**PEP 57 Edited\_Transcription**

[Daniel Hill] (0:05 - 43:32)

Welcome to the official Property 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. Hello, hello. Happy New Year and welcome to the next official Property Entrepreneur podcast.

We're now in the top 5% of podcasts in the world and the top 10 for business entrepreneurship in the UK. So coming to you every Tuesday, I'm really excited to share these blueprints, methodologies, hacks, mindsets, just ways to go about your business, your entrepreneurship, if you're really focused on creating more wealth, more health, and just having a live by design in what you do. You can probably tell by the tone of my voice, for the first time in about four weeks, I'm actually feeling better.

I had a bit of a letdown effect, cold towards the end of the year, which I didn't seem to shake off and then managed to pick up, as many of you did, COVID over Christmas. So I've literally been let out of isolation today and it's great to be back to business, feeling good. Not necessarily back to business, you'll hear about that more shortly, but back in the mix, feeling good and fine on all cylinders.

So really pleased to be recording this podcast for you today. Happy New Year to those of you that I haven't seen, spoken to, or haven't heard a podcast since the turn of the year. And as we head into 2022, we're going to be spending more time and investing in the podcast further to try and give you as much value as possible.

The reality is we can only accommodate 80 new clients a year, and when there's hundreds of thousands of others who need this stuff in their business, what I'm going to do is try and break these down, make them tangible, feed them to you every Tuesday via the podcast, and hopefully in real time, you can put these into practice and start to see the return on the efforts and energy you're putting into your lives and your businesses. Today I'm going to do a dedication of a podcast.

So one of the things I've asked for recently is if you've got any comments or questions or topics you'd like to have covered, it's always great value for me to understand where other people are and then do a podcast dedicated to you. And we've had a number of good topics come in. One or two I've already covered, and today I'm going to cover a next one because it's perfectly timed for the period in the annual cycle.

So on Property Entrepreneur, we spend 12 months going around the Property Entrepreneur track, three months in each of the four seasons, and this month we're moving into winter. So we've had three months in autumn, and now we're moving into winter. And the question I had that came in before Christmas was from Tony Fares, and what he's said is similar to me, he's got a number of business interests, I believe he's got an investment company, an agency, a number of other interests, and one of the problems or challenges he has is that mental and practical battle of what should I actually be focusing on.

I've got loads of things to do, if you gave me another two days in the week, I'd still fill it straight away. There's never enough hours in the day, how do I prioritize what to focus my time on? So it's a fantastic question, and the reality is many of you listening to this will be in exactly the same boat.

So there's no shortage of opportunities in business, there's no shortage of opportunities, there's no shortage of ideas, and the reality, which you may or may not be aware of consciously, is more businesses actually choke to death than starve. And the reason for this is as entrepreneurs, we start out our self-employed journey and have this fear that we're not going to make enough money to survive. And the reality is if you can do a half-decent job in a half-decent market, you're going to make enough money to put food in the fridge.

That is not the challenge, that's just, you're then a self-employed worker and you're working for the worst boss in the world. Once we get past that point where we are actually putting the food in the fridge, what we've actually done is we've got money, but now we've lost our time. And this is where we have to turn our mindset to being more strategic.

And the good thing for Tony and the good thing for every single one of you listening is success and failure are very predictable. And as I go through this podcast, you'll realize that the strategy blueprint will tell you exactly what to do, exactly when to do it, and you can get rid of that concern of, should I be focusing on this business? Should I be focusing on that business?

I'm being pulled pillar to post. The good thing is the answer, as a lot of things are when you use these blueprints, is very binary. It's very black and white.

It's very ones and zeros. The answer is very strategic. And what I'm going to do is I'm going to take you through that.

So what we want to do is avoid adding any more broke, busy entrepreneurs to the mix. And every single one of you listening to this that doesn't know what to focus on, what I want to do is get you out of that position and give you a really clear, solid blueprint to understand what to focus your time and effort on as we go into 2022. Most people don't do this, and most entrepreneurs spend their life on the treadmill, turning up, swinging the bat, and probably got a really well-paid job.

What we're talking about here is stepping outside of that and looking at genuine generational wealth creation. So every year, quarter, month, week, day you're in business, you're actually increasing your net wealth. And the aim of the game in business isn't to complete the game.

The aim of the game isn't to get to the pot of gold at the end of the rainbow. The aim of the game is not to arrive at this elusive tens of millions of pounds exit in 40 years' time and then sail off to the beach. Life's for living now, businesses are for making money today, and the aim of the game is taking money off the table, creating wealth, and every month you can stay in business.

