**PEP 30 Edited\_Transcription**

[Speaker 3] (0:05 - 0:25)

Welcome to the official Properties Entrepreneur podcast with myself, Daniel Hill. On this Strip Back podcast, we're going to be going behind the scenes with special guests to provide insight and inspiration on all things business, life, and the actual realities of high performance in practice. Success and failure are both very predictable.

We hope you enjoy.

[Daniel Hill] (0:25 - 1:04)

We are now live. And congratulations to those of you that secured places on the flash sale. Absolutely bonkers as normal.

Certainly keeping the girls in the office busy. So thank you for that. Going from one exciting flash sale to something that's even more exciting and incredible.

We've got two big things to share with you today. So the first is we're welcoming our next Property Entrepreneur to the Hall of Fame, who's a very good friend of mine and the Property Entrepreneur host and head trainer for the program, Mr. Adam Goff. How are we doing, Adam?

[Adam Goff] (1:04 - 1:06)

Good morning, Dan. I'm amazing. How are you doing?

[Daniel Hill] (1:07 - 1:58)

I'm very, very well, but I'm not as well as you. Because the second thing is we have a huge announcement to make today. Something very exciting.

Something that's been going on behind the scenes for a number of months. And we're going to share this with you today. So I'm very, very excited.

Initially, congratulations on making the Hall of Fame, Adam. We're going to share with everybody. There's multiple reasons why you deserve to be in the Hall of Fame.

You've been a Property Entrepreneur of the Year award winner. You progressed to the host, into head trainer, and now actually the head of Property Entrepreneur. And all of those contribute and you'd be welcomed into the Hall of Fame with those independently.

On top of that, we've got something amazing to share today, which has put you as the hallmark of the Property Entrepreneur, and exactly what we want to inspire everyone to achieve. So before we get into that, for anyone who's not met you previously, you just want to give everyone a quick introduction, who you are, what you do.

[Adam Goff] (1:59 - 2:16)

Absolutely. Yeah. So my name is Adam Goff.

I founded a business called Capital Living in 2009. I'm based in London. And I've since scaled that up over the last 12 years.

So I've been running that, as well as being a property investor and helping Dan run Property Entrepreneur.

[Daniel Hill] (2:18 - 2:22)

Very good. Very good. And we've been working together for a few years now.

How long have you been on Property Entrepreneur?

[Adam Goff] (2:23 - 4:31)

Yeah. So, well, I joined Property Entrepreneur in 2017. And where I was then was I'd been lucky enough to have a little bit of success with the business.

I started my first rent-to-rent... Capital Living is a rent-to-rent HMO business. Well, it was predominantly.

And yeah, I started that and went through all of the trials and tribulations that you can imagine going through a business. So starting it out in my bedroom, hiring my first member of the team who was my housemate, basing it in a basement in one of our houses, getting our first office, scaling it like absolutely crazy when the market was really hot. And we definitely found a formula that worked.

Trying to run a very complicated, large business. I mean, we got it to about £3 million of turnover. And it was me and a handful of people younger than me.

And I was only in my mid to late 20s. And we tried to... Well, we did systemize it successfully.

It took a long time. We built our own tech software to run the business, which was a whole other business and a massive investment that I made that I really wouldn't recommend anyone making unless they particularly love tech. And yeah, so by the time I'd met you, like I said, I'd been on a hell of a rollercoaster of a journey.

And I remember when I took my first house, I remember thinking, this is brilliant. We've cracked the business model up. I figured out how to make money now in one rent-to-rent.

And my business partner at the time said to me, well, how far do you want to take this? And I said, well, I want 50 of these. And that was going to get me the dream income and the life by design that I wanted.

And about the time I met you, I'd got to the 50. I'd achieved the vision that I had when I set out as a 25-year-old. And I'd achieved it in about 2016.

And I was searching for what was next at that point. I wasn't quite sure. I had a real lack of clarity over what was next for me and for the business.

And read an article in YBN featuring you and realized you might know a bit more about what I was going through and what you were talking about. And that's what brought me to you back in 2017.

[Daniel Hill] (4:31 - 4:33)

Very good. So that was four years ago?

[Adam Goff] (4:34 - 4:34)

Yeah.

[Daniel Hill] (4:34 - 5:11)

While I'm asked. You're clearly very established. I mean, when you and I met, I was like, I'm going to check this guy out before we welcome him aboard.

And I was pretty impressed to Google your name and see your awards and your E4 documentation, all those things. So you're clearly very experienced at the time, but you still found the opportunity to come in. Having come in at that point, trying to find yourself and then had the last four years.

Before we go through the journey, four years later, where have you ended up now? What have you done with the business? Where have you got it to?

And what's your position where we are today, four years on?

[Adam Goff] (5:11 - 5:33)

Well, that's what I'm really excited to announce. So yeah, I've never announced this publicly until now. And it's something that you and I have been working on for probably 18 months or so, I would say, truth be told.

And the reality is that as of last week, I'm now retired. So I've now exited Capital Living.

[Daniel Hill] (5:35 - 5:40)

Lots of the property entrepreneurs watching live giving you a virtual round of applause.

[Adam Goff] (5:40 - 5:57)

Oh, that's amazing. Thank you, everyone. Well, anyway, I mean, it has been a hell of a journey.

And so as of today, I no longer own Capital Living. It's got new owners, sold it to another company, some very capable property people. And they're going to take it on for its next chapter.

So that's me. I'm out.

[Daniel Hill] (5:57 - 5:58)

Company sold?

[Adam Goff] (5:59 - 6:00)

Company sold.

[Daniel Hill] (6:00 - 6:00)

Cash in the bank?

[Adam Goff] (6:01 - 6:03)

Cash in the bank, a retired man.

[Daniel Hill] (6:03 - 6:05)

Retired man at what age?

[Adam Goff] (6:06 - 6:07)

37. 37.

[Daniel Hill] (6:08 - 7:00)

Retired, started, systemized, scaled, and then sold a business. And is now at the age of 37, officially retired. And not just retired to be unemployed, retired with a financial fortress, financial independence, and cash in the bank from all the hard work of building a business.

