**PEP 102 Edited\_Transcription**

[Daniel Hill] (0:06 - 36:34)

Welcome to the official property entrepreneur podcast with myself Daniel Hill. We are now ranked top 10 in the UK for all business entrepreneurship podcasts. Last year we were ranked the seventh top property podcast and every month we are ranked in the top 5% of all podcasts around the world by download.

Thank you to everybody who shares, subscribes and supports this podcast. It is literally my life's work in simple blueprints broken down to enable you to achieve everything you want in wealth, health and life by design. I hope you enjoy this next episode and if you're not already joined one of our exclusive and private VIP WhatsApp groups, check out the show notes, come join the party and I'll look forward to seeing you in there.

Success and failure are both very, very predictable. Let's get into it. Negotiate everything.

Now this is a mindset that every entrepreneur has to have, but the reality is most entrepreneurs and most people get scared to death of going out there and negotiating on price. The reality is that the price that you see on the shelves is everybody else's price and using one of the three strategies in this podcast, we need to find out what is your price. Once you've listened to this, you will understand that negotiate everything is not an option.

It's an obligation and you want to share this recording and this podcast episode with every single person in your businesses and your team and you will achieve between a 30 and a 100% increase in profitability in many cases just by changing your mindset and negotiating everything. Success and failure are both very predictable. I hope you enjoy.

Hello, hello, hello and welcome to another episode of the official Property Entrepreneur Podcast. We are now one week away from Property Entrepreneur 2023 starting 10 year anniversary level up. It's going to be absolutely off the scale.

Can't wait. Very excited and coming to you today from the sunny beaches of Ibiza where we're celebrating the end of year board and incubator retreat. It's been an amazing break, lots of downtime, starting to have strategy conversations ahead of the autumn and genuinely very ready now to shift gears, get into the cruise control and have October, November, December back in the journal, deep work and start making out what 2023 is going to look like for our best year on record.

Whilst we're out here, it's been quite interesting having a few conversations about various things. I thought what I'm going to do is share one with you today because what seems to be a common trait for some people is also an alien trait for others and whilst it might be normally something that some people do and then something that other people don't do, when you do and you don't do this trait, actually the difference between the two is significant because not doing it means that you actually overpay and then doing it means you in some cases might actually underpay. So the polar opposites actually are quite significant and what I want to do in this podcast is give you a short introduction to a mindset that we have at all of our companies around negotiation. Now the sentiment for this as per the title of this podcast is negotiate everything.

If you have been involved with any of our companies, you've worked any of our businesses, you've been on any of our sales trainings, what you'll understand is there's a big difference between what we do when we're selling and there's a big difference between what we do when we're buying. And internally, all of our companies, we have a mantra that we negotiate everything when we're buying. And what I'm going to do is give you a brief overview of the different types of opportunity where you can negotiate, the time where you can't negotiate or you're really going to struggle and you're potentially going to lose out and you wouldn't want to, and then the top tips as to how to go about this, how to actually put this into practice.

So negotiate everything is the mindset and you just want to come to the conclusion that whatever the price is for a product, a service that can be negotiated, that is not your price. That is everybody else's price. You look at that price, say, right, well, that's the price everybody else is going to pay.

But what am I going to pay? And what you got to think about here is when you negotiate everything, lots of entrepreneurs, especially fast growth entrepreneurs and startup entrepreneurs focused on the top line. So it's more sales, it's more marketing, it's more growth, it's more expansion.

And what you do there is actually create more noise, more activity and more volume. A lot of businesses run really lean. And if you think in the UK, if you're doing 10 to 15% end of year triple net profit, you are in the country's elite.

Now on Property Entrepreneur, we wouldn't encourage you to get in a business unless you can make an absolute minimum of 30% profit, ideally somewhere to 30 to 40% profit. But in the UK, the elite are doing on average 10 to 15% profit. Most businesses are not making money.

If you could save, rather than look at we need more sales, we need more marketing, we need more growth, rather than focus on more sales, if you focus on more savings and look at the costs, if you think you're making 10% profit, obviously, hopefully, this is not you. But the mass market, the majority of businesses in the UK are doing 10% profit, rather than looking at more sales, more marketing, more diversification. If you actually look at savings, and you made a 10%, if you think 10% profit means 90% is being spent on stuff, granted a lot of it will be labor, but it's being spent on stuff.

