh Keegan] (40:26 - 40:53)

We've been doing that in 99, but it's a one off, rather than monthly Nice, okay cool, so we'll do the masterclass first, so then when you sell a new client onto your masterclass Does that cost you anything? It's about £130 a month For the whole year, okay cool So that works out to about £10 a month Accelerator? About the same And then strategy evening?

[Speaker 3] (40:53 - 41:06)

That actually costs us more than we charge them Because it's a lead magnet So should we put in the same amount?

[Josh Keegan] (41:06 - 43:19)

So you can obviously firm these numbers up So basically we've got Suzanne's three products in here, we've got the masterclass And all of this is monthly pricing here, but if you don't operate that model You can also do it as a one off price, for example I do consultancy packages So I put them in as my consultancy package price, you'll see how we'll put that later So your masterclass is £4.99, you've got your accelerator £4.99 You've got your strategy evening at £99 So then what this is doing is we've put a cost of goods sold in So we're saying right, when Suzanne sells a £4.99 a month package She's also got to pay out £10 a month So obviously this is training, this is very lucrative, but I'm assuming there's going to be some overheads attached to it I think we should put that in overheads Yeah and I would say It only becomes a business when you're getting paid for the jobs you're going to be doing So that's really important, so I think with Suzanne's we'll probably put that into overheads So that at least her and Craig have got some time in there allocated, otherwise If you get a 40% net margin but you're not actually putting anything in for yourselves, that's not viable You want to be, all the jobs you're getting paid to do, then the 30% net margin Or 35% is what you want to have Then you're going to have gross profits, so you can see these are highly lucrative gross profits, 98% And 0% on the strategy evening because it's a bit more of a lead magnet And what I'd say, seeing behind the scenes of gross profits It's very logical, but if you want to achieve A minimum of 30-40% net margin Your gross margin, your gross which is the bit before your overheads needs to be 60% plus as an absolute minimum I've worked with some companies where it's 95% Obviously they do very well, I've worked with some companies where it's 30% and they don't do it anywhere near as well So you want to make sure that your gross is in a really good place Then what we're going to do is we're going to put a target net margin What do you guys actually want to achieve in your target net margin? I haven't actually worked that bit out, last year I put down 30% So if you're not sure, put something in, you're going to be able to play with it That's the art of doing this So how many people do you want in your masterclass?

[Speaker 3] (43:20 - 43:23)

Up to 10, the way we're running it currently

[Josh Keegan] (43:23 - 43:56)

So what we do is over here you've got unit sweet spots The reason why there's 3 columns here is because you can do This is where Suzanne's at now, in 2 years she wants to be here, in 5 years this is the new sweet spot But likewise for now, even if you're not quite clear on where you need to be Just do the first column first and you can play around with the rest later So Suzanne wants 10 people on her masterclass How many on your accelerator? 10, ideally on that as well 10, we need to make an adjustment, I appreciate it's only 6 months And the strategy evening?

[Speaker 3] (43:57 - 44:04)

We need to really be getting 20 people on each one, and we do 3, so 60 in total A month?

[Josh Keegan] (44:04 - 44:49)

No, for the entire year So what this is, this is a monthly calculation It's a bit of a funny model, but we can make it work So basically the accelerator, because it's only 6 months I'm going to put 5 in And because the strategy evening is 3pm, it's going to be 3 divided by 12 To be honest, I probably would leave strategy evening out because it doesn't make any money anyway So what you can see is this is then coming out and calculating your sales Very simple calculation, 10 masterclasses times 499 5 accelerators times 499, this is giving the average monthly sales value Which is coming out to about £7,510 a month Cost of goods sold is £175 Because it's pretty minimal based on the above

[Speaker 3] (44:52 - 44:53)

And then...

[Josh Keegan] (44:55 - 46:08)

Yeah that's true, what would the accelerator We'll leave it in like that then We'll work out the nuances, so cost of goods sold But you can tweak this guys, if it's not quite working, we've tried to build a model for everyone If it's not quite working, just feel free to tweak around the numbers or put your hand up and I'll come and show you how to do it So cost of goods sold, we've got £175 a month, so this is gross profit of £7,355 Which gives a gross margin of 97, 98% Which is amazing, but then what we've got down here is basically the bridge Because we put in there that we want a 30% net margin Which if you work it backwards, that means Suzanne's got an overhead budget of about £5,000 a month If you work out the revenue figure times that by 30% It gives you your profit target, which is £2,253 Which means your overhead budget is the difference between the two Which means Suzanne's got £5,000 to actually spend on running the actual business So that's the starting point, the next step Is then to sense check it, so what you can do is there's a little plus box down here Click on that plus box, and then you can basically allocate your overheads So Suzanne's got £5,000 to allocate What are some of your costs, Suzanne, that you've put in?