So Adam, you and I have worked together very closely on it. You know how proud and how pleased I am for you. You deserve all the success in the world that you've had and really excited for the next journey.

There's going to be so many people listening to this now just thinking, how on earth did you do that? So you're already successful. You had the business.

What have you done over the last four years to get it to a position where it was ready to sell, sold it for what you wanted, and then able to actually retire on that and go and drink pina coladas or whatever it is you're going to do on the beach?

[Adam Goff] (7:00 - 7:21)

Sit pina coladas in Marbella. So yeah, thank you very much. Honestly, I just take this opportunity to say thank you for your support, because I literally could not have done it without you.

I've told you that privately. So no man is an island. And behind any person, there's a great team and a great support network.

And I found that with you and Property Entrepreneur. So thank you very much. It means a lot to me.

[Daniel Hill] (7:23 - 7:33)

So what challenges have you had in that four years? Lots of people have got businesses and they want to go for that journey. What problems did you have along the way?

[Adam Goff] (7:33 - 9:21)

Well, like we say, the problems never stop. Every level's got another devil. So you might be sat there thinking, well, it was OK for him because he had 50 rents of rents and he was on TV and all that sort of stuff.

And he's got a big mouth and everything else. But the reality is we all have challenges and every business has its challenges. And at the time, I had a large business that was making good money and I was able to take breaks.

But it wasn't something that, well, I didn't really know. Like I said, I achieved my vision. I think the biggest problem we solved initially was clarity.

Because I said to you, I like to think of myself as a high performer. I always want to win everything that I do. We raced together even in the half marathon for charity and I just wanted to win.

We're very similar. Lots of us are. And I said to you, I've got to go.

I've got to grow the business and I want to get into development. And I was hungry and itching to keep pushing. And you said to me in one of our boardrooms, you said, Adam, more revenue does not equal more profit.

And I said, well, what do you mean? He said, you need to think about the value, mountain of value you already sat on. And what that meant for me was actually, it wasn't about growing the business anymore.

I'd been tuned that growth was bigger is better and growth was the only way forward. And actually what I did in year one was I just looked at every single expense line and how I could maximize every single income line. And I remember you and I texting about all the different ways I could make money in my business, all the lines we were cross comparing to check we both had them.

And all I did was fine tune that business. And I managed to increase the profits by 40% just by not taking another house, just by focusing on the bottom line, streamlining it, looking at the finance. And that was really the first thing that we addressed, to be honest with you.

[Daniel Hill] (9:21 - 9:33)

I think that was the first. If I remember rightly, that was why the board members awarded you Profit Entrepreneur of the Year, because you managed to increase profits by 40% without increasing any revenue, even potentially reducing some.

[Adam Goff] (9:33 - 11:47)

That was exactly it. And it was right in front of my face. And all of a sudden, so now I have this business of my dreams, and I've actually, in a way, kind of shrunk it.

So I had the, if you like, that sort of finance problem solved. And then it was, okay, well, I'm all about lifestyle. People that don't know me, I've taken December off every single year since I started the business.

I've sailed the Atlantic. I've done ski seasons. I've become an instructor.

I've been to Asia too many times that I can remember. I've got more air miles than anyone. And then it was like, right, well, I'm having such fun.

And this is so lucrative. I just want this amazing lifestyle. And to do that, we had to change the business.

And I had a very small team. They were like a little band of brothers, and we would do anything for each other. We would have breakfast together and go and get drunk together.

But I didn't want to be in the business all the time. I didn't want to be the center of the business. I wanted to try and get it down to one day a week where I could manage it remotely.

So I was trying to have my cake and eat it, but it was a mission that I was up for. But in order for that to happen, we had to change the business. I went from being in the business and instinctively knowing how it was doing by just being in it and feeling it, to trying to drive the business with data and scorecards, like driving a car with a dashboard so you can see the speed, you know which gear you're in.

And that was a very painful exercise because you again said to me, you said, Adam, if you want to do this, you've got to be prepared that your whole team are going to leave. And I said, there's no way they're going to leave. They love me.

They love the business. There's no chance. And you said, it's like a snake shedding its skin.

At some point, you're going to have to shed the skin. And yeah, it's taken about two years, but the whole team left. I totally reinvented the business.

We changed the business model even. And I went from five full-time UK employees to an outsourced business model where we had people all over the world. It was much leaner, much less fixed costs.

And this team didn't know the old capital living. They only knew the new capital living, which was Adam's base wherever. We always have to do a scorecard every week.

And this is just the way it's done. And that was a big cultural change to get through, which we managed to also pursue.

[Daniel Hill] (11:48 - 12:47)

Putting a couple of bits out there, because I know a lot of people are going to be listening to this. I heard Rachel's interview that you did earlier in the week about the idea. And Rachel said for the first time in her life, she was able to take a week's holiday.

And I remember on the board, your reward for the first year or second year was to sail the Atlantic and turn your phone off. So that was the target to get ready for for the year. So many people listening to this are going to have businesses that they own, but they actually are more of an operator than an owner.

And they need to be in there to see if people are doing a good job. When we shift gears and we step change, and we do move from driving the car by the pedals, like the Flintstones to being a high performer and driving it by the data in the dashboard, just give everyone a couple of quick wins they could do. What can they do to start to move away from the business?

If they feel like the parents leaving the kids at home for the first time, how can they start to step back from the business and have that confidence that things are happening without them being there? What are the key things that you put in place?

[Adam Goff] (12:48 - 14:33)

Well, without a doubt, you need transparency as a management. You need to put a management structure in place so that you know the drum beat. It doesn't rely on you banging the drum all the time.

They need the systems that they can operate, and you need the accountability with them that they can check in with you and you know what's going on. So I think the first thing is to structure it like that. Lots of people won't have a structure and it'll just be, well, I'll ask Adam if I've got a problem, or whenever I need Adam, he's there, I'll ask him to sit next to me.