If you could save 10% on your cost of sale or your overheads, that would be the same as 100% increase in profit. So if you're doing 10% profit, and you can save 10% on all of your outgoings, that would be the same as increasing your profit by 100%. So my first mindset is negotiate everything.

And then the second is to understand that in order to get money to the bottom line, there's more costs to go out than there is margin. So actually, sometimes you'd be better off making some savings. And I've done a podcast in the past, I don't think it's actually on this, on the proper entrepreneur podcast, I'd have to see if I can find it.

And it was basically 10 ways to make more money in 30 days. And the majority of it was kickbacks, commissions, savings, going out and finding the money that's more slow and steady wins the race than it is, light the rocket, take it to the moon. So what we're going to look at is, first of all, there's three times when you can negotiate.

So when can you actually negotiate, and also, there's going to be a time when you can't. So there's only really three times, or rather, there's four categories, and three of them are opportunities to negotiate. So we're going to negotiate everything, 75% or three of the four categories can be negotiated.

The first is where you're going to negotiate based on, in fact, before we go into this, I just want to be clear. The aim of the game in sales is all about win-win, don't screw anyone, play the long game, relationships over transactions, win-win. When you look at what I'm doing here, this is not about the aim of the game is to get the lowest price you can and screw the other person.

The aim of the game here is, these are opportunities to negotiate, and it's not like you're going to step out of the field and do something untoward or unusual or unfair. These are opportunities to negotiate, and when we say you should negotiate everything, it's because most things are up for negotiation. The first is when you have an opportunity to buy in economies of scale.

So you might think, well, I'm going to buy one of something, but if I buy 10 of something, I want a discount. And of course, it's going to be lower price per unit for you, but it's going to be a higher bottom end margin for the seller, because in one transaction, one client, they can sell more stock. So it's a win-win, and that is where you should be negotiating.

Anytime when you can use economies of scale, which is basically buying more than one unit and it's commercially viable. The second is motivated sellers. So this is basically when you're in a position where somebody wants to sell something to you.

They've got something in their hand, on their drive or in the garage, wherever, in their warehouse, they're trying to sell it to you, and they're motivated to make that sale. Now that might be because there's urgency, it might be because there's scarcity, or it's probably just because supply exceeds demand. And they've got to hit their targets, they've got their forecourt price, and it's more often than not, people will take a discount, do a deal based on the fact they want to get that sale made there and then, and they get it off the drive.

The third is the competition commission. So if you think about the competition commission, this is basically, if you do your work and go and look at who is the most competitive in this market, in this time for buying this product, you will get a commission based on the fact of how competitive that supplier is. So you might have three suppliers for print.

And if one of them's having a slow day, slow week, been let down by a big client, they've got the machines down, you send the same quote to all three printers, you've got 10,000 workbooks going out or whatever it is you're ordering, 10,000 brochures, you go to three suppliers, and then based on the time, the order, and the position of the supplier, it will depend who is the most competitive. You're not screwing anyone, you're not doing anything untoward, you're not putting anyone out. You're asking three different people, what price can they do?

And then based on how competitive they are, you're going to get a kickback, a commission for doing that work, brokering or going out and sense checking it and actually seeing who's got the best price. And then finally, the fourth is where there's just no, there is no opportunity to negotiate. And this is where demand exceeds supply.

And this would be, you're wasting your time, if you're trying to negotiate, you're just going to miss out and it's not where you want to be. If we run through some examples of these, so economies of scale would be things like toilet rolls. So this is like at our house, at my home, we buy our toilet rolls maybe like once a quarter, but they get delivered in a ginormous pack, I don't know how many are in a pack, probably a hundred, couple of hundred toilet rolls, but we buy them in bulk, they get shipped in a courier, we stick them in the airing cupboard and per toilet roll, they're probably 30% of the cost that they would be if we went down to the local supermarket and bought them as and when we needed them. Why do we do that?

Because economies of scale, it's cheaper, it's more convenient, you have to order, not only are you saving the money on the actual product, but you also only have to order it once a quarter rather than going to the shop whenever you run out of whatever it is you're going to buy, if you can buy it in bulk. Another one would be, so for example, journals, we buy our journals for our property entrepreneurs and we buy our pens and our stationery, but we buy it all once a year. So rather than say we need pens this month, we need pads this month, we all go and buy a year's worth at the beginning of the year because we know we're going to need it, we've got the cash in the bank to use it, we use economies of scale to buy those individual units cheaper, so negotiate everything.

