**PPN Session One 06.03.2024\_Transcription**

[Speaker 9] (0:00 - 0:29)

Okay, you got me singing like Ooh, I love it when you do it like that And when you close up, give me the shivers Oh baby, you wanna dance till the sunlight cracks And when they say the party's over, then we'll bring it right back Oh no, ooh, I love it when you do it like that And when you close up, give me the shivers Oh baby, you wanna dance till the sunlight cracks And when they say the party's over, then we'll bring it right back

[Rachel Davis] (0:31 - 0:38)

Ladies and gents, it's that song again We're live on stage in two and a half minutes Please take your seats

[Speaker 6] (0:38 - 1:08)

To way I'm low, gotta keep it down Don't wait around for a signal now Give me some verb, I ain't talking now You wanna ride in a six You wanna down in a six But when I lean for the kiss You said I probably sent you some bits And I'm like, hell nah Been waiting too long Hell nah, I want that cruel love Hell nah, been waiting too long Hell nah, I want that cruel love

[Rachel Davis] (1:09 - 1:20)

Ladies and gents, this is your two minute warning Grab yourselves a drink, finish up your conversations We're going to be live on stage in two minutes time Please take your seats

[Speaker 11] (1:26 - 1:40)

Losing all my innocence, yeah Body and mind Riding on my innocence, yeah Body and mind Losing all my innocence, yeah Body and mind Riding on my innocence, yeah

[Speaker 6] (2:00 - 2:09)

Just hit the pedal If things go wrong, it's just incidental My bad, never got the memo That you never have fun while you're in the limo You wanna ride in a six

[Rachel Davis] (2:09 - 2:18)

You wanna down in a six But when I lean for the kiss You said I probably sent you some bits And I'm like, hell nah

[Speaker 6] (2:18 - 2:31)

Been waiting too long Hell nah I want that cruel love Hell nah Been waiting too long Hell nah I want that cruel love

[Rachel Davis] (2:31 - 2:40)

Ladies and gents, this is your 30 second warning Get ready to put your hands together We're going to be live on stage in 30 seconds

[Speaker 11] (2:41 - 2:55)

Losing all my innocence, yeah Body and mind Riding on my innocence, yeah Body and mind Losing all my innocence, yeah Body and mind Riding on my innocence, yeah

[Speaker 14] (3:10 - 3:26)

Ladies and gentlemen Property entrepreneurs Please clap your hands And give a huge round of applause And welcome to the stage Rachel Davis

[Speaker 18] (3:27 - 3:28)

Woo!

[Rachel Davis] (3:29 - 12:00)

Hello Hello Welcome back property entrepreneurs Are you all good? Yes! Did you have a good month?

Yes! Did you have a good month? You can say no, it's allowed Who had a good month?

Hands in the air Grant of course you did Who's had a challenging month? I'm putting my hand up there Because I definitely had a challenging month I'm going to tell you all about it So today's workshop is all about finance So I've got to get some energy And excitement in the room Because I've got to keep you all with me So give me a whoop whoop Woo! Brilliant, you've got to stay with me all day So who here has got pedals to the metal Working really hard Doing their winter hit list Feeling the pressure Who's in that camp?

Well done, quite a lot of you That's really really good And did everyone see a post, a video that Adam put up On the Facebook community where he talked about If you think it's hard, you're doing it right You know, you look really tired I don't know how you look tired when you live in Bali But you know He did, he looked like he was pulling in some long hours And all I wanted to do was echo that sentiment Right now If you feel a bit miserable If things are a little bit difficult And you're struggling a little bit Then you're doing things right And if you keep going Working through that winter hit list Getting the stuff done that you need to get done The results are going to come from the spring You know the drill today Please switch off your phones Or put it on vibrate if you've forgotten to do it right now There's a £20 fine to get up and give back Remember fundraising season is coming So we're after you If you hear it go off It's time to focus We've got some incredible content for you today This is what we've just done this morning Ladies Did we have a nice time? We just are celebrating International Women's Day And we did that by a celebratory breakfast this morning We had an incredible conversation All around inspiring inclusivity And as you know In the real world In all professions The playing field is not equal But women there is no limit to what they can accomplish If they're included That really means for us Senior management teams Been included in the conversation It's really really important So what I want you all to do now Can everyone stand up And I want you to do the heart shape for me We've done this with Rav He's not here today, he's going to miss out unfortunately But this is the sign of inclusivity For International Women's Day So we do the heart shape like this And then Thank you for that And this is just to celebrate and mark the importance of the occasion So can all the men sit down please All the men, work out if you're a man I saw people thinking about that And that's fine There's no problem with that It's all about inclusivity And then can the men give the women a massive round of applause Thank you ladies You can sit down now You can stand up the whole way through if you want No Grant you sit down Make enough noise as it is Right So it's now time for our Moment of accountability So this is where you're Really honest with yourself about how much Of the homework you got done From the last workshop So let me tell you how this is going to work We're going to put some music on In a minute But we're going to spend 3 minutes on this So in the first minute I want you to turn to page 4 And start marking your homework Give yourself a score out of 100 A percentage score And then in the second minute I want you to turn to the partner next to you Preferably not your business partner Preferably somebody else And then I want you to talk to them and share your score And your experiences this month What have been the game changers and the good experiences for you And then in the third minute I want your partner to swap over with you And you share again Your score and your experiences So guys we're not marking our homework just yet I'm just telling you how it works I know you're all keen, that's brilliant Slow down Listen to me First minute mark your homework Second minute share your experiences with your partner and your score Tell them honestly how you've done And then let your partner share with you On the third minute We're going to have a duck quack It's going to be a timer So when you hear the duck quacking It's time to stop marking your homework And share with your partner And then, blazers in the room When the duck quacks again what do you have to do Be quiet and let your partner share with you Yeah?

Is that alright? I'm being a bit I'm too blazy this morning I don't know what's going on I am one by the way So that's what we're going to do So 3, 2, 1 off you go mark your homework Right there's the first duck quack Now it's time to finish marking your homework And share with your partner Right guys Finish up and swap partners talking Right guys that's it Can you please shh Can we settle down now

[Speaker 19] (12:00 - 12:01)

Shhh

[Rachel Davis] (12:02 - 12:42)

Thank you for the quiet Wow that works Josh you were right What's that?

Why does shh work so well? Yeah shh It's good, it's good this is what I teach Is it a trigger? Wow there you go You heard that from Grant Right who would like to share Now you can share for yourself Or if your partner told you Something very interesting That you think we should all hear Then you can nominate your partner How about that?

Who wants to go? Affam's pointing at you Katie Shall we give you the Love that Katie's like What do I need to say?

[Speaker 12] (12:45 - 13:09)

It was quite a busy month for us With all of the finance stuff Business map, it was quite like a heavy Month for us so we haven't managed to Complete everything that we wanted to But we did have our meeting with Josh We did our acid test And got some really good Feedback off it so we sort of know where We stand now and we know how to Move forward and progress So that was a big turning point for us Wow that's brilliant

[Rachel Davis] (13:10 - 13:22)

If you do the blueprint it works Right? Yeah Well done Katie give her a round of applause Well done Who else wants to share?

Shall we have one more share?

[Afam Sadiku] (13:22 - 13:40)

Or Affam go on then Thank you So it's quite an interesting one I guess for a long time Everybody knows that our business is quite busy And we cashflow very well But we don't actually know How much we ever made Did you hear that guys?

[Rachel Davis] (13:40 - 13:43)

So you're cashflowing And you don't know how much you're making

[Afam Sadiku] (13:43 - 13:49)

Which is quite embarrassing But it's the truth Anyway

[Rachel Davis] (13:49 - 13:50)

Or not great

[Afam Sadiku] (13:51 - 14:03)

Liam and I sat down on Monday In Starbucks and we Had like a spreadsheet come through from our Accountant And I think it's safe to say that We were quite blown away in terms of how much the business Has actually made

[Rachel Davis] (14:03 - 14:04)

In a good way

[Afam Sadiku] (14:04 - 14:17)

It was just kind of like At that point we laughed And I'll be so honest with the group as well We laughed because we said we've made this much money And we don't even have a clue Wow

[Rachel Davis] (14:18 - 14:47)

And this is the thing right You're busy tearing down trees Being really successful We want to bring this amazing Start up and property To all these people who want to get property And you're doing all the right things And then you're just so busy That you haven't spent the time working out And doing a financial review And working out where you actually are What are the next steps then?

Now you know what you're making Were there any Really productive steps That you're now going to take from that financial review?

[Afam Sadiku] (14:48 - 15:37)

Yeah so I think the Next logical steps is to Continue on a monthly review So I think one of the biggest things that we did take From last month's session Was the finance assistant And Liam's also very good When it comes to the mentality shift So one of the mentality shifts was We're quite constantly late to pay people Simply because it's just one person In the team that makes payments and when we're so busy It's difficult to sit down And it's not good for the world To see a business that is Constantly late paying people because they don't want to be late So bringing in that finance assistant Was the first thing that we did And we did bring in one and then She lasted one hour with us And we said you're not the right person for us But it's getting the right person into place And then it's a small investment Of paying them monthly or Paying them hourly but that can really make a big Change for the business

[Rachel Davis] (15:37 - 28:31)

Well done, absolutely amazing Give them both a round of applause That's brilliant, fantastic Wow, thank you For sharing that That's amazing progress, I'm loving it Absolutely brilliant So, 28 day challenge this month, what was it? Prime time Say that again Grant Prime time So who found it easy?

Hands in the air Oh, a few A few found it easy, who found it difficult? Yeah, wasn't easy To do was it, now let me tell you So now, let me tell you how my February went My February went completely pink, pink tongue Right, I've had several curveballs So you know that beautifully Crafted default diary that I Showed you in the last workshop, well that went completely Out of the window because I haven't been sleeping I've had really, really terrible insomnia For most of February And I was going to sleep at 5 o'clock in the morning Yeah, so that's how bad it's been So that went out of the window So I've had to snatch prime time wherever I could get it And I've been sacrificing Some weekends, some evenings to catch up This is all about hard grafts this time of the year Isn't it? And that's how I've done it This is a picture of my Prime time from last week And over the month I've clocked 25 hours So that's not bad for a difficult month I've really worked hard Catching myself up, but I didn't do it Thank you very much I didn't do it Through my beautiful default diary Because it all went picked on So do we want to find out who won the prime time challenge?

Do we? Come on We do In the spirit of it all being a game Right, so drum roll Can we have a drum roll everyone on the table? Right The winner is Valerie!