That's not the business of your dreams where you can go away and sell the Atlantic and turn your phone off for 23 days. So you definitely need a management structure. And then I'd say that the next part, which we always talk about, is a KPI, one to three key performance indicators for each team member.

And that's a number that person owns. It's the one thing or one to three things that if nothing else happened and just that happened, they just hit that target, that you would be okay. And for my business, it was in sales, in lettings, it was the number of lettings or the revenue we had, the number of empty rooms.

That was the one number that mattered. If we had that number right, to be honest, as long as the lettings team were compliant and everything else, the rest didn't really matter. So you need to set them up with a structure and they need to know what's most important to you in the business.

And then they can start reporting and trying to hit that target every single week, every single month, every single quarter. And you can start to stand from the sidelines and cheer them on rather than be every day, how many sales have you done? How many sales have you done?

It's come on, let's get to your target. Let's get to your target. And there's a big difference between the two, I think.

[Daniel Hill] (14:33 - 16:20)

Yeah, absolutely. And when people are approaching that, where we see people get this wrong a lot of time, well, there are two things. The second is the point that Adam's right.

The first is when you're putting these data in, people think that you download a scorecard and you just put it into your business and say, what should I put in? What data needs to be in there? The KPI isn't actually, it's what you need, but it's the focus is actually, what is the key performance area?

What part of the business are you trying to address? And don't go in there and say, write a new scorecard for everyone. You build them up as you go.

And if I write sales, what data is actually important? Probably letters, conversion rates, and occupancy rate. So then you start tracking them.

You decide where's a fair number, probably start low, work it up or start high, pull it down. You find that balance and that becomes your KPI. That's the logic of putting them in place, of getting scorecards and dashboards up and running.

The reality though, is that those of you that are sitting there and you are in your business, you're still texting your team all day, you're sitting there next to them and you're doing that. If you are in that small business, band of brothers, having breakfast together, drinking together, the likelihood is when you start to introduce scorecards and management structures and frameworks and performance reviews, something very key is going to happen there. This happens all the time.

In order for a business to grow in the same way a snake or a crab does, it needs to shed its shell or we call it shedding the skin. What's that like, Adam? Because if you remember, Akash and I had that conversation about three years ago and I said, I can take you on that journey.

Absolutely. But I guarantee your team will leave. And he said, no, that won't happen at R&T.

I said the same to you. I said, you can do this, but I can guarantee all your team will leave. And I'm pretty sure you said, I don't think.

What did you say?

[Adam Goff] (16:20 - 17:35)

The problem is that you ask them, you say, this is what we're going to do. And it's happened to me twice in my business. It happened once when I had two team members and I sat them down on a roof terrace in Fulham and I said, everything's going to change.

At that point, we had about 21 houses and I couldn't get any bigger because it was all me and everything was me. And that was the first evolution. I said, this is what's going to change.

Here's the vision. And they both said they'd come with me and they both left within six months. So I had experienced it.

But this time around, they'd all been with me for three years. They were loyal. And I said to them again, this is what we're going to achieve.

And maybe I didn't say they'd have to start reporting all this and do all those things you just said, but I sold them on the vision and they probably believed they were going to come with me. But just like you can't teach an old dog new tricks, once they've got into a routine and a habit, the moment you start saying, well, I need you to do a meeting with me on a Monday. I need you to check in on a Wednesday.

I need you to send me everything you've done at the end of the week before you go home. They start bridling like a horse that's never been ridden before in a saddle. It doesn't want to ride you and it'll buck you off.

And that's people. And most people don't want to do it. They don't want to know.

And they'll leave.

[Daniel Hill] (17:36 - 18:25)

That's the other thing. We're going to move on in a moment. That is the other thing is the worst thing about it is it's very difficult when your team leaves because you go from Panda Brothers, you probably mates, your friends, your family.

Great friends. As you scale up, it starts to, they don't, it just doesn't work. Even more disappointing thing is you all get, it was all of your plan.

It wasn't like one of you had this plan to do it. You all got there, cheered each other on, said, let's go for it. And then when you realize the reality of what it requires, it often doesn't fit with the existing team that have come, they've come for trainers and track suits.

They probably leave for the suits and the shoes. So anyway, there we go. A couple of key things there.

What was the next, what would you say the next problem was? You got your profitability nailed. You then wanted to step change the business and get it more passive.

You recruited the team, re-recruited the team, dashboards and data.

[Adam Goff] (18:26 - 19:16)

Got some real high performers in, like recruited people in the right position with the right profile. So I had a really big hit ahead of Ox based in Cape Town. He started running my business for me.

Then I hired an ex-local, an estate agent. He was locally, he was doing the London stuff. And I had some high performers, had a head of finance and I was running the business about a day a week.

And I was living around the world. I was in Cape Town and literally, I mean, I'd literally just cracked it. And I booked my flights for 12 months to come to and from Cape Town and come back for property entrepreneur in the month and maybe see the London business and stuff like that.

And then COVID hit. COVID came. And to be fair, we had our most profitable month ever.

I think the December before COVID, we were full.

[Daniel Hill] (19:17 - 19:20)

I literally remember having no vacancies.

[Adam Goff] (19:22 - 20:29)

260, 280 rooms and we didn't have one empty night across the whole portfolio in December. Thinking back now, I was on this unbelievable wave. And yes, everything was going swimmingly well and then COVID hit.

And COVID, it's not really listed as one of the five entrepreneurs problems on the property blueprint. It was definitely a left field. It's one of the six pandemics.

Exactly. And we didn't know what was going to happen. But I'll tell you what did happen is my business was in the best position it could have been because one of the issues I had before I met you was I almost grew myself bust actually.

Cashflow is the blood of a business. And I almost lost the business because we ran out of money. And I vowed never to run out of money again.

And I always had a war chest and I was well financed. And we went into the COVID into this fantastic position. But by mid to late summer, we were about 60 odd empty rooms.

Now in London, it's to give people who are listening some context. In a rent to rent business, you guarantee the rent to the landlord regardless.

[Daniel Hill] (20:31 - 20:41)

I was going to say the other thing here as well. In London, Adam's rooms are like minimum thousand pounds. They're not 450 quid Midlands room.