Motivated sellers, this would be things like property, if it's not a hot market or when demand doesn't exceed supply, which is probably where we are now, it's cooling down a little bit and you've got the opportunity to negotiate, that's why there's a ratio in the house price index for the sale price against the listed price, is in that current market, what would you expect to pay against the guide price, against the listed price? These are opportunities where you'd negotiate.

Also, where there's a motivation for another reason, where supply exceeds demand, or for example, you may have seen on my Instagram the other day, Sav, my partner, bought a hot tub for my birthday, maybe not the best timing to make the most of it for the summer, but we were due to go away and didn't for various reasons, so she got a hot tub to go in the garden, whatever you call them, inflatable ones, good fun, but we need a gazebo to go over the top, end of summer, no one around, no shops around to sell gazebos, everyone's getting ready for Christmas, went to the range, there's a gazebo on the floor, set up, clear display arm, I said have you got any gazebos, they said no, completely sold out, everything's gone back to head office, the only one we've got is this one that's on the shop floor, nobody else has bought it, they're just waiting to put it down, they're replacing all the stuff with all the Christmas stuff, there's very few people that are running around to buy a display gazebo at the end or the middle of September, so there's an opportunity there to negotiate. Anywhere there's an opportunity to do a deal really, it's all about just making those deals where there's an opportunity to negotiate, you'll know, I mean around here if you go to buy anything from all the little market stalls, go to a car garage, anything like that, opportunity to negotiate. Third would be the competition commission and this is basically every opportunity, we say negotiate everything, every opportunity to get multiple quotes, so for example when we're doing our development projects, we'll always go to three surveyors, you know, three surveyors, three noise assessment companies, three structural engineers, three people who do various reports and just say right, well what price can you do for these, go to those three suppliers, get all the quotes, you can even get insurance policies, another good one, insurance policies are a nightmare at the minute, you know, trying to get any discount but everyone loves new business, the policy couldn't be more detailed, you don't have to go for all the information, here's my current policy, here's the detail, you should sweat over that and see what you can do it for and then when you've got two or three people offering prices, because you're doing that work and going to the competition, all you're doing is finding who is the most competitive, who's the best competition at this time for this product and then you get a commission for that, you know, we've just done an insurance policy last week and Jen who heads up portfolio runs on my development company and looks after my commercial portfolio, doing all our renewals, said look this new supplier, £1,200 cheaper, all she did was went to three different suppliers, including my existing one, gave them the same policy, compared notes, pulled it to pieces, put it back together and it saved us, you know, £1,000, do that 10, 20, 100 times over a year, it's easy money, it's competition commission.

Availability, Lost Leaders, Lost Leaders is a great one, again negotiate everything, it's just being tuned into who is the most competitive, so I eat, as an example, Frank's hot sauce, so Frank's hot sauce, absolutely love it, have it on my food but it's a little bowl and it's normally about £2 and I think, you know, it's only a little bowl, £2, it's quite expensive or is it quite expensive, I know that every now and again I can get it for £1, so if I see it for £1 in Co-op or Budgins or anywhere and I'm like, all right, it's called Lost Leader basically, it means they're discounting certain items to get you into the shop and then, you know, you go in to buy whatever it is you're buying and then you buy your bread, your milk, everything else and they make their margins on that but if I'm in there buying something I was going to buy anyway and then I see it's £1, I'm like, right, I'll have six of them because it'll go up to £2 again next week, no work, just looking at who's the most competitive and shower gels as well, I use like sourced green, whatever it is, mint shower gel and it can be quite expensive, you know, if you get caught short and you go to Co-op before your holiday or whatever and it's whatever, £3, when it's on special offer in a supermarket and you're just there and you're looking at these goods, you know how much they are and they've slashed the price down to a quid, like great, I'll have six of those, I've normally got about six or ten of them, moisturiser is another great one, it's going too much on to like cosmetics now but the moisturiser that I use is like something crazy, like £10 or £12, I'll never pay that, that's everybody else's price, that's not my price but when boots have it on free for two or I go to the supermarket and it's on 50% off, it's like it's so much cheaper, I do that. Now, they're the things that I buy day to day because anything I really buy is going to the shops or the sort of things I've rattled off there, imagine doing that in every single part of your business and every single business you have, like we do, where things are £100, they're £1,000, they're £50,000, they're, in this case of development, it's a million pounds, it's just going around and getting that best price and pulling people against each other. And then finally, it's just where you can't negotiate, this would be like Glastonbury, you know, Glastonbury don't do discounts, property entrepreneur, you know, the board advanced the program, there is no discount, the price is the price and it's been oversubscribed every year since 2013, there's just certain products and services, the cinema, you know, it's unlikely you could go to the cinema and negotiate but, you know, the competition commission, cinema down the road might be 20% cheaper than the cinema up the road. Looking and tuning into these things.