Those of you that have, I think it's podcast 34, if you listen to, I think it's called, oh, I know it's called, it's called Rich Bad Wealthy Good. If you've not listened to that, listen to that, it's the blueprint about wealth creation. And the aim of the game, I think it's podcast 34, the aim of the game is to take money off the table every month.

And when we're doing this or to enable us to do this, we have to be highly strategic. We have to be focused on longevity. We have to be focused on sustainability.

We have to be focused on wealth creation. We have to be highly strategic. We have to build a plan.

And then the hardest thing is we have to have the discipline to stick to it because we spend three months on Property Entrepreneur every year, October, November, December, on strategy. And it's not easy to come up with a solid strategy. It's very achievable and it's very step-by-step and you just follow the blueprint.

There's three months blueprint, there's about 14 exercises, and at the end of it we have a strategy day, which I'm going to tell you about in a moment. And once you've spent those three months like we have, October, November, December, you've created a strategy, then you have to draw a line in the sand, stand up at the strategy day, which is this week on Property Entrepreneur, and next week at PPN UK, stand up at the strategy day and say, right, we've spent three months looking at this. We've looked at all the opportunities, all the businesses, what's going on in the market.

This is what we've decided our strategy is. And then you have to have the discipline for the next nine months to actually successfully execute against that. And neither of those are easy, but both of them are very achievable, especially when you use the blueprints of Property Entrepreneur.

So to approach Tony's question, how do you know what to prioritise? So we spend three months in autumn in cave time, journalling, using these 14 or so exercises to ask ourselves questions and look at what's going on. And then we have a strategy day to define, this is what we're going to do in the year ahead.

This strategy is personal and it's professional. So personally, we have a thing called the year of, and underneath that you have three personal objectives and three professional objectives. And that year of is, this is my life for 2022.

I'll tell you what mine is at the end of this podcast. This is what mine is at the end of, or this is what mine is for 2022. I spent three months creating it.

I've now got my year of, my personal, my professional objectives, and that is now the life that I'm living. So I know what to prioritise. I know what's important.

I know what I want more of. I know what I want less of. I know what I want to keep.

And I've spent three months building a plan to create my life by design for 2022. So I don't need to worry about prioritising because I know what I'm saying yes to and I know what I'm saying no to. I've spent three months building that out.

The same applies for the business is October, November, December, myself, the senior team got together, had strategy sessions, and we got to a point where we've now got our professional plan for 2022. And this is what we call a headline strategy, which is basically the North Star. It's the destination in the sat nav.

It's all decisions point towards this. And then we have three supporting objectives. So to enable us to achieve that and also to focus on other key areas in the business, what are the three supporting objectives to get us there?

And when you've got these, when you've got your year off and you've got your headline strategy, you don't need to worry about prioritisation. You don't need to worry about making decisions. You don't need to worry about what is more important because going through this process, all of those questions are answered.

The strategy is created, the plan is put in place, and then you run that for 12 months. Eyes on the prize, inch wide, mile deep, locked in, disciplined, and then you just execute with absolutely relentlessly. So why do we bother to do this?

And for people like Tony, who are running multiple businesses, what's the benefit of actually taking time, spending three months, October, November, December, lifting the bonnet, getting your head in the clouds, doing the sort of slower, autumnal, strategic elements of owning, building, starting, systemising, scaling the business? Why actually bother? Well, the reason that we do the cycle is most entrepreneurs spend their life on the treadmill.

Literally, they're just running on the treadmill, swinging the bat, million miles an hour, and they're always in summer mode, really. They're doing deals, they're choking to death, they've got no issue turning the tap on. Those of you that think you're killing it because you've got investors queuing up, you've got deals coming in left, right, and centre, you've got loads of opportunities to scale, that's not always a good thing.

In fact, if you're in the right position in the market, the last issue you have is making sales, which is a complete polar opposite to what we started off with, talking about entrepreneurs are worried about survival. Somebody who's very close to me this year decided to go self-employed, and my feedback to them was, I guarantee you, in the next 12 months, you'll make more money than you've made in the last 12 years, or rather, you'll make more progress in the next 12 months than you have in the last 12 years. You'll make more money in the next 12 months than you ever have on record.

They're only literally three months into it, and they're like, wow, I can absolutely see what you mean. Because when you use this blueprint, you're highly strategic, making money is not the option, not the issue. But the reality is most entrepreneurs are choking to death.

They're always too busy, they're doing too many deals, they're busy fools, and we want to avoid that, being on that treadmill. We want to avoid spending year on year on year doing the same thing, because markets move through curves, and what you'll end up, the longer you stay in the market, especially when it starts to become the last phases of growth or into the maturity phase, those margins really start to compress, and competition increases, margins reduce, and there's a time to get on, and there's a time to get off the wave.