These are 60 grand a month you're missing.

[Adam Goff] (20:42 - 21:35)

Yeah. So that was the point. It's like you guarantee your costs are fixed to your landlord a few hundred grand a month or whatever, 200 grand a month.

And that you've got a thousand pound a room. And when you've got 60 empty, it doesn't take a rocket scientist to figure out how much money I was suddenly not making. And actually pretty much losing at that point.

So we were burning cash. So I flew back from Cape Town. I've been in Cape Town the whole time and rolled my sleeves up and turned the business around and did what every entrepreneur needs to do.

A business is, I heard Elon Musk say this the other day, a business is like a baby. And when you have a baby, I don't know if I've ever had one, but apparently you understand that the moment that baby is born, whatever that baby needs, you will give it. You will give it whatever it needs, whenever it needs it.

And it's businesses like that. And so I flew back and got back into the business that I hadn't been letting rooms, which I hadn't done since 2014.

[Speaker 4] (21:36 - 21:44)

And I was back doing sales and running around in the Fiat 500 and doing all the stuff that actually I was not bad at.

[Adam Goff] (21:44 - 22:25)

And bit by bit, and actually it got pretty bad. And around the autumn, I didn't furlough anyone. The things I'm most proud of is that I didn't furlough anyone until Christmas.

And I didn't miss one landlord payment. There was lots of companies like mine that went bust and told landlords they weren't going to pay them. We didn't miss one single payment.

And actually, by the time it got to winter, I realised I had to furlough the team because I'd totally reinvented the business again in a way. And I actually, at one point, I furloughed the whole team and it was just me in London for about a month. And then I slowly brought back in costs as we were able to.

[Daniel Hill] (22:25 - 23:16)

I think this is quite an important point to pull out because never meet your heroes. Never meet your heroes. And one of the things I say on the board is never be too proud to put out the pens.

If anything ever goes, maybe I'm a little bit further removed now, but even up until last year, a proper entrepreneur, there'd be events, there'd be things that happen. Somebody go ill or whatever. I'll be the first person to roll my sleeves up and put the pens out.

Rolling your sleeves up and getting in the trenches is a definition of a successful leader, not a failing manager. As an entrepreneur, some days you'll be sitting there drinking your pina coladas. Other days you'll be there doing things that you thought you'd never be back doing, but fair play to you for doing that.

You flew back from Cape Town, I flew back from Tenerife. We were like, let's just get it done. Let's roll our sleeves up.

Let's get it done because when the good times are good, enjoy it. When the bad times are bad, make sure you get back to the good ones.

[Speaker 5] (23:17 - 23:21)

Yeah, I was exactly right. It's whatever it takes. It's whatever it takes.

Whatever it takes. There you go. Definitely.

[Adam Goff] (23:21 - 24:57)

I had people on the ground in London doing a lot of the dirty work for me. And then in the end, I just flew back. And basically, long story short is over the winter, now I was running the controls and I was in and exited some overhead from some people that we just didn't need anymore.

And then obviously, we were struck by lockdown after lockdown. Just at Christmas, we just about got full again. And then we had another lockdown and that was in Jan to March, which is a very quiet time in Lettings.

So it was pretty bleak. But I was determined not to... I just wanted to win.

And by the time I sold the business, I always said I wanted to sell capital living on a high. I wasn't ever going to just let it go in a bad state. It's been my baby for 12 years.

And I'm very proud of what it is. And the cherry on the cake was really that about three weeks ago, we became full again. We actually had no empty rooms and it had taken since December 2019 to get that back.

And that's when I knew I was ready to sell. And I've been having conversations behind the scenes for some months, which we'll probably talk about now. But the ultimate reality was I've got the business back.

The market was just coming back. That was the time for me to step aside and to say, yeah, I'm happy with this deal. I'm ready to go back to Cape Town.

I'll do whatever I want to do now. Someone else can run with it. And I left the business after a pandemic, leaner than it's ever been, absolutely lean and mean and full.

And that was something I was very proud of.

[Daniel Hill] (24:58 - 25:52)

Yeah. And I'd say I'm not just blowing smoke. I would say I have very high expectations, but I would say you absolutely nailed that.

And I'm proud of the way you dealt with it, proud of the results you got, and genuinely would not have expected you to turn that around, genuinely. Looking at all the other businesses, I know the rental, the HMO market nationally reasonably well. And there was a lot of bad stuff going on with HMO businesses in and around London.

And some of them didn't even make it. And people doing bad things, even rent-to-rent operators, handing back properties. You didn't do that once, you made your payments.

And the fact that we sold it with 100% occupancy is the absolute... Well, the fact that you sold it is the hallmark of an entrepreneur. But the fact that you sold it in the best shape it's ever been, and given the buyers the runway to take it forward, yeah, I'm very proud of you.

You should be very proud of yourself.

[Adam Goff] (25:52 - 26:06)

I'm delighted. And no one wants to catch a falling knife. So no one wants to buy a business that's on its way down.

So I had to show it on its way up. And yeah, just do whatever it takes, basically. And that's it.

So it's...

[Daniel Hill] (26:06 - 26:58)

Let's come up to that then as the final challenge. So you managed to survive a pandemic, which a lot of people haven't. Not only survived, but as you said, all the way through Property Entrepreneur, you thrived.

The final challenge, how many people are out there thinking one day they would want to sell a business? How many people out there are actually going to achieve it? Very, very, very few.

You're the second Property Entrepreneur board member, the second Property Entrepreneur ever in the history of running it to systemize, scale, and sell a business on Property Entrepreneur. And we've had hundreds of people over eight years through the program. Those people are sitting out there thinking, what was that experience like?

How did you approach it? What challenges did you have? Let's go on to that as the final challenge.

What was the experience like of actually mentally committing to selling it and then actually getting it gone?

[Adam Goff] (27:00 - 28:20)

Wow. Well, it's funny because I always thought I would sell it. And I always wanted to sell it because I think it's completing the Property Entrepreneur's journey.