Okay, so just jumping in to make sure you've got all the information you need, if you've not already listened to the official property entrepreneur podcast episode called recession is coming, I would highly recommend going back and listening to it after this episode, where it explains what we expect to happen in the UK property market during the 12 to 18 months ahead, we're now three months in and we are absolutely bang on the money with the forecast to date, go back and listen to that get up to speed.

And if you've not already downloaded the boom or bust report, we've published an eight page report talking about why recession is coming the five things you need to do and you can download it for free at www.boomorbust.co.uk and you can download that completely for free, it has the five actions that I'm taking, I would recommend you take and it will align perfectly with the recession is coming podcast episode a few weeks back. Back to this episode.

So a few mindset pieces as to how do you how do you do this? And trust me, you're gonna you are gonna make 10 to 30%. You're gonna start paying 10 to 30% less for the majority of things you pay for by using those three things, economies of scale, motivated sellers, and competition commission, just go and see who's the most competitive at that time, that's really important.

So mindset pieces, one thing to know is transactions over relationships. Now, what this is about is what I'm not saying here is the aim of the game is now is you're the hatchet man, go around and tell all your suppliers, if they don't meet this price, it's not going to work. Now, if it's toilet rolls, really don't care.

Go online, look at who's what bulk buy stuffs cheapest that month. And then, you know, my missus will buy whatever is is the cheapest, no relationship, no connection to them. It's just competition commission, where's the cheapest and the economies of scale.

transactions over relationships, though, is like, there's a difference. But you don't want to, you want to have relationships with people. So like, toilet rolls would be like a slash and dash deal.

It's like slash the price, get the deal done and walk out. No long term relationship doesn't matter. It's pretty disposable.

It's transactional relationships is things like your architects, your professional services, your team members, your employees, you would not use these things with them. You don't negotiate with your team, or you don't try and screw your price down on your team. You know, there's a time and a place for this, you want to understand, is it a transaction?

Or is it a relationship? And also remember, this is about buying, not selling. So it's not, we're not, we're not manipulating the market in any in any capacities.

And it's not equally it's not necessarily about a win, win, win. When you're buying, it's up to the other person whether they want to sell. When you're selling, it has to be a win, win.

It's all about matching objectives, having the triad of meeting in the middle. But that's one for another podcast. The second is to understand that it's not all about price.

So we're saying negotiate everything, which is quite price heavy. But price isn't everything. Remember, you've got three things to look at.

You've got price, you've got quality, and you've got speed. If you're going to buy something from the pound shop, or from B&M, and it's cheap, the likelihood is it might last you a year or two years. If you go to the range or Marks and Spencers or some more sort of premium places, wherever you'd go, you'd expect it to be more expensive, but the quality may be better.

It's just a note, it's not all about price. There's also quality and speed. And you always have a variation of the three.

And then finally, there's got to be a reason. And this is probably to tune into when you're selling as well. There's got to be a reason to discount.

So this is the whole thing about this, negotiate everything and get a discount. There's got to be a reason for it. If you're selling it, you definitely can't.

There's actually one for this. If you're selling it, you can't just start cutting prices. Yeah, the price is 30 grand.

But for you, you can have it for 22. Why? Nothing should ever be arbitrary, including price and including discounts.

You want to find a reason to get this discount. And sometimes it will be economies of scale. Sometimes it'll be motivated seller.

Sometimes it will just be completely made up. But it needs to be for a reason. Because if nothing's ever arbitrary, if anything was arbitrary, especially pricing, people just would not trust it.

So there's always got to be a reason for it. Like I heard one yesterday. It's my manager's birthday.

It's my manager's birthday. Let me give him a ring and see if I can get this for you. That's for them selling it.

What they're doing is they're basically making up a reason why they can give you the discount to build the trust and qualify both the value of the product and the legitimacy of the discount. When you're buying, it's just going into it with open eyes. Don't waste your time.