Where's Valerie? Give Valerie a round of applause Yay Yay I just want to mention Valerie clocked 53 hours of prime times Absolutely incredible Where are you Valerie? I can't see you Oh there you are And then Grant It says 44 Oh well then Maybe we've got a joint winner I don't know I don't know See Bianca at the end Calm down It's alright I know you do But I was just about to say Can I just say this power couple over here Clocked between them Over 80 hours In prime time between them That's incredible isn't it And well done To Mark Jones And Gareth Morgan For being in the top five as well You all did fantastic Well done for everyone who took part So that 50-50 of the group Who took part in it, well done You all did a fantastic job Whoop whoop!

There you go Grant There's a whoop for you So as you know I'm a property entrepreneur We like to walk the talk So let me tell you a little bit more about my February Not only did I not get any sleep But my virtual assistant of four years Handed in her notice My winner hit list Was completely prevalent On the two of them being present Absolute nightmare I was so gutted She's handed a notice in for health reasons I completely agree But my new VA who I've only had for six months Now hasn't got the capacity to do the work on my winter hit list So I was getting no sleep My team members were leaving My winter hit list looked like it was in absolute danger Who else has had some curveballs this month Anyone else or is it just me Yeah good I'm glad I'd have felt lonely there This is Michelle waving me goodbye Me crying So what that meant was I had to look at my winter hit list And completely reprioritise it So I took out all the ambers, the greens I got rid of anything that wasn't essential And I asked myself this question Does doing this task Mean it will massively change my business At the end of March And if the answer wasn't directly yes And it didn't help me with Hands free HMOs Or Rolls Royce rhythms which is what is on my objectives Then I got rid of it And took it off the list So 81 tasks went down to 62 Most of the winter hit list I'm taking on a lot more That is absolutely true I've got no choice in that but it's all on target And at the end of it So I stripped it back, 19 tasks Chopped them out and that's where I'm at now But it's all completely on target And I'm at 61% Yeah but that's what I want you to be doing So start giving me a round of applause This is for you Today's workshop is called Making it, Raising it, Drawing it And we're going to talk all about money today And finance might turn you on It might turn you off but I can promise you this You are going to want to listen To this content It's super super valuable It's going to take your wealth creation to the next level Who wants to take their wealth creation to the next level?

You do yeah absolutely And that's what it's all about So where are we in the seasons Well it has been deep dark winter Everyone's working really hard on systems and finances You've got two choices A hard graft this winter And step change in the summer Or you leave things as they are And you don't notice any noticeable changes So that's where you're at, the decision is yours Where are we in the methodology We are at Workshop 6, we are halfway people You are at the halfway point Already yeah This is your last workshop of winter We've spent our time in autumn Deciding what track you're going to race on Now we're in the pit stop rebuilding the engine Of your business In the spring you're going to chest drive that new engine That you've built, that new business If it breaks you're going to fix it We're going to focus on team management and leadership And then in the summer We're going to talk about Sales and we're going to Open the tarps and you're going to run the championship season Of your lives The next part of call is your AGM Remember this, the Annual General Meeting You will have a brand new business year And to go with it you'll need a brand new business plan Now For your brand new business year You're going to need a tangible asset Tangible asset Which covers your business plan A printed version Or a brochure Remember Chris Moss Has everyone seen his life and business plan Remember that He publishes it every year And it stays with him on his desk And guides him and his team Throughout the year That's what we want for you too So your AGM, this is going to be on your homework You're going to add this event In your diaries for your teams If it's just you and your partner Or you You go out for dinner with your partner If it's a JV partner go out and celebrate with them If you've got a team then have a full on AGM An AGM event And Adam is going to be on hand In week one on the 13th of March And he's going to be running you through The business plan template And he's going to be on hand To answer any questions you've got about how to write your business plan You're ideally going to need to take A half a day A day out of your busy schedules And write your business plan If you're not on the AGM event Look Adam's trying to get in You're late And if you're That's what you need to do And if you're like me And you're attending the AGM experience Or the AGM event in one day Then we'll be doing ours on the 4th of April Adam's going to be on hand On midweek mentoring Make sure you tune into that live So you can ask him all the questions you need About setting up an AGM event And doing your business plan This month the theme is all about landing planes I don't mean nipping to Leeds Bradford airport Or Heathrow and watching the planes come down What I mean by that is this Hands in the air If you've got any unfinished projects On your winter hit list Absolutely loads of you What we mean by this is Making sure you finish those projects That you've got on your winter hit list Bring them down to land 90% done is as good as not started You need to finish the work that you're doing Do what I've just done And I've showed you Reprioritise, be strategic We need to land These really strategic planes So choose the right ones to land Are we all going to land planes in March? Yeah?

Good And we want you to post your Progress in the Facebook community So let us know how you're doing When you achieve and land a big plane And a big project Let us know, tell us all about it You need to get this stuff nailed Who here has got half term in April? Anyone got half term with the kids? Easter Oh my god We've got half of the month Is going to be completely unproductive So for all you high achievers And you half termers Out there, you might want to get 100% Of your winter hit list done By the end of March Let's be realistic, but for the rest of you We want you to get 90% done by the next workshop That's what we're aiming for.

Sound good? Yeah? Sound good?

Right, good. Workshop 6 This workshop is called Making it, raising it, drawing it By the end of this workshop All of you are going to be World class wealth creators Session 1 Most entrepreneurs Don't actually make any money They're busy chasing it, not building it Today we're going to share with you the secret To how you really make money And to do this you're going to need one tool To succeed, that's the bullet proof Business model Session 1 Ladies and gentlemen, is on making it Session 2 There comes a point when all businesses run out of money Today we're going to show you How to raise finance If you play small, you stay small But if you can find yourself leverage You can raise funds And grow faster We want you to have the right financial Tool kit to take advantage of this When the time comes Find the right cash, find the right deals Take those opportunities of a lifetime Sound good? Session 2 ladies and gentlemen Is on raising it And then session 3 Once you've figured out how to make money We then need to show you How to keep your money We're going to show you how to keep track of it personally With personal cash flow management And then we're going to show you how to maximise What you make Today we're bringing in a very special guest speaker Who's going to talk you through How to draw 100k tax free From your business in a single year Who wants to pay less tax? Who wants to pay less tax?

Of course you do Session 3 ladies and gentlemen Is on drawing it Are we looking forward to workshop 6? There's not enough energy in here Josh, is there? Look, he's just shrugging his shoulders Are you looking forward to workshop 6?

That's more like it Stay with me And we're going to be talking all about money today And money is a very emotive word isn't it? It might turn you on It might turn you off It gets Josh very over excited So I'll apologise for him now If he comes across a bit over excited But if money was all that mattered to you It's likely you'd be on a different programme To Properties Entrepreneur Because our programme is all about life by design Your race, your pace isn't it? But money's still important isn't it?

Because we make money in business By adding value to clients By giving them products and services Don't we? And we all need money for everything to function Dan Kennedy Who's a really famous marketer He said that the business that spends the most To acquire new customers wins And what he meant by that is As businesses we need money to serve our clients And do an excellent job We know it doesn't buy happiness We understand that But everything needs money to function And that's why this workshop is so important for you It's an absolute fundamental And as you know We have to be fluent in finance Don't we? As entrepreneurs It's not optional And a top tip from me today You're all at different levels Some of you will be right at the beginning of your journey Some of you will be halfway through Some of you will be right at the end of your journey Because you're all at different levels What my top tip, having been through this before Is that you need to ask questions If there's something today that you don't understand This is your one time opportunity To learn about finance Start to finish So ask the questions Are we all going to ask questions?

Fantastic Who knows what a business model is? Claire? Oh!

Where's the catch box? There we go I wondered what you were missing then

[Speaker 10] (28:33 - 29:03)

Right A business model is It's an example Of how Your business receives money in Functions and then Makes profit And the word model Means that it's tweakable You can move it around, you can test it You can say what happens if things go up by 10% Down by 10% And you can use that to find The sweet spots that Josh has mentioned previously

[Rachel Davis] (29:03 - 31:36)

It's spot on, so yeah that's really good Well done Claire So In basics, a business model A business model is a spreadsheet Or a formula that you use to establish Whether your product or service Can make money Now and in the future, that's what it is And what's it like up there For most entrepreneurs? Well Let me give you some statistics So according to ONS and Statistica Yeah The median profit That a business with under 9 employees Makes is only £29,000 profit a year That's it, it is shocking The average salary of a UK Employee Is £28,000 a year Yeah So what does that mean?

It means why would you Take on the stress of running a business with Up to 9 employees Working long hours, working weekends Taking on all of that responsibility If you're only going to make an average salary It doesn't make sense right, why would you bother And they're either Those types of businesses are either very good at Minimising their tax liability Which has got some truth in it But they might be in small margin markets That might be the other reason And where we want to get you to Is where you're making much more Profit than that on Property Entrepreneur You want to be making way more profit than that We want a business model That supports you in the form Storm, norm and perform stages Most entrepreneurs don't have a business model They have a finger in the air and a guesser Yeah, we don't want you to be there We want your business model to be making 20 30, 40% profit That's where we want you to be And we don't want you to fall into this trap Most entrepreneurs spend their lives building businesses That don't make money And we don't want you to be in that trap We want you to be here This is the 1% club We want it all to be here We want you to avoid the mistakes of the 99% And we want you to have Complete clarity Of your profit Gross and net level And if you're currently in a business that makes Smaller margins than I've just mentioned Then this is something for you to tune into and consider On Property Entrepreneur We wouldn't look at anything Other than Anything over 20% And Dan for Incubators looks at 40% Just to give you an idea of the kind of margins That we're looking for And that's the type of clarity you get from a business model So who wants to be in the 1% club? Who wants to be in the 1% club?

Come on Surely we all do Absolutely Who's looking forward to session 1?

[Speaker 8] (31:37 - 32:05)

I'm jumping ahead of myself Fantastic Well let's put your hands together And give a massive round of applause For your trainer Mr Josh Keegan Right Looking forward to today?

[Josh Keegan] (32:06 - 40:58)

I feel like we're a bit low energy Why? Is it finance? Are we all tired from winter?

What's going on? We all realise we've got half term today with the kids? So what's happening?

I think what I've realised Having my two kids now for about 3 years Is that I kind of hate them I hate what they've done to my life And I hate the lack of productivity And half term time Look I'm not actually even there yet But we can all resonate No I'm just kidding I love them to pieces I love them Not a big fan of looking after them Anyway let's move on We're going to dive into our finance section now So last month we did where are you now?