And they're saying you want to sell it and giving it the lip service. And then it's the emotional, the actual emotional letting go. And I realized, actually, the whole process took, we probably had a conversation about 18 months ago.

And I thought I was ready then. And the reality was, I was probably only ready about Christmas time. It took me a long time to basically, I don't know how to, it's quite hard to put it into words, but I...

One of the main things when you're trying to sell is how much are you going to sell it for? That's the main thing. And unless you've got a very easy business where you may perhaps you know the value.

In my head, I always had a number that I wanted to achieve. And actually, until you go to market, you don't know if that number is even real. So you have to actually go through a bit of a learning process.

I don't know what my business is worth. Some of you might be lucky and you might, but I didn't. And there'd been no big sales of rent to rent companies that I know of anyway.

So there was a journey to understand...

[Daniel Hill] (28:20 - 29:20)

Just to give everyone a little bit of insight there as well. One of my mentors who taught me M&A says, like evaluation, because people have been saying now, is it EBITDA? Is it multiplier revenue?

Is it strategic sale? Is it roll up? The definition of valuation of a business is a business is worth what somebody is willing to pay for it.

That's it. Like somebody will pay it by what Facebook bought WhatsApp for 18.2 billion. It never made a penny in profit, because to them, it was worth a lot of money.

To other people, it would have been worth a quid. There is no real... There's obviously benchmarking like EBITDA multiplies the revenue in the management space.

But yeah, for those of you sitting there thinking, what is my business worth? Your business is worth what somebody's willing to pay for it. And that's going to be, what's the business like when you want to sell it?

What's the market looking like at the time? And what access do you have to the potential buyers that could be out there to buy it? And then how do you pitch it?

How do you negotiate? And how do you close it? And as we both know, it's not always the easiest process.

[Adam Goff] (29:20 - 29:25)

What I'd say is this is not for the faint hearted. This is not something you do at a weekend.

[Daniel Hill] (29:27 - 29:33)

You wouldn't get to this level if you were faint hearted. You have a very high pain threshold.

[Adam Goff] (29:34 - 30:25)

So obviously, you've got to get the business ready for sale. And it's got to tell a good story. I think that's the most important thing.

If you're thinking about selling your business, make sure you're telling a story, make sure the P&L is going up, make sure your gross going up, your margins going up. You need to tell a story. Someone has to come in and really buy that story and understand what's going on.

And then the other thing is, like Dan said, it's only worth what someone's prepared to pay. So actually, until you go to market and you start speaking to people and you have them submit offers, do you actually find out what the market is prepared to pay? And then you've got to get your head around whether that is a number you're going to be happy with.

When you go to sleep for the rest of your life, are you going to be living in regret or are you going to be living in peace? And that was something I had to come to terms with as every entrepreneur does. And then once I've sort of got to terms with that, then there's the transaction itself.

And that is a whole nother level of...

[Daniel Hill] (30:25 - 30:49)

I support that as well when you're about getting that mindset. I'm broken a couple of deals for other people at the minute as well. And the conversation we're having at the minute is price is one thing, but there's also terms and speed.

And as a seller, they are so crucial. That window of opportunity to sell capital living and have your attention enough to run it was a very tight window. So speed was up there on our agenda, wasn't it?

[Adam Goff] (30:49 - 31:36)

You're so right. You're absolutely right. You think it's all about the number.

And then you get to a point where you realize it's not just about the number, it's is this person actually going to buy it? Are they going to mess me around? Is this going to take three months or three years?

Because my solicitor said she had a deal that took two years recently. And then you start to think, goodness me. So there's a lot more to it.

And you think, no, no, no. It's all about the number for me. It's all about the number.

I only care about the number. Well, actually, that's not true because you do get messed around. There are tire kickers.

There are people that promise the world and never deliver. I thought property was bad for hoodwinking and gazumping. M&A is a shark tank.

Let me tell you something. It's a shark tank.

[Daniel Hill] (31:37 - 31:44)

M&A, yes. And there's other sectors I deal in as well. You think they're polished, but you've really got to know what you're doing to play this game.

[Adam Goff] (31:45 - 32:28)

So we were very lucky in the end. We found a really good buyer. They didn't mess us around.

I've been speaking to lots of competitors. And in the end, this buyer came to us. And they were sound.

They were solid. They didn't mess around. And obviously, like any transaction, things happened.

But ultimately, we did the deal actually. Bearing in mind how complicated capital living is and the amount of money we're talking about, it actually went through in fairly good order. And everything's gone very, very well.

And I'm coming out of the side of it now. I'm delighted with actually how the transaction went. So I learned my lessons.

I was very lucky in the end, I think.

[Daniel Hill] (32:28 - 33:13)

And congratulations. It's not for the faint-hearted. The fallout rate in property deals is 1 in 3.

It's only 5%, which is 5 in 100, which is not fantastic. But only 5% of businesses that go up for sale actually sell. Is it?

Yeah, yeah. And we did this off-market as well, remember? We had interested parties with fantastic prices.

But as Adam was saying, the price isn't everything. So we went off-market and got people teed up for it. And then when we made the decision, that was it, wasn't it?

I looked it up the other day. Do you know how long it was between saying we're going to get a deal done and actually completing?

[Adam Goff] (33:14 - 33:15)

Please tell me.

[Daniel Hill] (33:16 - 33:35)

Well, bear in mind, we had, obviously, other things going on for about 18 months. That time we had the call. And I said, look, if we're going to get this done, we'll get it done.

It's 78 days to complete on a transaction that's as big as a multi-million pound London property portfolio and business.

[Adam Goff] (33:36 - 33:38)

During COVID?

[Daniel Hill] (33:39 - 33:52)

During COVID, yeah, with multiple stakeholders, parties, businesses that we had to roll up. It was, yeah, yeah. I hope it was worth the sleepless nights.

We got it done.

[Adam Goff] (33:52 - 34:23)

It was a very, yeah, I mean, like I said, I think you have to be in a good place if you're going to do the journey. You definitely need to get some good people around you who know what they're doing. And I had a fantastic, fantastic solicitor.