What is the reason you're getting a discount for this product? And it's one of those three things I previously mentioned. So how do you do this in practice?

Well, a few top tips. So five top tips. The first is when we're talking about there has to be a reason, the first way to play it is how much.

So, okay. Oh, the price for this is whatever, 10 grand. The price for this is 10 grand.

How much is it if, and you go for it. How much is it if I buy it today and walk away with it this afternoon? So you don't have to wait another month to have the sale completed.

How much is it if I buy two of them? How much would it be? Oh, that's the price one.

How much would it be if I bought two of them? How much would it be if I paid up front and didn't use the finance? In other cases, how much would it be if I took your finance product and your insurance and I paid for your valeting service?

I'm talking about sort of cars here a little bit, but top tip is like, that's the price. Fine. But how much is it if, and what you're doing here is you're not saying, can I get a discount?

Could you negotiate? You're saying there is going to be a different price. So, okay.

Oh, great. That book on the shelf is £10.99. But how much is it if I buy three of them? And they're not thinking then, you don't say, can you give me a discount?

So this is about, this is what we call the red and blue coat strategy. If you say to a child, do you want to put your coat on? They'll say yes or no.

You don't want to give them the no option. If you say to the child, do you want to put your red coat on or your blue coat? It doesn't really matter to you what color they put on.

They end up with a It's the same with asking for discounts. Don't say, can you give me a discount? You say, oh, great.

That's the price for that. But what is it if I buy two? I walk away with it today.

I buy a year's worth in advance. So things like the Belfry, where we host all our property entrepreneur events, like one of the top golf resorts in the world, always over subscribed, booked up like six months in advance. We've already got rooms booked there till 2024.

So we're like, well, how much is a room to stay here tonight? Or how much is a conference suite? It might be or a delegate place, 200 pounds a day.

Okay. Well, how much is it if I buy 80? Oh, okay.

Well, that's 180. Well, how much is it if I buy 80? And this is where you play the game and stack up the discount as well.

Start small, stack it up, build it up. How much is it if I buy 80 and I have it for three months? How much is it if I buy 80 and I don't have three months, I have 12 months.

How much is it if I have 80 for 12 months and I book them for a year in advance and pay a deposit? And all of the, again, all of a sudden you're getting huge discounts. And in that case, I'm talking about hundreds of thousands of pounds through doing nothing other than playing the game of economies of scale in that capacity.

It's all a game, right? It's a win-win for everyone. The second is, so we say, how much is it if I do this X, Y, Z?

The second one is, what is your something discount? So again, this is all about it being a game. So what is your, so you might say, okay, that's great.

It says here, this TV is £1,250. What is your standard discount that you can authorize on the floor to get the sale done today? And there'll be, of course, a standard discount.

It's not, can I have a discount? What would your standard discount be? If you go to B&Q, oh, what's your trade discount?

Can you just let me know? What is your standard trade discount? Oh, our standard trade discount is 30%.

Oh, great, perfect. And on top of that, what would I get if I was to buy, what price could you do with the trade package if I were to buy five of these kitchens? You see where this is going.

It's like not, can you give us a discount? It's what is your standard discount for that gazebo? I said to them, oh, what is the, I said, oh yeah, I'm happy to take it.

Can you just confirm, what is your, what is your display model discount? And they said, oh, it's 30%. I said, great, no problem.

I'll take it. Got 30% off. Just asking them what was their standard discount.

To be fair, I probably could have pushed it. I probably could have said, you know, can you do, can you do 40%? You know, what would it be if I could take it away now, take it away today?

But to be honest, I was just pleased and 30% off was absolutely fine for me. The third is bottoming out. So this is when you're negotiating deals and you just want to cut the crap.

You know, if you don't, you've got no idea where to start. If you're buying something, no idea on price. I do this with cars sometimes.

Like if I'm buying a car, the most recent car that I tried to buy, I actually tried this on properties. We do, in fact, we just completed on man called house. We did it on this and what you do, we call it bottoming out.

And the aim of the game is offer a price that's so low, you're embarrassed by it. And then what that does is it's so low, you know, they're not going to accept it anyway, but what it does is it bottoms their offer out and they say, right, we won't take that, but we would consider this. So for example, man called house was on for offers over a million.