And what did we do last month? What was the session? World class Well done Grant Is Grant the only one that attends these groups?

You're all here I'm pretty sure World class finance function And the aim of the game was financial clarity It's building the systems, the teams and the people To make sure we have management counts every month And I found a great example there He's taken action, now he has financial clarity And he's recognised the fact that we actually need this And we need to look at this every single month without fail That's what last month was all about The next part of this we're going to look at Is where are we actually going?

So think about world class finance function is where are we now? The next part is where are we going? What's the destination in our sat nav?

Where are we actually trying to get to? And what we're trying to do Is a finance driven business Now most entrepreneurs, they just turn up They make some sales They get really excited, they make a few more sales They recruit some team members, they build some systems But they're not crystal clear on where they're actually heading to And they're just building the business as they go And when you build a business as you go What happens? You'll generally be pretty disappointed with the outcome Because your business is like a child It's not trying to help you, it's not trying to work with you It's not trying to actually create anything for you It's not trying to make profit for you It has no interest in making profit for you If you want your business to make profit You need to decide how your business is going to make that profit And it's a finance driven business Because you're going to decide the financials first And then you're going to build a business That's actually going to create those financials and bring them into fruition The tool we use Is the bullet proof business model And Claire gave a really good example But what this is not Is it's not a 52 type spreadsheet This is a very simple set of numbers A very simple set of five rules Which are going to govern The financial performance of your business And as long as you stick to those rules And don't break the rules Your business will take care of itself Your profit will take care of itself And it will just happen, it will just work And you'll have this highly profitable business that we all talk about And when you get this right You can actually take the pressure off yourself for world class finance function We all need world class finance function We all need monthly management accounts But they become a bit of a formality If you're always charging a minimum price If you always keep your overheads below a certain level If you always work to a minimum gross margin As long as you work to all those things And every decision you're making in your business Is making that happen The management accounts are just checking in on the course of the ship And making sure that you are still going in the right direction But your business will take care of itself So this is what this is going to look like And by the end of March Each and every one of you Is going to have one of these for your business And this is one of our templates We're going to put this into the Facebook group And in this session now This is going to be the theory So I'm going to do the theory with you Take you through all the different elements of this And how you make the business model And then when we do mid-week mentoring in the group There's a full-blown session on business funding We're actually going to get the spreadsheet out Everyone's going to bring their spreadsheet along And we're going to do it together We're just going to make it happen So you'll have this by the end of March And you need one of these for every single one of your businesses This is the blueprint So you wouldn't build a house without a blueprint I actually know a board member Three or four years ago that did try and build a house Without a blueprint And it didn't go particularly well He's still building it He's still building it But literally it was like seven years of hell for him Because he never actually got the architectural plan Signed off and done and dusted before he got started I wouldn't advise it And this is the blueprint for your business So don't build a business unless you know exactly How the business is going to work How you're going to make money And the difference between a business that makes money And one that doesn't is the business model It's the plan, it's the map, it's the rules of the game And how you're actually going to play that game When I sold my business It's like, what was the actual investor buying?

Was he buying the clients? Was he buying the team? He was buying the business model He was looking at a business model and going Look, you've been running this exact same model for about three years For about three years we weren't particularly growing We weren't particularly changing We were just maintaining a specific level And this, as Claire alluded to, is called a sweet spot It was a business model sweet spot Where we had a certain level of rooms 375 rooms, never more, never any less We knew we weighed £1,500 per room Per annum We knew we had a 5% tenant churn We knew the business model worked at 95% occupancy I knew I couldn't spend a penny more than £10,000 a month On overheads and my team And with all this stuff worked out We knew if we did all these things We'd make a minimum of 35-40% net margin And we did that for a few years And as a result, someone else comes and looks at it And goes, this is a great business, great business model And they're going to buy it, because they're going to buy a really great multiplier So the business model doesn't change When you hit that sweet spot, you want to make sure you stay at that sweet spot And don't keep putting it apart So six sections to this And we're going to be taking you through those today In this session So by the end of this session, you should have clarity On all the independent parts that actually make up this business model And we're going to start off with Prices and packages So, pricing Always a funny conversation Who feels awkward about putting up prices? Yeah?

Who feels awkward sharing a price with a client for the first time? Yeah, a few of us? It's terrifying, isn't it?

A lot of people have this weird psychological issue with pricing But if you don't get pricing right, your whole business will always struggle It will always suffer Because it's the top of the tree If you're not getting your pricing nailed, the rest of the business will never work It will never ever be profitable So that's where we need to start Now, for those of you that are sitting there thinking Well, I know I need to put my prices up I know we're not charging enough This is what I'd say to you If your clients don't want to pay a higher price You just need to find better clients Because Shiv is a really good example of this He's been in a place where he sells Saw steel, single lats, off right move For 14, 15 grand a go Plus all the extra stuff that he does on top But he doesn't sell them to people in this room Because you're all looking like, why would I buy that? That's crazy He sells it to people in London who have got loads of money sitting there That just want the confidence And they value that service that he's offering to them Because they know they can buy property in the North And for them a 4, 5, 6% yield is a great yield So he found better clients Because his previous clients People in this room don't want to pay that price We just found different people that were going to buy from him So that's the first point We need to make our prices as high as we possibly can And if you feel like you're limited at the moment You need to start thinking about other clients you can start pitching to So firstly, we're going to select our price So what is our price going to be?

And there are three pricing strategies You can adopt within your business The first Is market based pricing So market based pricing This is basically saying What does everyone else charge within the market? So I always think sourcing is a really good Business to do this on So we've got Appen, we've got Liam, we've got Pat So for example, what does You guys might know, what does a standard sourcer maybe charge for a deal? Three grand Yeah, perfect, we'll take that So you go, right, I want to start a sourcing business So guess what I'm going to charge?

Three grand It's market based pricing You charge the same as what the rest of the market is doing So that's where a lot of us start But it's not the place where you're going to make much money You're going to be competing against the masses And you're competing on price So then we move to the next level, which is called confidence based pricing So confidence based pricing You know I was charging three grand I've sourced 50 deals now I've got 30 Google reviews People love us, we've spent the whole winter building out these systems and processes What we do is much better We have a charity that we now work with So we get leases in quickly And it's like, you know what, I think we can charge a bit more Because we're a little bit better than the rest of the market So we inflate our prices by What we call a confidence margin And go, you know what, everyone else is charging three I'm going to charge five Because I feel a bit more confident that we can do a better job than them So our price increases It's confidence based pricing The third Is in the final stage, which I call Problem based pricing So this is where you stop thinking about your Product and service And you stop thinking about what it is you actually do And you start thinking about your client's problems And the problems you're actually solving And you price Based on solving their problems And Let's use sourcing as an example Can I get a mic over here, please?

Where's the catch box? Oh, Afam's got it, go on Afam You take the catch box You're nominated now So if you What are your client's problems As a sourcer?

[Afam Sadiku] (41:00 - 41:23)

If we're thinking About the buy to let business Most of them, cash rich is time poor In most situations So we have a lot of The common thing that I find With the sourcing thing, buy to let wise Is so many people Are just sick of the job And they say, I'm making all of this money I'm losing more and more time as I make more money I want to invest in and become free

[Josh Keegan] (41:24 - 46:29)

Perfect, so I really like that So that's a really good answer I think the mindset that a lot of sourcers have Is they just don't know where to find deals Or they don't know how to stack a deal Or they don't know how to put their money in And they just need help going through that process I'd say you probably work on confidence based pricing If you think about that What we want to think is problem based pricing And I think the bigger problem to solve is more of an emotional problem Which is like that People, they just hate their job They want the confidence to know That they've got all this money sitting there And if they invest it with you, it's actually going to provide them return They feel embarrassed That they've never invested in property They feel embarrassed they've been talking about investing for years And never pulled the trigger They feel nervous, they feel scared And these are the actual problems And the more you can tap into those emotional problems The higher your prices can tend to be You cater for those problems and you achieve them That's problem based pricing Then what we want to do Is understand the difference between products and packages So you can sell a product So sourcing business could be I'm going to source you a deal Or you can sell a package What's the difference between a product and a package?

A package has multiple products in it So you can either be I source deals, I charge £5,000 Or you can say we source the deal, we renovate the deal for you We actually find you a lease at the back end of that deal We introduce you to our power team And then we introduce you to a letting agent who's going to manage it all for you And all of a sudden you bring all of these different products together And you put them in a box And instantly it's 1 plus 1 equals 3 We all do this If we're managing a build We know we're going to pay less using individual trades Than if we get a main contractor in place Because now we're paying the main contractor We've got somebody on site And then they're bringing in the individual trades And we know that it's not going to be light for light costs We know there's going to be a premium associated with that But it's cool because we've packaged something together And the way we make bigger margins In our businesses Is actually packing multiple things together And bringing it all through to fruition I bought a sofa from DFS recently Like DFS is expensive And it's like It was a great experience Because I knew I was paying too much for a sofa But I went on their website Instantly they're like Oh by the way Josh, you don't actually have to pay for this You can get 0% finance over a year And it doesn't cost you a penny more And I was like, okay, it's part of the package They've added a finance package Now I know, I'm not stupid, I know there's a premium on that sofa To pay for that finance, I get it But it felt like it was all included Part of the package And then they said, well also, you have kids So you can have this stain protection So if your kids stain your brand new cream sofa Which is definitely going to happen We'll come and sort it And now I've not got stains for five years Then they said, also We'll bring it to your house, we'll install it And we'll take all the packaging And once again, it's like, okay, that sounds good And so they packaged all these things together Now I'm paying a premium price for this sofa But if they just said, right, rather than it costing 1500 quid for the sofa Whatever it was, it's actually 800 quid for the sofa And you can pay for it to install it in your house You can pay for the finance, you can pay for this, this and this I wouldn't have gone for any of the other stuff But because they packaged it together in one lump sum I'm like, well the cost of the sofa exists It feels like I'm getting the rest of it for free So it really increases the premium That you can actually charge I love this analogy And this was a big game Like a massive game changer for me A massive shift in mindset And this is from Daniel Priestley And he basically talks about the desert analogy So somebody's walking in the desert They've been stranded in the desert for five days They're walking, they're walking, they're walking They're absolutely exhausted And eventually they see a hotel The most beautiful hotel in the middle of the desert And they walk through the door of that hotel They walk up to a reception And what's the first thing they ask for? Water, yeah, cool Then they down a bottle of water and it's like, what do they ask for next?