And she was excellent. And there's a lot of components to the deal. And it's not just about you, but you need to be prepared for sleepless nights.

You need to be prepared to worry you. And I do carry my business with me, so it was definitely with me. But what can I say now?

I'm out the other side now. And so what's next? Ready for the next challenge.

[Daniel Hill] (34:24 - 35:56)

Absolutely. So genuinely, congratulations. That is the hallmark of an entrepreneur, somebody who can start a business, systemize a business, scale a business, and then successfully sell a business and go out on a high.

Like, congratulations. That is the absolute, absolute. Well, the seller business on a high and retire.

You've done that and built your financial fortunes at the same time and retire. And you are the first entrepreneur to ever do that. That is the hallmark of entrepreneurship.

So huge congratulations to you for that. Well done. Absolutely.

Absolutely nailed it. Like, I knew, I obviously knew it would get done. I knew we'd get it done, whatever it looked like.

If it took 7.8 years, not 78 days, I said we'll get it done and we got it done. So yeah, huge congratulations to you for that. Before we go on to a few top tips, because everybody's sitting there, I don't think there's gonna be anyone listening to this who's not gonna think, I want to start a business or I want to systemize a business, on a scale of business or on a seller business, or I want to retire.

Every single person listening to this gonna want to achieve that. Before we go on to your top tips and how does somebody recreate your journey of the last 12 or 13 years? I just want to ask you initially, what, how would you describe the feeling that you've had over?

So completion was the first of June. So you've been retired, obviously a bit of transition, but you've been retired for like 10 days or so. This first part of the journey, how's it feel?

Can you believe that? When I say you're retired, like you're actually retired.

[Speaker 4] (35:57 - 35:59)

I'm still processing it, I'll be totally honest.

[Daniel Hill] (35:59 - 36:01)

I'm gonna give you a t-shirt that says I'm retired.

[Adam Goff] (36:02 - 36:57)

Honestly, like it was always, yeah, yeah. Retire young, retire wealthy was always my goal. And it's, the penny is starting to drop.

So I'd say it feel, I'm still, I'm still getting anxiety about a business that I don't own. I still suddenly think, Oh, I hope someone's doing that. Or I hope someone's doing this.

So, so it is, it's like, it's like losing a limb. You know, you still think the arms there and you go to use it and it's gone. That's, that's how I feel.

How does that feel? It honestly feels so strange because you have to tell yourself, no, it's not my problem anymore. And maybe I'll send a message to the new buyers.

And so just, just, just, just to let you know, there's this, but that's it. I'm kind of, I've been in a, we're so early on now, ask me again in three months, but initially it's hand over it's making sure they've got access to the bank. It's, it's doing what it's getting yourself out of the, the sort of tangled web that you're in.

[Speaker 5] (36:57 - 36:59)

Do you feel like you've sold it?

[Adam Goff] (37:01 - 37:18)

Yes, I feel like I've sold it, but I feel like only in the last couple of days am I starting to think now I've just, it's very strange because I wake up in the morning now and I, I don't have that same, um, adrenaline pump that's been going for the last half a lot. It's not there.

[Daniel Hill] (37:19 - 37:25)

Panic's urgency of like, right, what do I need to be doing? I need to be doing something. I'm not, I'm not ready to do it.

And you panic about the fact that you've got nothing to do.

[Adam Goff] (37:29 - 38:09)

It's really nice. Like the, the goal, the, one of the reasons, there's lots of reasons why I sold, but one of the reasons was to have a different pace of life, having hustled literally since I was 21, 22 as an entrepreneur, it was to not have that hustle just for a period. And I'll, I'll bring it back at some point, but it's starting to come.

And the last couple of days I've really felt the difference, which is a clear head. It's a bit like being on a holiday when you don't have anything to do and you can think clearly and I'm just saving the moment a lot more. So I'd say it's, it's still young.

It's not, I'm not there yet, but it's, I've got a week, a week off, but next week and my life starts again from there, I guess.

[Daniel Hill] (38:09 - 38:39)

Absolutely. My biggest advice to you now with this opportunity, which I think for you is going to be a bit easier, but it's often difficult for some people is try not to replace, try not to fill that white space. Try not to fill that, have your freedom and go and get bored, you know, go and enjoy doing, I know you love traveling and doing fun stuff anyway, so it's not gonna be hard, but try not to just organically use that adrenaline to jump into the next thing.

It'd be the easiest thing to do. The next vision will find you, but you have to be open to, open to receive it really.

[Adam Goff] (38:40 - 38:56)

My one rule is I don't want to, I've just got rid of a massive inbox and I don't want to replace it with another inbox. Like my inbox is now like zero and it's, it's so unusual and I don't want to replace it with another inbox. So that's the rule.

Good.

[Daniel Hill] (38:57 - 39:27)

Yeah. No deals, no investment, nothing that can create stress anyway. And yeah, just enjoy it.

You're going to get, obviously going to get bored and then you'll find the next thing once you've drunk your milk out of a coconut or whatever it is you do when you're in Thailand. A few top tips before we round things up. Everyone's sitting there thinking, I want to be more Adam Goss.

How can they, what are the three things you would recommend? They do actions, things they put in their life, top tips to take them on their way to try and follow in your footsteps.

[Adam Goff] (39:27 - 41:12)

I think that, I think honestly, when I look back at capital living, the best thing about it was that we never had to worry about sales. And I think the number one advice is find a, find a wave to ride. Like when I say wave, I mean something that's on the way up, something that's just started.

If you think about the wave analogy, you're, you know, you're looking at the beach and you're thinking, which wave am I going to catch? It's that you want to catch the wave early before no one else is on it. That's what it's like in business.

And if you can find something that you like, that you're passionate about, that you probably think is obvious right now, because you like it and you know it, but not everyone else does, then that's the sort of thing you need to be getting into. If you can find a wave and ride it, because capital living was, when I started, there really wasn't anything else going on. To me, it was obvious that young professionals needed a TV and nice furniture and all bills included and toilet roll and socials with other housemates so they could go to the pub and get to know the local area.