So we said, well, let's just bottom it out, offer them 900k. So are they going to take an offer of 900k when it's on for offers over 1 million? And they had it sold at like 1.1 or something, offered them 900. They said, we know they won't take it. We said, fine, just put it to them, see what they come back with. And they came back with, we won't take 900, but we would consider 980.

And you're like, all right, great. Well, now we know it's not offers over a million pounds. We're down at 980 and we've only sent one email.

We ended up closing at 960. So it's like, it's called bottoming out or we call it bottoming out, figuring out where they are just by really dropping it down to the bottom and letting them pull it back up. The fourth with regards to negotiate everything is just walking away and leaving the door open.

Now, you wouldn't want to do this with Glastonbury tickets. You wouldn't want to do it with places on property entrepreneur. You wouldn't want to do it with anything that, you know, the last few tickets at the cinema, when your kids are waiting to take you in to see Toy Story or whatever.

There's certain times you wouldn't want to do this. But if you've got the opportunity to walk away, walk away, but leave the door open. Now this is really important.

It's walking away and it's actually saying, do you know what? I really appreciate it. I'm sorry that we couldn't get a deal done today.

What I'm going to do is I'm going to go and look at some options. I'm going to go down the road, speak to some other garages. And what you're saying is I'm not going to buy it from you, but you've got to leave the door open.

So I did this with Mercedes and this is 0.4 and 0.5. Walk away from the deal, but leave the door open. My Mercedes had a couple of years ago. It was on the four court.

So obviously four court discount, end of quarter discount, played all the games of it. And rather than it being £1,250 a month with three months up front on a lease, I ended up getting it for zero deposit and £750 a month, I think it was. Was it?

Yeah, £750. It got it down to £750 a month. But I actually knew that there was an opportunity to get it down to £600.

I can't remember why, but I was like, or was it £650? I forget what the exact numbers were. It was a few years ago.

But the point was, what I did was I said, yeah, I really appreciate it. But the reality is, they said, oh, you can have it for £750 a month, and we can have it ready for you in two weeks. It's got all these checks and things like that.

I said, that's cool, but my budget is £600 a month and I need it for Tuesday. And then what happened was we ended up, they said, we can't do it for £600, we can't do it for Tuesday. We ended up bartering about this Tuesday thing for a while.

And he was saying, if I could get it to £600, I definitely couldn't get it for Tuesday. And we ended up negotiating about the Tuesday thing more than the money. I said, no worries, let's leave it at that.

Anyway, and I said, I'm just going to go have a look and see what other options there are. Go home, have a look online. Anyway, the outcome of the deal was, I forget the exact numbers, but he rang me up and said, look, I can do it for the £650, which is what I agreed.

And he said, but I can't do it for Tuesday. And he said, but what I can do is come in on the Tuesday, I'll lend you my own car, whether it was his car or just one of the fleet cars, I'll lend you my own car, and then you can collect it whenever it is, a week later, and you can have it. Obviously, straight back down there, and I ended up with a £80,000 brand new Mercedes, should have been £1,200 a month, because it was the end of the cycle, because it was the end of the month, because it was the display model.

And I took all those discounts, it didn't cost me. In fact, I looked the other day, getting one now, and this is two or three years, this was when it first came out. It's the Mercedes CLS 500, I think it was, or 250, CLS 250, AMG pack, all the light trimmings.

And I think if I was to try and get one now, it'd still be over £1,000. I'm pretty sure I used to pay £600 a month for it, and no deposit, no upfront, it was bonkers. So that's closing the door, sorry, leaving it on the table, walking out and saying, yeah, don't worry about it, and actually, but leave the door open.

So you know that if they can do that deal, they have the opportunity to come to you without losing face. And then finally, is the elk steak. The elk steak is basically negotiating over something that doesn't actually matter, because the aim of the game, the closing sentiment is, whenever you do a deal with anyone, you want them to feel like they've got the best deal they could out of you.

So for example, I'd have been happy with the £600 a month. The Tuesday didn't really matter to me, but I thought I'd rather argue over the Tuesday than with the £600. And what you want to do is always make sure that the person doing the deal feels like they're getting the best deal.

And this is called an elk steak. It's like the bit that you carve off and you chuck that you don't actually need, but you're arguing about it to sort of divert the attention away from the important part of the deal. So for example, when you're doing it with a property, we'll always say, someone says, oh, we'll take, you know, we'll take eight, say, oh, it's on for a hundred.

You say, oh, we'll offer you 82, or we'll offer them 80. And then they'll say, oh, we'll take 82. And we go, yeah, no problem.