Food, yeah They eat a load of food, what do they ask for next? Speak to someone they need to, maybe a phone call They want a shower I need some flights, I need to get out of here Can you give me accommodation for a couple of nights And what most entrepreneurs do Is they just price for the water The initial problem, but once you solve that problem You unlock a series of other problems That your client's going to have along the way So sourcing, really great example If you're just pricing for actually sourcing a deal You're missing a trick Of course you source a deal, so who's going to renovate it for me? Who's going to manage it for me?

Who's going to find a lease for me? What mortgage broker do I use? What solicitor do I use?

You need to unlock all this stuff behind it And the way you really increase your margins Is packaging stuff together and thinking about Not just the first problem, the second problem, the third problem The fourth problem, the fifth problem And all the problems you're going to have And the more problems you own on that kind of journey The bigger your package has become, the more you can charge And the higher your margins are going to be So This is The first part of this, which is basically Your pricing And your products. So Dex, do you mind just switching to the other screen for me?

And basically This is the template you're going to use And we're actually going to build one of these live as we go So Pat, can we do your business? We did have a quick chat before You alright for that? Can you just get the mic off?

The mic that Atham's just neatly stored under his chair So no one else can access it So for example, Pat You have a sourcing business, don't you? Cool, so let's start with product number one So it would be sourcing Do you mind sharing, you don't have to share exact numbers What would you charge for that service?

[Pat] (46:30 - 46:52)

So I've got up a little bit Since you last said, so £4,000 plus VAT now Cool, so £4,000 And do you have any other services within there? So that's fully hands-free From start to finish So sourced But added on to that is the project management So 10% project management What's your average PM on 10%? It varies, but let's just go for 1,500

[Josh Keegan] (46:52 - 46:53)

1,500

[Pat] (46:54 - 46:54)

Perfect

[Josh Keegan] (46:55 - 47:28)

So Pat gets his model, and that's the first media As he types in his sourcing packages And his project management package Easy, straightforward Now Pat and I have a lot of conversations about pricing And Pat's definitely one of those people That feels a bit funny about putting the price up But I would say the quick grim for you Right now is like £4,000 or £1,500 That is very much, I think probably Market confidence based pricing I think we could definitely push that up a little bit further As we go, but we'll talk about how we can do that in a little bit So that's the first start Is basically entering our products And our prices

[Pat] (47:28 - 47:37)

There is one more product So I offer a refurb only service But that's kind of project management As well, but just without the sourcing

[Josh Keegan] (47:37 - 47:39)

So how much do we charge for that?

[Pat] (47:40 - 47:40)

10% again

[Josh Keegan] (47:41 - 51:08)

£1,500 So the purpose of this is Getting it into the model and actually think about it And we can play around with it a little bit later and change our prices Like for me, if I was doing a Refurb only, I wouldn't be charging the same As I would be charging to people as part of that Source And renovate package Because they're buying a package Refurb only would cost more So I did that in agency, tenant fine for a managed client Would be X amount, if you wanted to do tenant Fee only, we would charge Almost double to do that So it's just a consideration We'll play around with that as we go Cool, can we switch back to the Slicebeast deck?

I've been trying to convince Pat for about six months To put these prices up, so we'll see Hopefully we'll crack it in this session Can we go back to the Slicebeast deck? So That's going to be the first part Prices and packages, that's what we all need to get in there For your business So the next part of this is then COGS What does COGS stand for? Cost of Goods Sold So Cost of Goods Sold, what's the definition?

Is how much does it cost you To make a new sale So every time you make a sale, every time Pat Sells one of the sourcing packages Every time you sell, like I sell one of my Financial consultancy packages Every time you let out a room What's the cost to actually do that? To make that sale To make that sale What's the incremental cost you're going to actually incur? Other words you can use for this Is Variable Costs or Direct Costs So, you know One of the difficulties with the world I'm in Is like, accountants like to use different terms all the time They use them interchangeably So I just want to make sure you're all clear Cost of Goods Sold is one way of saying it Variable Costs, that's basically It varies, you know, it varies with your sales If your sales go up, your costs go up If your sales go down, your costs go down And then you've got direct costs So once again, up, down, depending on what your sales are going to be So a bit of a pop quiz If I had an office lease Would that be Cost of Goods Sold? No? Claire, well done Christine?

Office lease Yeah, happy? No? Cool, so yeah, no it wouldn't be Because I'm paying for that lease regardless of how many sales I make I have three bad months, I've still got to pay the landlord for the office What about Sales Commission?

Yeah, yeah, well done Grant Marketing? Love it Grant, so yeah exactly, marketing is a bit of a trick one So yeah, so some marketing Like for example, I pay for, I work for Oversubscribe I pay a content calendar fee every single month And then to my left I've got a content calendar That would sit in overheads, because it's not directly related to sales I'm paying for that regardless, social media is getting out Regardless, however If you had something like Grant uses In his SA business, Booking.com Airbnb, those platforms And every time you make a booking, there's a commission That would be cost of goods sold, wouldn't it? Because you make more bookings, you pay more Make less bookings, you pay less So it's making sure you're clear on what's cost of goods sold And what your overheads actually are I would say as a general target I'm in a privileged position now, where I've seen behind the scenes Of literally hundreds and hundreds of companies And like When I see entrepreneurs that are really doing well Financially, generally their cost of goods sold Tends to be about 30-40% of their sales So what I mean by that is If you're going to make a sale of £100 Your cost of goods sold would tend to be £30-£40 on that So you're Do you want to get the mic?

[Afam Sadiku] (51:11 - 51:15)

You said cost of consulting Was it consulting? Cost of goods sold

[Josh Keegan] (51:17 - 53:23)

So general target, we want to be aiming for A gross margin in our business, we're going to talk about A net of 60-70% generally Depending on the type of business, I'll go into a bit more detail But generally you want to be Have a target of around 30-40% As general as your cost of goods sold The actual cost associated with that sale To have a really high margin business, we'll talk about that in a bit more detail What I would say is When you're looking at your business model It's a really good opportunity to start thinking about strategically How you're actually going to structure it And I highly recommend, particularly if you're in the early stages To keep as much of your cost variable As you possibly can So my business, financial consulting businesses I basically have The majority of my team, they're all on paper hour Multiple different rates And they all book their time So if I win 10 projects My costs go up If I don't have any projects for 3 months My costs basically disappear And it means it's quite a low-risk business I pay a premium But I have a high cost of goods sold And that's a really great place to be I've been working with a manufacturing business recently And one of the strategic moves they're making Is rather than have everything being manufactured In their own factory They've now found someone That can then manufacture them in somebody else's factory And they just pay For the unit to be shipped They pay for the unit So they've turned a very high overhead business Into a very low overhead business But they're paying a slight premium But they've just removed the risk of Having those overheads They've removed the risk and now everything's variable cost So if you can do that in your business I'd highly recommend keeping your cost variable as much as you can Because where we see people get caught out Is where they have low variable costs, high overheads Things go wrong on a sales basis And then they can't keep up with those monthly payments And yeah, low risk So variable costs tend to be lower risk A true variable cost fluctuates with sales So it tends to be a lower risk cost So that's where we can put as many of our costs As we possibly can So we're going to put in a variable cost now Cost of goods sold So flip back to this screen, please So we keep working with you, Pat, then So if you get the mic off Afram So in terms of your sourcing business What costs do you have Associated with when you source a deal?

[Pat] (53:24 - 53:42)

Very little Because it's We don't really have any goods Or that kind of thing But I've just realised that my viewing agent And my PM viewing agent should probably be At the moment they're in admin costs But they should probably be In that because they're variable, aren't they?

[Josh Keegan] (53:42 - 54:08)

Exactly, so if it's like a viewing agent That gets paid for viewings or whatever It's the busier I am, yeah So if you say How many viewings do you think it's going to take To source a deal? Maybe three And how much does it cost per? It's about 20 quid So it's pretty minimal, so £60 And then PM, what do you have in there In terms of additional costs associated with PM?

[Pat] (54:08 - 54:22)

So, yeah, again We've got the weekly updates Which is from the viewing Another viewing agent Who's better at the PM And the same cost Okay, cool, so it's like that And the same for refurb only?

[Josh Keegan] (54:23 - 54:29)

Correct, yeah And I'm assuming The source in the PM Are you actually doing the PM yourself?

[Pat] (54:30 - 54:55)

No, sorry, with the PM You've got more than that, you've got more visits So per fee I think that's what you're trying to put in there Maybe that should be another 20 or 40 on top For both So are you doing the majority of the PM work yourself? Yeah, I'm working A lot in the business at the moment So they're doing the run around But I'm doing the reports

[Josh Keegan] (54:55 - 1:00:51)