But no one was doing it, but it was so obvious to me. And we had people queuing up to take reservation fees. I was taking reservation fees on houses we didn't even have yet.

And a business is hard enough. It's so difficult to start and scale and run a business. But if you're not riding a wave, it's even harder.

If you're going into pizza delivery, you're barking up the wrong tree. So go into something that's niche. If you're going to go into pizzas, go into sourdough with halal, something that's niche.

Find something that no one else is doing, but it happens to be really popular, because sourdough is a trendy thing, and do that. That would be my number one tip. Make sure you're on the right rocket, because it is a rocket.

And you want to be going to Mars, not going into the ground.

[Daniel Hill] (41:12 - 41:46)

Building the back end of a business is, it doesn't matter what size company is we build, the back end is always complicated. It always involves systems. It always involves people.

The last thing you want to do is put your blood, sweat, and tears into a business and have to worry about making sales, and even worse, making money. The reality is most entrepreneurs spend their life building businesses that don't make money. Finding a niche, catching a wave means that at least there's going to be demand, at least there's going to be revenue.

And as long as you get your positioning and pricing right, it should be highly, highly lucrative. Tip two.

[Adam Goff] (41:46 - 42:05)

Yeah, you went out of the margin. Tip two is, when I was thinking about what I was going to say here, because I knew you were going to ask me for some tips, is find a blueprint to follow. When I started, basically, I'm a blaze profile.

I'm definitely a salesman. I'm not that intricate with the complexities of business.

[Daniel Hill] (42:05 - 42:15)

I don't know how. You're one of my best friends. I've worked with you forever.

We know everything about each other. I have no idea how you build capital living, honestly.

[Speaker 4] (42:15 - 42:29)

Because capital living is a complicated business, but we're delivering loo roll and running socials, and we've got millions of utilities and thousands of bits of furniture and hundreds of members, and it's difficult. It's complicated.

[Daniel Hill] (42:30 - 42:38)

For anyone, it's almost impossible for a blaze. And that's not your natural energy, but yeah, credit to you.

[Adam Goff] (42:38 - 44:26)

So find a business model that you can copy or that you can run, but find a blueprint of how to run your business. And what I mean by blueprint is, there are millions of entrepreneurs across the world that have built businesses, and there are ways to build a business. You do not need to reinvent the wheel.

There are people that have been there, they've done it, they've got the t-shirt, people like Dan, but not just people like Dan. There are blueprints out there that you can follow. You're not alone.

Don't do it by yourself. Don't think, how do I run a management meeting? There's someone who's already blueprinted it.

Don't think, how do I hire? There's already someone who's done it. And if you can find a way to run your business with a blueprint, it's a bit like a franchise.

It's a bit like someone saying to you, there's a subway franchise. All you've got to do, or even better, an example is a McDonald's franchise. Come to McDonald's University for three months, which they make you do, by the way, even if you're a multi-millionaire and you bought a McDonald's franchise, they'll sit you down and they'll teach you how the burgers get cooked and how the buns are delivered and how to say hello to a customer.

And they teach you how to run that business. And you may think, well, that's fine, but I don't want a McDonald's franchise. But the reality is that whatever business you're in, you can run it with a blueprint.

There's a way to run a business. And I was running it using another blueprint before I met Dan. And then when I met Dan, I started using the Property Entrepreneurs Blueprint and it's tried, tested, and it's worked.

And lots of blueprints work. We know our one works. Dan created it.

It's absolutely bulletproof. And it's the one I'm obviously most in favor of because it's given me the most success. So just don't go out there and reinvent the wheel.

Find a blueprint and then use it. Don't try and change the way the burgers are cooked. It works.

Do it that way. And forget about it. Focus on all the other stuff.

[Daniel Hill] (44:27 - 45:04)

Without a doubt. Whether you want to do a body transformation or you want to bake a cake, anything, you want to fix a car, there's no new problems. Somebody out there has done it before you.

It's going to be hard enough to crack it. It's going to be almost impossible if you don't have the instruction manual with you. If you've not already listened to, I actually did a podcast on, this is for those people listening, on, I don't know what number it was, maybe 23, 24, called The Blueprint.

And it will talk you through what a blueprint is, how to find it, how to execute. So check that out. And that will support you with Adam's second top tip.

Last but not least, top tip, send people on their way.

[Adam Goff] (45:04 - 48:12)

Right. Last but not least. And this is all about selling.

Because I think, like I said, when I was trying to articulate what it was like to sell the business, it's this thing that people dream of. But I'm not sure many people are actually honest about it, have had a really honest conversation with themselves. And that's what I meant about this emotional gap between where you think you are and where you need to be to actually sell it.

And this tip is all about, are you building a lifestyle business? Or are you building a performance business? You need to get very clear.

And what I mean by this is you need to be very clear on whether this business is something that's going to pay you some money, you're going to enjoy it, and it's something you're happy to run, potentially sell at some point, but it's only going to go a certain way. Or are you playing for a big exit? Is it, I'm going to roll up all the profit every year.

I'm not going to, I'm going to keep, in Capital Living's case, I'm going to keep reinvesting in houses and roll it up and roll it up and roll it up and roll it up and go for a big, big payday. And I think they are two very different paths. I don't think you can have your cake and eat it.

I think that you need to be very, very honest with yourself about whether you're going to take cash off the table every month, and then potentially sell it for a number, or whether you're going to roll it up, roll it up, roll it up and go for world domination, this big, bad, scary business, and hopefully get this huge exit. And clearly there's, I think there's a bit more risk in the second one, if you're going for a big, big exit, because that payday may never come. It's all or nothing.

It's all or nothing. Things might change. Honestly, the reason this came to my head is because I was speaking to another entrepreneur yesterday in a similar space to where I was in Capital Living.

And he's been rolling it up for 10 years. And I thought, goodness me, you know, you've not taken any money off the table for 10 years. And I hope for you that this sale goes through.

But if it doesn't, you've come away with nothing. And I was glad that even though I built a credible big business, every single year, I made it profitable. And I basically hedged my bets.