[Speaker 3] (46:08 - 46:24)

So we have zero, which is about £26 We've got a Zoom account Which is about £12 What are the biggest costs?

[Josh Keegan] (46:25 - 46:43)

Our time You can populate these bitty ones I think probably what we need to do So you can literally just fill it all in My netting is quite high as well, it's about £3,000 A month?

[Speaker 3] (46:43 - 46:45)

A year

[Josh Keegan] (46:47 - 1:21:42)

I'm just going to pop in a few random ones as well So let's say it's £1,000 for this You can go away and tweet this So then what we go is Based on these costs, we've got £2,939 You and Craig go, you know what, we want to draw a certain amount from the business And we're going to get paid to deliver the training So you might draw £1,500 each, so let's say £3,000 is coming out And then what we've done, as you can see, the box has turned red Because we've over allocated by £61, so that's fine It's not a problem if you can make it round, that's great What we've then got is, based on these numbers, Suzanne's in a place where she knows Her sweet spot and where she's going is the minimum price of a masterclass Of £499 a month, minimum price of accelerator, £499 Minimum price of the strategy means £99, based on that they're going to hit 98% gross For a target net margin, they can then spend £5,000 in overheads with them drawing £3,000 And then per month they can do 10 masterclasses, 5 accelerators 10 accelerators over 6 months, which then gets a model So basically we're now in a place where she knows what the model looks like And all being well, they'll earn them £2,253 a month Of net profit, that's after they've actually drawn And £27,000 a year, now Suzanne you might look at that and go Actually that's a bit too low, and you might go, you know what I'm going to increase our margin up to 35%, whatever it may be For a training business I think it should be a bit higher, take some of these overheads out And then you might go, you know what, I'm actually going to aim to have 12 Masterclasses, or whatever, and just start playing around with it Until you get to a place where you're like, you know what, that's good, we can sell 12 We can sell 5 accelerators, 12 of these, these evenings, we pay ourselves £3,000 a month, we're going to make £3,000 a month profit, whatever it may be 35% margin, and I'm happy, and that's my sweet spot And that's what we're all trying to get to, does that make sense?

Does everyone understand? Yeah, cool, and so obviously that's a really good example Suzanne, thank you If there are nuances or anything you need to know about how you chop and change it to make it work Like, you know, we can't try to build something but if you need help, put your hand up and I'll help you Yeah, thanks Suzanne, my glamorous assistant, give Suzanne a round of applause, thank you So, what we're going to do Is we're going to go into hands up help, and we're going to build this with you guys In the room, what you need to do as a first port of call Is get your laptops open, if you want to manage that You should have a link to, from Bianca in WhatsApp, to the vault, where you can then download Your business model template, it's in the WhatsApp as well apparently So you can get that down from the WhatsApp Get onto your laptops If you listen to Bianca And you live under Bianca's regime, you should have had this on your laptops already And you're in trouble if you don't Yeah, he will be, he's already done it probably You can take the session What's the vault? So, I'm going to give everyone a moment to do this And then I'm just going to invite A few questions And then we're going to go into private time, any big questions?

Yes For the overhead section Would you just kind of like pull that from zero, because it's like It's actually been set up with the same default code So yeah, if you've got zero set up, 10 out of 10 Any further questions before we dive in? No, cool, so we're going to work in silence Please, hands up for help, and if you're not sure If you go to the contents page, if you requested a business model, there should be a link And in some cases, you didn't actually need a new one created, it's just linking to the existing one So just follow that, if you're not sure what to do, give me a shout, there's proxy ones in there There's SA ones in there, and we're going to go into quiet mode For the next 20-25 minutes, put your hand up if you need anything 3, 2, 1, off you go How old is that laptop? We're around there? Yeah?

I've never seen Valerie so happy She realised she got it right, and she hadn't broken the spreadsheet Right, we're going to finish up their team, there is going to be an opportunity to do a little bit more of this later on In the day as well I've left my table for private dining totally free In order to get some people on, or anyone that wants to come on To allow me to help you finish off in that private dining environment Would anyone get some value from joining me? Am I going to eat alone?