So one of the things you might look at then Because your margin is going to come out very high Because you're ploughing your time into this So one of the things you might do is build your model As is, and then go We actually want to build If you want to build a business model Or a business that's actually a business Really, we should be going right What would I have to pay for somebody else to be doing this In my shoes And then we can actually build that in So your margin is going to come out very high, and that's cool We can have a look at that, we can tweak around with that at the end And that's something we play around with Because this is the tool that you can use to actually go You know what, I'm actually comfortable to leverage To move away from this and not do this myself Because I've got the clarity over the numbers So we'll play around with that in a moment Cool, so what this is going to do then Is it's got a cost of goods sold in here And we've then got our gross profit down here And we'll talk about that now So gross profit and our gross profit margins So can you go back So that's your cost of goods sold Then We'll move on to the next part of this Which is basically our gross margin What is gross margin? Shout The profitability of your Margin for overheads There you go, Grant, don't do it Profit of your products, who said that? Jamie, well done, amazing So gross margin is the profitability Of your product Really important distinction Your profitability of your product or service So when you make a sale, how much gross margin You're actually going to make Is the profitability of your product Without including the profitability of your business Without including your overheads So it's not how much it costs you to run the business It's the profitability of doing that specific job Or making that specific sale So the formula Is price minus COGS So price minus cost of goods sold So for example Pat's example £5,000 to actually sell a deal £80 to actually deliver that deal Which is an amazing cost of raising gross margin Because his gross profit is going to be £4,200 So it's I can't remember what I was talking about I'll check in a sec It's basically a very high gross profit So basically it's price minus cost of goods sold Equals your gross margin So this is the profitability of your product So when you make a sale How much profit you're actually going to make by making that sale Is not factoring in The cost and the actual running Of the actual business A really important distinction You can talk about gross margin in two ways It could be a percentage or it could be a value So a percentage would be, right, my gross margin is 60% Which means for every £100 of sales you make There's going to be £60 of gross profit Available to you If your gross margin was 50% Every £100 of sales you make There's going to be £50 of gross profit available to you So I'd start thinking about it in percentages Percentages are really useful because it means you can compare Across your different businesses And basically compare actual benchmarks To make sure it's in line with what everyone else is doing There's a little mantra Called sales solves everything And I'd say it's true to an extent But I'd like to reframe it In that profitable sales solve everything And I've seen a lot of people Myself included, where I thought Me going out, making a load of sales Was actually helping the business And actually it was good, I got some cash in the bank But I didn't realise I was actually making unprofitable sales When you make unprofitable sales It's a short-term solution that's not going to solve Any long-term problems because you might have a bit of cash in now But that's going to result in more cash going out later And it's not going to be very, very good And we mishit Ultimate FD when we got started I've never shared this before We went for a margin It was around 50% gross margin when we first started with Ultimate FD Because I thought if we were at 50% gross margin We would hit a 35-40% net profit And that's a really great place to be as a business But in reality When we first got started We had contracts We had the publishing contract for the book We had higher overhead costs than expected And just lots more costs than we actually expected In the early days So it meant actually These sales weren't actually making us any money They were actually costing us money So we had to then readdress our gross margins To make sure we got the profit we needed So it really is tuning into this And making sure your cost of goods sold And your gross profit is where it needs to be And yeah We'll talk about targets in a moment One of the powerful elements here When you get your gross profit now And you get your gross profit margin now You can do what we call negate negotiations So you can minimise your negotiations And this is the missing link for some of you Who sometimes feels like They've got something that they're going to sell Client comes in They start trying to chip them down on price And it just takes so much head space So much energy You're like, I want to make the sale But I don't know what to do And I probably can drop it less But I'm not sure Who's been in that boat before? A few people Yeah, and I think particularly when you're in the business yourself And actually you don't have a cost And it's just your time It's much, much easier to actually It's much more difficult because you're like You go back and forth and you're not sure what to do Well, gross margin is a very powerful way of negating this So somebody It's just your two answers Somebody comes in They go, you know what, can you just do it at a lower price? And you go, I don't know, maybe, I'm not sure Yeah, maybe And as soon as they say no, you're not sure Anyone that's smart knows, well, I'm getting a lower price Like if someone says they're not sure to me I'm like, cool, I know, but I'm getting a 1 net They're here, so brilliant, because you're not clear But as soon as you go back to them and you say I would really like to work for you And I really appreciate you putting the time and energy into To make this offer for me And you've seriously thought about what the value is to you Unfortunately We have a minimum gross margin that we operate on In our business And dropping below this simply doesn't meet that So it's not actually worth making the sale Because it actually costs us money as opposed to actually making us money And it's not a win-win So I really do apologise But it's not something I can do at this time What happens when you do that?

They go, oh, don't worry about it, we'll just go to your pricing call That always happens, they just go, yeah, it's fine And if they don't, you don't want to work for them Because they don't want to win them Grant, can you pass the microphone to me?

[Speaker 17] (1:00:55 - 1:01:10)

I totally agree with that I've been in sales for years And one good thing to do Is if you know your minimum And what price you want to get it for Start a little bit higher So everyone thinks they're winning Because then you can come down Make them feel like they've negotiated with you But you're still getting the price that you want

[Josh Keegan] (1:01:10 - 1:03:39)

And I'm going to build on that as well You want to be building to a slightly higher price But what I'm also going to recommend at an advanced level Is create a negotiation matrix This was a game-changer for me And you can only do this once you've got your business model nailed So what this is Is basically your position And where you're going to go to And where you're not going to go to So we had this at my agency We didn't call it a negotiation matrix We called it a landlord loyalty scheme And basically the concept of negotiations Is whenever you give something Take something So you can give what you want But always take something back Never just give, always take something back It could be the smallest thing in the world But you've got to always take something Some might come to you and say Look Pat, I know your standard fee is £4,000 But I've seen a load of other sources And they're only charging £3,000 So can we do £3,500? And the Pat's going, I don't know, I want to make the sale I want to work with them, we've got our targets here What we do is we say Of course we could explore doing that Here's our sourcing loyalty scheme And what it says At the top it says number of deals And then it has size of deal Or something along those lines And what you do is you say If you want £3,500 that's cool But you're going to have to buy 8 deals So if you buy 8 deals And you pay up front, cool, fine You're going to have your £3,500 And you basically have decided up front Here's your table, yeah of course you can choose Whatever you want here, you can negotiate what you want You can have a lower price and you choose And at the agency we had The length of contract Our signing contract was 18 months We had length of contract And we had the size of the portfolio And it's basically, oh yeah of course you can have a discount My team, yeah of course you can have a discount Here you go, here's our loyalty scheme And they get this thing and they go, oh Yeah of course you can have that, just sign up for 3 years And give us that other 10 bed HMO You've been talking about, and you've got the discount you want And instantly it just puts You in a powerful position And it just stops negotiations, they just choose an option Or they go, you know what, thank you but I'm actually going to stick with The 18 months and just give you the 5 units And it's cool, and you're fine, yeah You're absolutely fine with it, but for people In the business where they find their back and forth And negotiating all the time, think about What's the win-win, what can you take And what can you give, and go on Chris I'll answer the question, sorry Yeah, what can you take and what can you actually Give, and decide it up front So you've not got Thank you Rachel, decide it up front So you're not having these lengthy exchanges They're just exhausting, they take way too much time And you don't need them

[Speaker 16] (1:03:40 - 1:03:52)

Would you show this to everyone, or just when you Enter into a negotiation, because sometimes a client Is happy to pay the top price that you offer Even if you know you've built in a buffer Others will want to Negotiate, so would you show it to everyone

[Josh Keegan] (1:03:53 - 1:04:07)

Good question In the example I gave of the Non-Laboratory scheme, we did, because it was like By the way If you want a discount And sign up for longer, we can give you a little Negotiation fee, and it was always higher than our minimum Anyway, and we were quite happy

[Speaker 16] (1:04:07 - 1:04:10)

I was on the other side of that, and I was desperate to buy more properties

[Josh Keegan] (1:04:10 - 1:06:56)

You did, didn't you, you were trying to hit the top bracket This is the power, we showed that to Chris, he was a client Of ours, and he was, yeah, buying more properties He wanted the discount, he was like, trying to give us more It's great, how long can I sign up for So it works really well So, to answer your question I think it probably depends on what you stage I mean, I probably would, like if you think about Property Entrepreneur, when you guys sign up for the program We have two prices, one of them is Pay in installments, and one of them is pay up front But you receive a discount, and it's like, where did that come from It came from the fact that people coming to us Going, oh, I've got the money, can I have a discount If I pay now, and it's like, oh, what do we do So yeah, we kind of display it, so I Probably would, yeah, I think it's a useful thing to have But also, it's leverage for you as well Because you can give this to your team, so those of you who've got sales teams Instantly, rather than, the client wants a deal What can I do, it's like There's a negotiation matrix, that's what You can negotiate on, very, very powerful So If we can just flip back to The screen for me, please So what we've got in here, is then we've got Your Gross profit here, so basically You've got your cost of goods sold, you've got your PM, your refurb only Now What I'm actually going to do, Pat, is Actually, we'll do that at the end, it's cool We'll work on this for now, so in Pat's business At the moment, given that he's putting a lot of time into this He's got ridiculously high margins, very, very High margins, but something we're going to need to address Is your time shortly, and we'll look at that as we get towards The last bit of the model, so you've got your gross Profit here, and this is basically telling you, per sale Per source, package sold We're going to make gross profit 3,940 And the gross margin on that Is 99%, which is, you know Pretty crazy, PM is going to be 1,400 quid, and then refurb only be 1,400 quid Gross profit, 93%, 93% So that's what you're going to get to You're going to have your products, you're going to have Your price, you're going to have your costs And then you're going to have your gross profit, which is the starting point For any business model So Go back to SlicedBee.com Then we're going to move On to the next part of this, which is your net Margin, so if the profitability If gross margin was the profitability of your Product, what is your net margin, the Profitability of your Absolutely, the profitability of Your business, so your net margin Is after everything It really is after Everything, it's after your overheads It's after everything you actually need to actually run This business, and what I say The observation I've made over the last few years Is world class Entrepreneurs master the art of turning Top line revenue into bottom line profit Effortlessly, and that's What we're all aspiring to do Anyone I see that has an incredible Business, that's making tons of money, that's doing Really well, that's finally got this place Where they've got a valuable business they could sell They're really leveraged, is they've just created the sausage Machine, where money comes in at the top And then beautiful sausages come out at the bottom And if you think about, like, if we come back to like Still said sausage

[Speaker 16] (1:06:58 - 1:07:00)

I've never heard that Have you not?

[Josh Keegan] (1:07:00 - 1:07:18)

Good, I thought about that in the shower this morning So So Not for any reason So This is a sausage bag Did you enjoy the shower? So good to see the level of maturity

[Speaker 18] (1:07:18 - 1:07:20)

In everyone, brilliant

[Josh Keegan] (1:07:20 - 1:07:22)

Brilliant, so

[Speaker 18] (1:07:24 - 1:07:28)

Right, so this is

[Josh Keegan] (1:07:28 - 1:12:03)

What it's all about, it's getting the bottom Of the revenue from the top to the bottom As quickly and effortlessly as possible, when we're doing all this Winter stuff now, that's all we're actually trying to do It's trying to create the systems and the framework For revenue to come in, to go Through the process, to get a kick out Into bottom line profit, that's all we're trying to do, and that's the aim Of the game, and like, don't forget That, because that's what the point of these Businesses is, is to kick out that bottom line profit So net margin We call this the bottom line, why is it Called the bottom line? Because it's at the bottom of the P&L And it's like where everything sits And I think, I want you to think about your net Margin being like a game of British Bulldog Did anyone play this at school?