And I tried to have my cake and eat it because I was like, if it all ends tomorrow, I'm happy with what I've built. And during COVID, it almost ended. And I was having conversations with Dan and the board.

And I was, in my head, I'd accepted that I might lose the company. But I wasn't going to lose my personal wealth at that stage. I protected my personal wealth.

And I was happy with where I was. I honestly made peace with it. If I lost it, I was good.

So for me, selling the business after being in that position where I was happy with where I was, was just a bonus. Because I've had my money out of the company all the way through. For 12 years, I've been milking the cow, milking the cow, taking money off the table, building my personal wealth.

And then to sell it was like a golden check. You know, when you leave work, you get a big payout at the end. It was a Brucey bonus.

And I was delighted to take it. And I was happy that I built that type of business. So be clear, is it lifestyle and milking the cow?

Or is it, no, I want this huge exit that may never come? Both are right. But be very, very clear about what you're doing, because you can't do a little bit of both.

[Daniel Hill] (48:13 - 49:44)

Yeah, agreed. Probably a couple of bits to pull out of there. So well, three things.

One is the different types of businesses. So the business you build will define the life you lead. Cash flow businesses, profit businesses, asset business.

Adam was lucky enough to have built a cash flow business that made lots of profit and also had an asset value in the management contracts and the software and the tech. So he was then able to sell it. That really is the best of both worlds.

The second is when you understand how to create wealth, you build that cash flow business, you may sell a couple hundred grand a year, half a million pound a year, you cash flow it. But you don't spend half a million pound a year, you spend 100 grand a year. And then you save and invest 400.

And then by the time you're tired of running this noisy cash flow business, you've used that profit to buy enough assets, which is what Adam has done, which now provide guaranteed income for you passively from assets that you own rather than a business you have to operate. And then it allows you to sell the noisy cash flow business. And the final point on that is on the way up, you don't bleed it to death and then sell it when you're a motivated seller or you're exhausted, you time it right like Adam has.

And then you can sell the business, you can capitalize on that, the business can go on to the next level under a new set of legs and fresh blood. And you can retire on your financial fortress and go off sailing, go to Thailand. And I'm not sure where we're going yet, wherever we're getting on a flight to go somewhere.

Yeah, literally. I think it's like the fortress.

[Speaker 4] (49:44 - 49:48)

Is anyone out there with a spare bedroom in their holiday home? Let us know, we're coming.

[Daniel Hill] (49:48 - 50:20)

As soon as we get over the border to celebrate, we'll be there. So hopefully everybody got value from that. Hopefully you enjoyed talking about it.

It was very rewarding to talk about it and go through the journey again. And would you say that's been a long four years? I can remember the first time I spoke to you.

And I can remember all the things that we've done since then. I can remember all the ways we've looked since then. I look at some of our younger photos.

I'm like, that was four years ago. We probably look better now than we did then. Would you say it's been a long four years or short four years?

[Adam Goff] (50:20 - 50:21)

I'd say it's gone in a heartbeat.

[Daniel Hill] (50:23 - 50:29)

Yeah, it has. And also so much has happened. Are you happy with how it's ended up?

[Adam Goff] (50:29 - 51:39)

Very happy. It's the way... I couldn't have hoped for more actually.

So yeah, I was always going to sell the business. I had a five-year plan, I think. And I think, what are we now, four years in?

So it's pretty much the time. And yes, like I said, for me now, on to the next thing. And it's always what I wanted to do.

I wanted to retire in my 30s. That was just something that I always wanted to do for myself. And yeah, just again, thank you to you.

And thanks to everyone who's been part of this community because it motivated me to have a network of peers. And not just people on the board, but everyone in the community all doing their thing. It gave me a new lease of life for the company, in all honesty, because I was in a little bubble.

And if you're running a business by yourself, you don't sometimes realize how lucky you are and how inspired you can be until you see other people who are inspired and happy and loving it. And you think, oh, that's actually what I've got. And so it was great to do it together.

I think I said to you early on, I never wanted to do this by myself. And one of the challenges I had was that I was running it by myself. So I definitely felt like I've got a lot of business partners and friends who picked me up when I needed it and helped me get over the line like you did.

[Daniel Hill] (51:39 - 52:18)

So thank you. Yeah, honestly, it's my absolute pleasure. And even when the days are bad, it's just part of the journey, isn't it?

I don't think in the last four years, we've done a day's work. Even when you're rolling your sleeves up when you're in the trenches, some masochistic part of entrepreneurial blood quite enjoys it. And as long as we get out, as long as we don't overdo it.

It's been a genuine honor to work together over the last four years. I couldn't be prouder of your exit and your newfound retirement. Get the next couple of weeks of recharging under your belt.

And then let's get on a plane. Let's go somewhere nice. And we'll do another interview face to face with just general live chat and put the world to right, shall we?

[Adam Goff] (52:18 - 52:22)

I'll have to check my diary, but I'm sure I can fit you in. That sounds fantastic.

[Daniel Hill] (52:22 - 52:24)

I get the impression you're going to have plenty of time.

[Adam Goff] (52:26 - 52:27)

Thank you, everyone. Thanks, Dan.

[Daniel Hill] (52:27 - 52:58)

All right. Congratulations, Adam. Property Entrepreneur of the Year award winner, property entrepreneur, host, head mentor of the program, and head of property entrepreneur, and now the first ever property entrepreneur to start, systemize, scale, sell, and retire his business.

That is the hallmark of an entrepreneur. That is Adam Gough. Ladies and gentlemen, whether you're listening to the podcast or you're watching this live on Facebook, join me in a final round of applause and we'll send Adam on his way.

Congratulations, Adam. Well done.

[Speaker 4] (53:00 - 53:01)

Thank you, everyone. It's been a pleasure.

[Speaker 3] (53:07 - 53:32)

Thank you for listening to the official Property Entrepreneur podcast. Trust you found value and insight in the topics discussed. And as always, very much welcome your comments, feedback, and any suggested guests or topics you would like us to consider.

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