And they're like, oh, we should have asked for 83. What you want to do is throw an elk steak in there, something that doesn't actually matter, but it makes sure that people feel like they've got the best deal they could. So it's like, right, it's on for a hundred grand.

I actually did this with a property in Lincoln, Florence Street. I forget what it was called. This is a good example.

It was on for a hundred grand, 105 grand, I think it was. I said, look, I was trying to bottom them out. We can offer 80, because I knew they were motivated.

The property was really not a good condition. The market was 2011, so it was like pretty flat, and we were the only people walking around with cash to buy. So I said, look, offer them 80, because I knew they were motivated.

And they said, oh, we'll take 82. And I was thinking, if I go back now and say, oh, yeah, great, we'll take 82, they'll be like, oh, we should have asked for 83. We should have asked for 85.

And you don't want to close the deal on that, because you've got another six, well, the minute, 150 days worth of conveyancing to get through to complete the deal. You want everyone feeling like they've got the best deal that they could. So what I said there was, look, 80 was my budget.

We've looked at other properties in the area. We do think this one's overpriced. There's lots of other opportunities that we could buy, and we're buying cash.

Obviously, if you've not listened to the podcast called The Margins You're Missing, go back to that. It's like about a year ago on this podcast. Listen to the episode called The Margin You're Missing, cash, unconditional, those sort of things.

I said, I can get, we offered 80, they said they wanted 82. Said, we can give you 82, but we're going to need you to include the fixtures and the fins. Unfortunately, otherwise, we won't get to that price.

Needless to say, they came back, they're absolutely chuffed, well happy, because they feel like, you know, they've asked for that price, and we've given a contingency to do that. It was including the furniture. And obviously, in reality, by the time we actually completed, we probably threw most of the furniture away.

So it probably ended up costing us a little bit more. Or you can do it the other way around. You could say, we can do 82, but the only way we can get to that is if you clear the property out, you remove the things X, Y, Z.

It might have been that that we did. But it's just throwing something in that doesn't actually matter. Hopefully, you got a lot of value from that.

So this is the concept to negotiate everything, and just start to train your team on it. And your team will love it. I remember some of my team members who've left me now, and businesses that I've sold.

And they say that, you know, some of the stuff that you taught me when I worked for you has just done me so well in new opportunities in life. And it's things like having the confidence to negotiate. Initially, people think, I can't negotiate.

I can't ask for a discount. If you get into your head that that price is everybody else's price. Like if one of my team members sends me a price now, I'll say, great, what discount did you get off that?

And they'll say, oh, I've already got 15%. And they won't go any lower. So it's like, they don't come to me, and I say, right, now go negotiate.

Now do the discount. It's like, don't bring it to me, unless you've already negotiated it. Those prices that are out there, everybody else's prices, or their single unit prices, or their starting prices.

The aim of the game is to negotiate everything, play that game that we've talked about, to make sure you get the best price on everything that you're buying. Because the discounts there, it's a win-win for everybody. And a 10% saving on bottom line, or a 10% saving on cost of sale or overheads, can be the same as 100% increase on the bottom line.

Hopefully you got value from that. Hopefully you enjoyed it. We have a couple of really great podcasts coming up for you over the next couple of weeks.

So make sure you stay tuned. Tune in next Tuesday for the next episode. Now the sun is out.

I'm in Ibiza. And it's time to go and celebrate the end of the year on the boat with the board. So all the best.

Have a great week. And remember, share, subscribe, appreciate your support. And I'll catch you on the next one.

Take care. I hope you enjoyed this episode of the Official Property Entrepreneur Podcast. If you are not already subscribed, click subscribe now to make sure you never miss an episode.

Again, if you're not already following me on social media, Instagram is PropertyEntrepreneur underscore. Facebook is Dan Hill. And if you're not already in the Official Property Entrepreneur community on Facebook, there's over 8,500 of us in there now.

Join that group. And if you're not in one of the private WhatsApp groups, maximum of 20 people in group in the show notes, type VIP podcast and send it to the number that's in the show notes on WhatsApp. And we'll get you added to one of the private VIP WhatsApp groups where you can request your own podcast.

It will be dedicated to you and your business. And every Tuesday I'm in there answering questions, giving you one to one direct support. And we don't know how long we're going to these open for.

Success and failure are both very predictable. I will see you on the next episode.