Yeah? At our school it got pretty aggressive You know, the lads would take their shoes off and Basically stand in the middle, and they'd all have these Weapons, and basically you had to be on one Side of the field and get to the other, without Anyone wrestling you to the ground, beating you up Throwing a shoe in your face, it was like a really intense game You had to run past, it was the most exciting It was so exhilarating, like I wish we could all Play as adults, but you basically You had to get from one side of the field all the way to the other And touch the fence, and when you touched the fence you were safe And then you had to keep going, and then every time someone got wrestled To the ground you had to join the Bulldog Team in the middle, I don't know why it's called British Bulldog But that's what your business is like Your top line Is one side of the field, money comes in You make a sale, and the aim of the game Is for you to get that pound, that million Pound, that hundred grand, whatever it is Down to the bottom, as quickly And as effectively as you can, without getting Blocked by all those things in the middle And we need to be aware of all those buckets in the middle, all the costs Overheads and all those things But you need to become a master at getting that top line To the bottom as quickly as you possibly can And you build a systemised business, you build a business model And this is what that actually allows you to do We're going to build This backwards, so Your business model shouldn't be a finger in the air It shouldn't be, oh you know, I feel like I just want to make A million quid this year, or I feel like I just want to do this This year, or that, these are arbitrary goals Arbitrary targets, the first step For each and every one of you is to build this backwards If you're not at a place yet where your business Is kicking out enough money for you to live That's the first protocol So we're going to build it backwards and go, right, what money do I need to live And I want to make sure My profit's going to achieve that If then you've done that, maybe the next milestone is Well how do I level up my lifestyle and get it to where I want If you've done that, maybe it's then how do I Build enough money to build my financial fortress And you keep building and just making sure Whatever that profitability figure is It's considered, it's for a purpose It's like, the output Is tangible We want it for a specific reason We want to make sure our business is being built Around that target number We're going to be in PCM Today, which is Personal Cash Flow Management And a bit of advice I'd bring It all together for you is, Adam's going to take you For your PCM, you're going to work out what you need to spend Every single month And if you're not yet where you need to be with your businesses If you know there's some growth that's required And you need to make more money, just take your PCM Number, add 20% For corporation tax, so you might be 25% 20% for corporation tax, and add 20% For a buffer, so for example If your PCM number is £10,000, add 20% For corporation tax, and add 20% As a bit of a buffer, so you get to Whatever that number is, £14,200 Which will be Your target profit for your business Your target net margin for your business And then build the business backwards About how you're actually going to achieve and get to That number As a What we're going to do, and the way this model works Is we're going to input a minimum net Target margin into the actual model And what we're going to do is we're going to input That margin, and we're going to see What it looks like when we get to the end, and we're going to play around With it, okay? And generally I'd say, as a benchmark You want to just choose a target margin For now, and then play around with it a little bit later Target margins, generally For a service-based trading business Like the businesses I see, and the businesses That do really well, 30-45% Target net margin would be a really good Place to be. For a Kind of manufacturing Or product-based business You're looking at anywhere from like 10-25% Depending on what the business actually is And for an asset-backed business HMOs, single net portfolios Etc.

You're probably looking at More like 8-12% target net margin Within that. So you want to choose A target net margin that's going to work for you And I'd suggest starting with the higher one This business model is where we're aiming to get to It's like, where are we going? So you might not be where you are now, it's where we're aiming to get to And then we can play around with the numbers A little bit later.

So I'm going to Do this for you now. And remember, we've got midweek mentoring To back all of this up guys, so I'm not expecting you to nail this In this room. I'm going to take you through an example This is the theory, and we'll build this out On midweek mentoring So, target net margin So for you, Pat What would your target net margin be?

[Pat] (1:12:03 - 1:12:13)

Top of your head Depends if I'm paying myself A salary and how much, I believe Does it? But also, we haven't Put admin costs in, have we? We're going to do that in a minute.

[Josh Keegan] (1:12:13 - 1:19:56)

But we're going to start with target net margin So For UltimFD I get paid a salary, and I also Pay myself if I do work on projects Because it's just the right way to Do stuff. It's like, you know And it makes me feel good because I know the business works Because if I replace myself as MD If I then brought a finance director In or somebody to do my work It's like, the cost is just It's sucked up. It's part of that cost The business works.

And it's really important I'd say, that the business works With or without you. So I really do think And that's going to be some advice later. You need to put payments in For yourself.

So For you, Pat, you need to go away and go, right What would I have to pay for somebody to project manage this? And you might say, right, well actually For someone to project manage one of these refurbs It's going to be a minimum of 800 quid Or someone to Actually source these deals for me, it's going to be a minimum of X amount per deal You know, 500 quid a deal, a thousand pound a deal Whatever that's going to be And I think you'll find when you do that, your business will fundamentally change And that might be the push you need to push your prices up Because you'll actually realise I'm not, I've not got a business here I've got a job. We'll just talk about that in a minute So targeting margin, like if I was This is a leveraged net margin, not you doing it yourself So I would say, like, to build a proper business I'd say, Pat, I'm going to put in 35% for you Because I think that is a place Where, as a sourcing business Leveraged, having everyone doing all the heavy lifting For you, 35% would be a really nice place For you to be.

It might be slightly higher, but it's very realistic And this is where you can get to a place Where you're literally just working on the business Or a few hours a day, which is probably not a nice place For you to get to So we all need to decide target net margin I'd say trading based business I'd do 35-40% And, yeah, I've given you some of the metrics there And we'll talk about them all on the agreement So we've input that And that's given us our target net margin So now we've got pricing, cost of goods sold We've got a gross profit And then we've got a target net margin that we're aspiring to have within the business So we switch back from your deck, please So, we're going to now, like, start to bring this all together And we're going to do that with sweet spots So, businesses Don't grow in a linear fashion There'll be times where your business feels like It's an absolute mess, it's not working It's not making profit, and that's because you're going for What we call a step change When you get to a sweet spot, that's where everything will come into balance Where you'll be making great money You have all the leverage that you need And your clients love you, you're just doing really well Everything's, like, perfect, and that's what we call a sweet spot And what you need to do is identify Where your sweet spots are going to be More revenue does not mean more profit And that's a real key sentiment I, um Was put in the YPN magazine About 2017 After we basically went on this big rampage And we basically doubled the size of the company Over three months We did a big marketing campaign, it's called How to Fill 70 Rooms in 12 Weeks This big marketing campaign It's really exciting, but Behind the scenes, on Facebook We were actually smashing it, in reality We were making a modest profit before we got started And then we did it, we smashed the target And I was literally driving on our way To a retreat with my team And we went from modest profit To modest loss, we were literally losing money Because our overheads outstripped The growth that we were able to bring on through this Big campaign that we did, so you need to be Super careful, and it's because I didn't do what I'm telling you to do now, we didn't have that We didn't have world class finance function We were just on paper, and just trying to work stuff out And of course, we set ourselves up to fail We put more and more resources in And it didn't work, more revenue does not mean more profit But there are certain levels where your business Is fundamentally going to work And what we're going to talk about Is sweet spots, so The three elements to a sweet spot Cool, so the first is profit So a lucrative business The second is service And the third is leverage And when I say leverage, I mean for you as a director I don't mean debt, I mean like For you as a director, how much leverage do you actually have Within the business, so A sweet spot is in the middle, where Highly profitable, highly lucrative business Great levels of client service People absolutely love you, think you're brilliant And then your leverage is brilliant too, where you don't have to do Too much work or input Now, when we're not in one of these places, so for example here This, at this level We've got great levels of profit We've got great levels of service But we have like no leverage And I'd argue, Pat, I said I was going to pick on you I'd argue like, this is probably where you're at now You don't have anywhere near enough leverage You're doing all the work yourself But you have great levels of profit, and you've got great levels of service Your clients love you, and we're going to see in a second Your profits are absolutely out of this world The problem is here, is you're going to burn out And it's not sustainable, this isn't a business This is a job, so this is a job And we don't want to stay here, this is landlord level And we need to move away from this When you're down here This is where you've got really high levels of service So your clients absolutely love you You've got really high levels of leverage Awesome So you're really leveraged, you're not having to do too much in the business But you've got really low levels of profit When you're at this level What's normally happened, is you've done what we call Forward funded, so you've bought on the team You've bought on the systems, you've bought on the people And you're ready to go You've almost got too much capacity And what you need to do now is grow We call this crossing the desert So when you're here you need to cross the desert Because this is not a place you want to be, you're losing money And you need to get to the other side as quickly as possible And grow, grow, grow, grow, grow So here's crossing the desert And then when you're here You have really great profit, highly lucrative business You have really great levels of leverage Like you're barely involved, 90 minutes a week The team are running the company But your service is not very good Your clients are not particularly happy So this is what we call a false economy So although it's good on the face of it Because you don't have to do very much And you're getting paid really well You're not going to last here One of the easiest ways to make a business profitable To sustain a business Is make sure your clients really like you If they don't like you, they're going to detract from you And over time your client base will go down And it won't be long until you're back in the business Having to solve all these problems and sort out a bit of a mess So that's what we call a false economy You won't last there for long Unless you're like Ryanair or something Where you make a thing of like crap service And you know, crap service and stuff But it's like, I don't think many people in this room Will be able to sustain our businesses at that level So what we want to do Is find a sweet spot And a sweet spot is where in the middle Where all of these things are in balance And as you shift and you do your step changes Go from one space to the next sweet spot You're going to find, you know, for a minute You're making no money, your service is great And your leverage is very high Then all of a sudden you shift to a place where your client's unhappy You're making some money And you're going to keep shifting around But eventually it will all come into balance And you'll hit a point where you've got to the right size You've got the right number of clients, the right team in place The right levels of margins, the right levels of involvement for you And it's great And you don't want to rock the boat You just want to stay there And that's really the challenge for entrepreneurs Because we're all about growth, progression It's like we get to this amazing sweet spot But we sometimes kind of forget If we just increase ourselves by 20% It's going to make this whole thing fall apart And all of a sudden we're back in the noise Profits drop, and it's a false economy So you've got to find that sweet spot So this is the next part of the model So if we just switch to the laptop, please You can see in here We now need to decide For Pat what his sweet spots are going to be And what you're going to be able to do Is just input the sweet spots monthly So Pat, what would you say For your business to operate really well How many source deals would you do a month At your first kind of sweet spot

[Pat] (1:19:57 - 1:19:58)

For the sweet spot?