Do you actually need help Neeraj? So Neeraj is off So Bianca, if you can write down Matt, Suzanne, Stephen I think Chris's hand went up first, and Nick's already asked me, so I think that's everyone Craig will try and squeeze you on So that is the Bulletproof business model So hopefully you're there, or you're 78% there Now you might have done this for one business, and you might have more businesses you need to do this for It's really important, if you did this last year, please take it seriously to really update it based on this year Every year, your business model, it shouldn't fundamentally change But it should get better and more accurate So it's really important, you get it updated, you get clear on what your journey is for the year ahead And you might find you've not yet hit your sweet spot, so you say well how do you get there Or you might find you're at a sweet spot, you might want to go to the next sweet spot And so you need to make sure you're really clear on what that looks like for you Can we close our laptops please team, so we can get back in the room, thank you very much A few top tips for you for getting this nailed And finishing this off in your own time, or this afternoon, or with me at lunch The first is populate then play This is really really important, and this is why I think that these models are so good Because I know they're very simple, but entrepreneurs need simple So they can actually get to a place where they feel comfortable playing around with these different numbers If you've got to a place where you're looking at this and you're going Well I want to target 40% net margin, but actually I've got another 12 grand of overheads to allocate And I don't actually need to allocate them, well your target net margin is going to be higher If you're in a place where you've over allocated all your overheads, and actually you're looking at this going Well actually, for me to get paid from this business, I can't spend any more And still hit my net margin, well you need to think what can I do, can I increase my prices Can I increase my sales, and start playing around with the numbers Until you get it to a place where it looks like it's going to work and it's going to be good It's really important though, that you understand that anything financial, any of the financial stuff We talk about, is not big hairy audacious goals You might have that in your back pocket, you might think you know what I want to go to And triple the size of the business year, whatever it may be, it shouldn't be Shoot for the stars and hit the clouds, it should be aim for the trees and hopefully hit the moon That's what we're trying to do here, you want to make it prudent, you want to make it accurate, you want to make it realistic The second top tip is just to build it backwards, so if you're In a boat this year where you're like right I just want to get my cash flow sorted, plenty of people just want to get their Cash flow sorted, well really logically think well the business is going to be A vehicle to get me there, so you want to build a cash flow business and if you need 8 grand a month cash flow or 3 grand a month cash flow or whatever it may be, build a Business model that's going to create you enough cash flow that you can draw after tax So if you need 5 grand a month you might create a business model that's going to take you 7, 7 and a half Grand a month to actually generate you the cash flow you need to actually take out of the business So build it backwards, find a sweet spot, like genuinely With my letting agency before I sold it I was in this beautiful sweet spot, it's actually really Hard to get there, you don't realise how amazing it actually is where clients love you The business doesn't require you and you're literally making 40-50% net margin, it's mental, it's incredible place to be and it's so Enjoyable, so what I want to encourage all of you to do is think about that sweet spot Bigger is not always better, just because you're going to get bigger doesn't mean That you're going to have more profit and in some cases it will mean more profit but what Are you giving up to do that, are you giving up the service to your clients and are you giving up Your time to actually get there, I'd much rather have a slightly smaller business But it would require no of my input than have a bigger business and it needs to be for 12 hours a day 100%, so you need to understand where that sweet spot is for you More products mean more money More and more I see behind the scenes of businesses and there's one factor that's Just the same and that is the businesses That make the most money do not make the money from their core product, you think You've got a core product but if I've got this letting agency and if I just keep managing more clients I'm going to make a fortune, that's not the answer, the answer is To introduce additional products to those existing clients, I was chatting to Chris Chadwick when he was building his business model, I said well you need to do one of these for the maintenance company As part of your letting agency, he said well you know we don't have that and it's like that's the bit That makes you the money, it's not you trying to manage more properties for people, it's the tenant Fines fees, it's the maintenance company, it's all those different elements, so think about What additional things can you add into your ecosystem to sell to your existing Clients, that's where the margins come from and finally the acid test Like really, if you were, you know If you did go and get a house designed and your architect came to you and said Look you want your conservatory to be 10 metres squared or your People don't have conservatories anymore, what do they have now except orangeries Orangeries, whatever they're called and you go I want my orangery to be I want my orangery to be 10 metres squared And the architect draws it on the plans and you go well really if you're 10 metres squared you're going to Cross your boundary and so it probably won't work, you wouldn't just go Let's just see what happens, I'm sure it'll be fine, don't worry about that, you go Okay we need to rethink this planning, we need to get it sorted, we need to work out before we start The build, but as entrepreneurs we create these business models We see the margins not going to quite work, we're like well realistically we need more overhead so I've already Gone over my allocation and I'm probably not going to hit that sales target and you go We'll be fine, it'll probably just be fine won't it, it'll probably be alright, we'll make it work, it'll be fine That's not sophisticated as an entrepreneur, that is not how you make Sustainable businesses that actually make you chunks of cash, those things won't Work, more things will go wrong that's actually in that model so you want to make sure You use this as the acid test, is this a viable business, is this easy money Are you actually going to make decent margins this year and use this as that tool that's going to tell you the answer Yes or no, I've already offered that private dining So I hope you've really got those names written down so I'm looking forward to having a lunch With you, if anyone else needs any help I'll be around for the entire day so if you want to have a chat, I'm more than happy To help you support you get this done, we want to make sure you leave this with either Crystal clear clarity on actually how you're going to get it done because you've had a bit of extra help or It's literally done by the time you walk out of the room, a couple of resources To support, so firstly I did this podcast a while ago now, episode 9 of my podcast New year, new forecast and so you can talk about the next steps For the year ahead and over the next month or so I'm going to be releasing a lot of content around Basically just having your best financial year on record so business models, forecasting So just tune in and listen to all of that and it'll really help you on your journey And then secondly, great podcast, Profitable Entrepreneur podcast, how to make 40% profit from BAN which is episode 157 All good? Enjoy that?