[Josh Keegan] (1:19:59 - 1:20:03)

You have to kind of guesstimate it a little bit And we'll play around with the numbers See what it gets to

[Pat] (1:20:04 - 1:20:07)

I don't know for the sweet spot At the moment we're aiming for about two

[Josh Keegan] (1:20:07 - 1:20:12)

So right now it could be two, two PMs And then maybe two additional

[Pat] (1:20:12 - 1:20:15)

And then one extra refurb only

[Josh Keegan] (1:20:15 - 1:20:15)

Cool

[Pat] (1:20:17 - 1:20:19)

One refurb only Oh, one refurb only, cool

[Josh Keegan] (1:20:20 - 1:22:30)

So that's 24 source deals 24 PMs and then 12 refurbs Per month So what this is doing is now It's kicking out all the values into here So based on this, Pat would be making £12,500 A month of sales His cost would be sold at very low Gross profit would stay at like £12,000 And then your annual net profit Based on this is at a 35% margin So this is Maybe your first sweet spot We'll talk about overheads in a minute Then what you might say is Look, we've done that for a year Things are going well, I'm going to recruit the team I'm going to take myself out of stuff And go actually, I think we can get to five source deals Five PM a month and then three refurb only Then I think actually I think we can take that to 12, 12 and 6 And you can see These are three potential sweet spots for you And you can see how the numbers are all going to change So all of the cost of goods sold Stay the same, the net margin stays the same But the sales are shifting and you've gone from £12,500 to £75,000 a month These profits, and you can see these profits down here So £52,000 a year £134,000 a year and £315,000 A year, so you see how it's going to work And how it's going to map out And so you need to, like this isn't the answer for you Pat I'm not saying these are the sweet spots But you just need to start playing around with it And for some of you right now, it might just be your first sweet spot And that's cool, for some of you, you might want to Just really map out the next, your one year Three year, five year plan, where you're going to go to Just play around with the numbers and see what's Going to work well for you So this gives you your annual net profit This gives you, and it's basically Maintaining your margin at 35% So That is Almost there, that's basically a business model It's basically very clear So Pat's business works well Two source deals a month, two project management Fees a month, one refurb only Minimum charge for source deal is £4,000, £1,500 for any Refurbs, his Cost of goods sold, his average cost of goods sold And his gross margin is 96% His overhead budget, which we'll talk about in a minute Is £7,000 a month, and his net Profit will work out at £4,375 At £52,000 of profit per year Very simple, that's your business model Yes, Jamie at the back, can you pass your mic Back please, or in fact Bianca's coming to you Jamie Don't worry

[Speaker 7] (1:22:34 - 1:23:06)

So just, I'm kind of Extrapolating from this a little bit So let's say, like you said, it's a bit of a guesstimation So if we're all at Number one and we want to get to number two Is the idea that you kind of make Your best guess, then the spreadsheet Is telling us, by the way, this is what Your overhead budget is going to be And then as a business person Do we then see who we're Going to need, the structure and everything And then go, actually I'm going to need To spend £23,000 in team To get here, so then we increase What that sweet spot is, and then we're crossing

[Josh Keegan] (1:23:06 - 1:31:51)

Correct, we'll do that in one moment So that's the next bit, so yeah, I'll answer your question in one moment So if we go back to the Slidespeed deck, I'll take you through that just right now So what this is doing And Jamie's ahead of the game, so he's exactly spot on So basically the final Bit is overheads, and the reason we do overheads last Is because we can, remember algebra at school One plus B equals Six, so B must be five We've basically got a formula, I lost you all at that Didn't I, saw Pat go I saw Pat look down, I saw Sam at the back go Like that, okay we won't do any algebra But basically We can use overheads as a bit of a balancing number Within this model, so that's why We've not done overheads, because basically Don't worry about this formula, but if you just work it back You do net profit minus your gross profit The bridge between gross profit and net profit is your overheads So now we know what your overheads are going to be We've decided your net profit was a 35% net margin We've decided what your profit's going to be We know what your gross profit is So now we've got the balancing number, which is our overheads in the middle Don't worry about that, just trust the spreadsheet So overheads Fixed, indirect costs These happen every single month And generally they're just much harder to reduce You know, things went really wrong, COVID happened There are certain things that you're going to have to keep paying for Office lease, you know You're going to have to pay for that for three to six months Until you can wind that down So you're not saying you can't get rid of these costs, but they're just much more Fixed in nature Pop quiz, team member salaries Would they be overheads? Yeah, not a trick question, yeah Office lease?

Yeah, cool Marketing? Yeah, it depends, absolutely Marketing, 100% So for the PE business model What about the room we're in right now at the Belfry The room hire for this room Bit of a trick question So this room, no you wouldn't really put this in overheads Because if we didn't do this program Theoretically we wouldn't have to pay for this room Now we've got a contract at the Belfry, so we would But it would still fit in that cost of goods sold Because it's what we need to actually run the physical event If we stopped doing the program We wouldn't incur this cost anymore, would we So it's just get your head around that logic So what we need to do is Allocate our overheads, and I'm going to show you that in a moment And very much onto Jamie's point This is going to give you an overhead budget And you've then got to go, well can I actually run this business At a sweet spot with this overhead budget So we're going to look at that in a moment And determine can we do that or can we not Examples of this would be Team members, office costs Marketing, admins, subscriptions You know for those of you that downloaded Xero last month It actually has a chart of accounts And in Xero it gives you all these different things In Xero it calls them admin costs It's just overhead costs So you can actually use these as ways to actually categorise it And what I would say is You want your business to be lean, clean and full of steam Overheads walk on two legs We want to just keep our overheads as minimal as we possibly can And as efficient If you think about all this work you're doing in winter The majority of it is to keep Your overhead budgets nice and lean Because you're making things work more efficiently, more effectively And it's like how are you going to run this business More systemised and easier So you're going to have less and less people in the office So that's your overheads For me when I had my letter agency It was just £10,000 a month That's the easiest way to remember it I just knew I had £10,000 a month to spend on overheads And I didn't spend any more than £10,000 a month I didn't need to always look at the finance pack To let me know what was going on I just knew I couldn't spend more than £10,000 a month And look at my overheads, it's below £10,000 Cool, I don't need to look at them I look at my overheads, it's £12,000 Whoa, what's happened here That's out of line with the business model So it's just a rule, you've got to follow the rules And if you follow the rules, the business takes care of itself And if you're planning to work in your business You might as well get paid And I think it's come back to the point we've alluded to We want you to run businesses here, not jobs If you want to go from landlord to investor level You should be getting paid for the work you're doing In your business, and it should be at a market rate And it should be at a level where If you stepped away, you can replace Your self-like for life Now you might take a bit of a view on it If I'm really honest, the salary I take As an MD at Alternate FD, because it's still A relatively new company, it's probably slightly less Than I'd be able to pay someone if I went out to the open market now But now we're in a really good place From April it's going to go up to that MD salary So you want to take a bit of a view on it You might do a bit of a mates rate with yourself And that's fine, but we want to make sure That at least 80% of that cost Is going to be covered if you had to re-recruit And replace with somebody else So we're going to do the final part of the business model now And this is exactly what Jamie was asking about So if we switch to the model That would be much appreciated So basically you'll see there's a little cross here And when you press that little cross It's going to open up what we call overhead allocation So what we've got basically If you kind of recap And let's keep it really simple I'm going to delete, in fact I'll leave them in But we're just going to focus on this Where Pat's at now, where he's at now Basically what you do is you look at your overhead allocation And basically this is saying Based on gross profit Based on the net margin you want to achieve Pat's got £7,705 that he can spend a month On overheads So Pat then starts going through I'll just delete a few of these And he starts putting some costs in Costs that maybe you know you've got already And maybe costs that you're like Right, I think I need to recruit a VA To run the VA for a sourcing assistant That's going to cost me £850 I need to start sending more money on marketing That's going to be £650 a month I need to recruit a PA That's £1,250 a month I need to, what else might you need to do Pat? Sourcing compliance £350 a month Anything else?

Yeah, more wages It might just be team member 2 There's already a team member in there, member 2 And it could be like £1,500 a month Project manager You might find that will go in your cost of goods sold But I'm just going to put it in here for now to make it simple Basically you get to a place where You've got nothing left to allocate And it could be that actually you've allocated too much And you go, right, subscriptions I'm thinking about getting this new fancy pants Property filtering or something And you start going, right Well actually I've over allocated here I've spent too much And what you might find is Pat goes To run this business I actually need Branded vans I've got to have them, I've got to have branded vans £3,000 We go, well actually look, I'm over Miss hitting this here because I've over spent £3,150, the business isn't going to work So what we do to Jamie's point is go Well let's look at this then If I need all these things, what can I do?

What are the leaves I can pull? So what happens if I put my average price up to £5,000? And what happens if I put my PM fee up to £1,950?

And what happens if I take Josh's advice, really good advice, and charge more For the refurb? I'm not going to touch These costs for now, and we might be able to reduce them And what happens if I say, well actually I'm going to target 32.5% net margin Because I know right now we're in a growth phase And I know it's going to cost me a little bit more To run this business for now And then I push, with all these team members Actually I think I could do Four source deals a month, and I could do an extra Refurb deal a month, and an extra PM fee a month And you just start playing around with it, you can see We've just made those changes, increased our prices We've increased our unit sweet spots And now we've got loads of extra budget to allocate So what we might do is go Well actually at this level I can operate at 40% net 40% net margin So you just keep playing around with it until you get to a point Where it all looks right, and This was Jamie's question, you just keep playing around We'll actually do some more sales, do less sales Increase this, reduce that Put our prices up And maybe we go, well actually 40% net margin Is brilliant, we've got loads of allocation there So actually I could probably get away with actually keeping My prices a little bit lower, and you just play around With it, and this is a really important part So you get to a point where it just feels right You've got enough team members To operate this at a sweet spot To operate really well, keep the leverage that you need You're making the margin you want to make You're charging the prices you want to charge And the business just looks good You've got a sales forecast, like Pat's looking at this And going, you know, three source deals a month Can we do that? Yeah I can make that happen, I can do that And you want this to be the basics And we want to overachieve on this as well So we want to be in a place where we're not setting ourselves up for failure We want this to be like, this is going to happen no matter what Because the business model must, must happen So, that's all the work we've got to do And get done, and this is basically Your business model, and you've got to allocate your overheads You work it all through, and by the end of it You're going to have a very, very simple looking spreadsheet That just tells you, like, this is the rules of the game This is what I sell, this is how many I sell This is our sales target This is my cost to get sold, this is what I can spend on overheads And you're going to have crystal clear clarity on that On those elements. Does that sound good?

Yeah? Cool So what you need, is you need this for each Every one of your businesses Or, if you have a business With multiple business streams, you'll need this for each business stream Yes Do you want me to pass the mic behind you?

[Speaker 13] (1:31:51 - 1:32:10)

Thank you Josh, is there an actual point where You get to where you think, well if I go to That point, I'm about to cross the desert Is there a point for that? You know what I mean? Say for instance, we wanted to take on new staff Well actually we can't, because if we do We're in that desert phase kind of thing

[Josh Keegan] (1:32:11 - 1:32:46)

Yeah It's all just like a bit of a game of like Trying to be, the biggest challenge You're going to have, is as entrepreneurs We're very realistic And in finance, we want this to be quite prudent We want this to be, hope for the best but expect the worst So that's the biggest challenge you're going to have So you've just got to really get in your head and go I think at that point, we're going to be a bit crossing the desert here It's like, we've got too much overheads, we're too bloated We're not going to get the sales on And you've just got to work that all through And just keep playing with it until you get to a level where you go, that worked And generally when it feels right, it'll be good Yeah, cool Yes, yeah of course Thank you Rachel

[Catherine] (1:32:49 - 1:34:09)

Hi Just at the moment, I'm trying to create A new online product To try and take me out of the interim consultancy Now the thought process at the minute is It's to do around staff engagement And going into businesses Basically across the world Now there is a thought process at the minute That says, as an extra Added product Catherine could go in and do Some of the Well, you can either go into the business Or if not, they send a check back The COs or whatever come back and send a check With me, kind of where they're at So while you're trying to I can see what you're saying, take yourself out of the business Whereas I'm kind of thinking Part of the USP Or added bonus Could be that Catherine is part of that product And do you know what I mean?

It's that added value bit And I guess I'm just trying to work out I'm kind of at conflict with where you're going Do you know what I mean? Where I was going originally was a product that sits on the shelf And everyone just buys it across the world Well done, thank you, while I'm sleeping it's making money But the more I'm thinking about it And working it through I am thinking Do I do that added extra as well? Just because we're talking about business change It's major, it's massive And the business, are they going to go and do it by themselves?

Possibly not, they're going to need an outdoor support And it's just trying to think that through

[Josh Keegan] (1:34:09 - 1:43:16)

It's just two products So one product in the model is The product you're going to sell online The second is your consultancy package, whatever you want to call it And then in your gross elements You'd have the cost to deliver that first product And then within that gross Cost for what you're delivering You go right, I'm going to work this out I'm going to assume it's 10 hours per client I'm going to charge the client 500 quid an hour I'm going to build the business 150 quid an hour, 200 pound an hour, whatever that's going to be You just want to work the model out for that And then when you go to step changes and sweet spots It's like, right, I'm anticipating I'm going to sell 1000 of these products a month, but 10 of my consultancy packages In addition Just play around a bit like that That gives you the answer you want So rule number one is don't break the rules You're going to have the rules of the game You're going to be crystal clear on your pricing, everything that you need to know Don't break the rules Oh, Dex, do you mind switching it back? Apologies Yeah, rule number one, don't break the rules You've got your rules now, these are the rules of the game Just stick to them, and if you stick to them Your finances will generally take care of themselves It's like having a deal sheet where you say These are the deals I'm going to do, these are the deals I'm not going to do And then if you just do the deals that you said you were going to do You have good deals, but how often are we trying to convince ourselves To do deals that weren't quite in line with our criteria What happens if we just end up with an unprofitable deal?

It's the exact same thing in the business You're going to say your minimum price is 5000 pounds That's your minimum price And like Grant said Start a little bit higher and come down So a few top tips Sale packages solve problems I can't emphasise enough how important this is Sale packages, group products together And sell them as a package And then solve people's problems Emotional problems, confidence problems All of the things that are much more They're much more hard hitting, they have much higher value to people The next is Increase your price with every sale Who's done this by the way? I gave a few people advice Was it you Pat?

You booked it, there's a few people at the start I said literally You're charging too low, every sale you do Just increase your price This sale shifted his, he did it until he got three rejections Then he settled, he built more branding He built more marketing, he built more stuff around it Gave it a few months Then he just started upping it again, it just kept going up and up Then he settles and that's how he's done it So increase your price with every sale Price really is just a number Sweet spots are sweet spots When you hit a sweet spot, we all know people That are at sweet spots in their businesses Because they're just glowing, they're gleaming, they're happy It's like the business is the best thing in the world It's because they found a sweet spot And they've stayed at that sweet spot They're not on this relentless doubling every size, go, go, go journey They're just trying to stay as they are Perfect where they are That really is where the magic happens Don't break the rules, I've laboured this point You've got the rules now, stick to them And then finally, tangible targets So, think about how you can then Bring this into your business Because for example, I've got My business model says what we're going to make in sales every single month It's not just something I look at And go, oh, that's nice And then just go over and chat to my sales assistant And go, how are you getting on with sales? That number becomes part of her scorecard She's looking at that every month So she is managing that number for me So the business happens I had occupancy in my letting agency My occupancy in my business model was 90% My occupancy target for my team was 95% It was on their scorecards So you can give these numbers to them And they're going to actually take care of this for you And you can manage it through the business that way Some resources New Year, new forecast, this will change your life Episode number 9 of the U of T podcast We'll go through this in more detail You can grab a brochure, we've got some at the back of the room Take the ACID test if you're not already ACID test 3.0 And we are going to have some extra reading for you this month But stay tuned for that because we're going to launch that At the end of the day So Any questions?

Perfect Number 9 So I hope you enjoyed that session Before I leave the stage and we finish For a break, I've got an exciting opportunity To share with each and every one of you Now This is the financial fortress Blueprint This is typically only done at board level And it really is the only game in town This is what you should all be aspiring to achieve Your financial fortress This is working out your wealth strategy Working out what you actually need To achieve financial independence To basically retire And while we're all noisy building these busy businesses This is the overarching goal This is the overarching goal on Property Entrepreneur It's the most important blueprint You could be thinking about and you could be doing But this is not for everybody in this room The financial fortress blueprint Is one of the most highly coveted The most highly seen blueprints But it really is for high performance only And really is for high net worth individuals only If you want to get the max value out of it So the financial fortress blueprint really is for people That's earning six-figure incomes Or they've already got a seven-figure net wealth This is the blueprint I used To achieve financial independence Literally last year at the age of 33 The blueprint Adam used to retire at the age of 37 The blueprint Dan used to retire At the age of 35 And everybody that's going places In Property Entrepreneur All these high performers that you always hear about Shiv Haria, Susie Carter, Garrett Pierce Ian Bauer All those people that really go in the distance They are building businesses But their main focus is building businesses And taking the profits and putting it into this Because they need to achieve their financial independence Live off the steam And they know that it's all about long-term Financial security for them So the financial fortress blueprint Is going to be available to each and every one of you It's going to be a six-week program And by the end of that program You're going to have worked out your offensive strategies For your wealth management Your defensive wealth strategies Your personal cash flow management Your working capital Your financial independence numbers Where you are now with your financial fortress The strategies that you're going to adopt And engage to actually take you To where you need to get to with your financial fortress And this is the blueprint I used Over the last three years To actually achieve paying off all my private debt And achieving that financial independence figure So it's a very comprehensive program And basically it's six weeks To have a comprehensive wealth strategy Set up for the next one, three, five, ten years It's very, very important to get this absolutely nailed Six-week program Is virtual sessions It starts on the 9th of April On Tuesday afternoon And it runs for 90 minutes every week for six weeks You'll get some content But also we'll actually do the work In those sessions So it's not loads and loads of homework It's literally come up, turn up And have yourself accountable To actually make sure by the end of that six weeks You've nailed this blueprint And you've got your wealth strategy devised For the next 10, 15, 20 years ahead The cost to do this Is normally £40,000 plus VAT Because it only gets done at board level But we're launching that At a more accessible level Because some of you can't sign up to the board For another six months or so Or some of you right now, the board just might be inaccessible So the cost for you guys to do this program Is £5,000 plus VAT This is not for everybody It really is high net worth individuals only And those people are the ones that are going to get High value from the group But it's awesome because it means that it's just a group of High performers that are going to smash this out of the park Network with each other And get this done in six weeks time But if you are in that high net worth category It's an absolute no brainer A one or two percent increase Or move forward in your wealth at that level Is going to have an absolute massive return on investment For you And we're so confident in that return on investment That not only is it already a no brainer for you We're also going to offer a money back guarantee So if you do this program You don't get Ten times return on investment On the £5,000 Through the schedules, the strategies and everything you implement It's just a no quibble money back guarantee Come and speak to us, get your money back Absolutely no problem at all I'm very passionate about this blueprint Because it's literally what I used The last three years to achieve financial independence At 33. I feel so privileged to have got there It was, you know, I'm not a genius I just followed this blueprint, I put this in place I worked with Dan on it and finally got to a place Where I'd achieved it And then for me and my family now, knowing we've got this safety net in place All the time, and knowing that work can be fun Rather than be something I have to do It's just totally changed the game So everybody in this room needs this For some of you, you'll be at the right level right now For some of you, you might want to add it onto your action list In the next one, three, five years To actually come on and do this blueprint There's brochures on the table So we are limited in terms of spaces 50% have gone already, we'll launch it to you guys today We're going to then launch it to Advance on Friday So if you want to nab one of the places Scan the QR code, you can get paid Or, if you want to ask any more questions Come speak to myself, Adam or Bianca Throughout the day, we'd be more than happy to help Cool, so that's the Financial Fortress And we're about to go into a break But before we do that, we've got something very, very special To share with each and every one of you So some of you may know It was Adam's 40th On the 29th of February I know what you're all thinking More like his 30th by the way he's looking Like looking very tan But congratulations Adam for making it to this age Come on, a round of applause for Adam Happy birthday to you

[Speaker 18] (1:43:17 - 1:43:19)

Happy birthday to you

[Josh Keegan] (1:43:21 - 1:43:25)

He's got a cake Yeah, you should have known Just a few issues with the candles out there

[Speaker 18] (1:43:25 - 1:43:27)

Happy birthday to you

[Josh Keegan] (1:43:27 - 1:43:29)

Right, let's sing happy birthday

[Speaker 15] (1:43:29 - 1:43:45)

So, happy birthday To you Happy birthday To you Happy birthday Dear Adam Happy birthday To you

[Josh Keegan] (1:43:55 - 1:44:14)

It's a very special birthday For a very, very special man Yeah, so grab yourself a piece of cake Congratulations Adam I didn't think you'd get it, but well done You got to 40, amazing Right ladies and gents, we're going to finish for a break now So let's finish with a huge round of applause Thank you very much