Ladies and gents, let's give a huge round of applause for Mr Shiv Haria Thank you!

[Shiv Haria] (1:21:48 - 1:25:07)

Guys, what a session and you know the whole point of having these workshops here is so that we can get The stuff done in the room so I appreciate your silence, I appreciate everyone working on the business model And we have the expert in the room so we need to get these things done whilst we're here He's here for private dining, his table is full but you know that if you haven't Got this done and if you have questions, there's a guy over there that can answer your questions Don't leave this room without cornering him, okay?

Cool, my key takeaway from this Is that more revenue does not equal more profit, this is really, really important In 2022, lifestyle property people went from sourcing 40 properties To sourcing 60 properties and we said, oh, that would be fantastic, 60 properties in a year We're going to make more profit, obviously, it makes a lot of sense but unfortunately what actually Ended up happening and we only realised this obviously at the end of the year is that we made less profit We're like, what's going on here? We did more properties but we made less profit and of course what happened is We never budgeted for any of this, halfway through the year we were like, oh, we need more people We need more team, instead of having one progressor, we needed two progressors Instead of having one project manager, we needed two project managers, etc, etc, so before you know it These costs start to rack up but you don't realise it until you're halfway through the year and you're like We're inundated with work to do, so because of that, we ended up Not losing money but we ended up making less profit that year, then what we did the following year Is we increased it up to 80 properties, from 40 to 80 And then guess what? Now we're running on rails again, because now everyone's at capacity, we've got two Progressors, we've got two project managers but that works well, does that make sense? Perfect, so homework just before you go to lunch, we have The advanced business modelling, all the stuff that Josh has talked to you about today, this is all In the back of your workbooks as well, make sure you get this in the diary and you have to get this done this month The reason why you've got to get this done this month, you hopefully have realised this by now Every single month, there's new stuff and if you get caught behind, you're never going to catch up So you have to get this done this month, build out your business models and find Your sweet spot.

Private dining, we're just about to go to lunch A reminder, the superstars are on Shiv's table, the all-stars are on Adam's table and remember, we're talking about the direction of travel for this year That's the whole purpose of everything that we're doing right now, where is your business going to go over the next year Or if you haven't figured that one out yet and you don't want to discuss that just yet We can discuss where are you going in life, personally, over the next year Remember as well that we've got the Jammie Dodgers with Josh On Josh's table, five spots that have already been taken So those are good and that's it, it's break time So before we go, top tip from me to you, this is my gift to you I want you to make your investment in Property Entrepreneur Go as far as possible and here is my top tip to make it go as far as possible, we do this on the board We want to choose salad over carbs and the reason why Is because you're going to come back after lunch and if you've chosen carbs, you'll be sitting there Feeling a bit sleepy, you're ordering a little bit and you'll miss out on the value that you've already paid for So if you want to make your money go further, salad over carbs Did you all enjoy the sessions? Fantastic, before we go then, can we give the speakers all a massive round of applause Perfect, we'll see you back at 2.30 Good night