And when you don't stop to, if you always do what you've always done, you'll always get what you've always had. And the reality is, once you've hit that peak, those returns actually start to come down. And whether that's return on time, or enjoyment, or it's return on money, as in the money you're making, that margin will, either by growth or by market conditions, just gradually get compressed, and what you'll find is it gets harder to run the business, you're making less money, you've got more costs, and you just don't actually take the time.

You think more revenue means more profit, and I can guarantee you it doesn't. More revenue very, very rarely means more profit. More revenue normally means more costs, and what you've got to do there is find the sweet spot, find the commercial balance, build your business model, I'll do a podcast for you on it at some point, and be highly strategic.

But if you're not stopping every year to do that, you're just doing the same thing over and over again, and it becomes less enjoyable, less lucrative, less engaging. The reality, however, is if you actually use this blueprint, so the Profit Entrepreneur Blueprint, 12 months, four quarters, going through the seasons, is you can be highly strategic with the business, and every year you finish the summer, you go into the cave in the autumn, and you spend three months getting strategic, what worked, what didn't work, what made money, what didn't make money. You can be really sort of introspective, what do you want more of, what do you want less of, what do you want to keep, what do you want to get rid of?

You can just be really strategic about making decisions for three months, and what this does is not only enables you to then, on the 1st of January, have a clear strategy for your life and your business for the new year, but it gamifies it as well. So it's like every year, every quarter, every year is different. Every quarter is different.

Every strategy, every target, every business opportunity that you decide to go for has a new focus, has a new headline strategy, has different objectives. And every year, you can become a completely different person, a completely different entrepreneur and build completely, not necessarily completely different businesses per se, as in starting a new business every year, but your business. Literally, on New Year's Eve, we close the doors, refurbish the offices, put new artwork up, and on the 1st of April, people come in in new clothes, they come in with new energy, the offices have been completely refurbished, because it's like gamifying it and making it fun.

And when you do this, it's highly strategic, it's a lot of fun, it's fresh, it's lucrative. But the other thing is, the longer you stay on a strategy or a business or a margin or a model, you normally find that those margins start to get compressed either by growth or by time or by competition or market development or regulation and compliance, depending what industry you're in. And if you every year can look at what you're doing, it will be fresh, it will be more lucrative, and you can actually move with the times, you can change.

And it's just far more dynamic and entrepreneurial. If you want to build the next legal and general, you'll probably just be running a big business doing the same thing over and over again. Whereas if you want to be entrepreneurial and catching those waves and owning those niches and getting those genuine 30%, 40% margins, the question of what to prioritize your time on becomes very easy, because every year that will adjust, it will change for a number of reasons.

So that's all well and good, we get that, we want it to be fun, we want to do it in 12-month cycles, we want to be strategic, we want to know the answer to Tony's question. How do we prioritize? Well, how do we actually do that in practice?

Well, there's 14 exercises we use during the autumn season. And when you get to the end of these, you'll know 100% what you want next year, what you want for your business, and what the year is going to look like. So when you're sitting here in the first week or second week of January, you know what your year looks like.

And you can go out all guns blazing with fresh energy and a clear strategy. I'm going to put a couple of those exercises out now to approach Tony's question specifically, as to if I want this, well, everybody wants this crystal clear headline strategy in year of for their personal life and their business, you know, for their entrepreneurial progression and their life by design. But how do we know within all the things we've got how to prioritize?

And there's three models that can help to answer this question. So the first one is Tony's busy, you're busy. Everybody listens to this podcast is busy.

How do you prioritize which business to work on? Well, all of this is nothing should ever be arbitrary. Everything is highly strategic and all of it is black and white.

So what we're going to do is the first thing is about wealth creation. So if you're going to be an entrepreneur, like it doesn't, those of you that know me personally, I'm not a big money guy. I live in, I wear Primark clothes.

I lived on a narrow boat on 750 quid a month for a year and a half. Like I'm a very, I'm a man of minimal needs, but I don't work. I haven't worked my backside off my whole life, not to create financial independence for me, my family, the generations to come.

Now that's very high on my agenda, but it's not. There's a big difference between being rich and being wealthy and being wealthy should absolutely be a key part of your strategy every year. Because if you're going to grow, you know, even if money doesn't matter to you, you know, lots of us say that, you know, I'm not interested in the money.

Well, when the day comes when you don't want to work anymore and you can't because you're not financially independent, I guarantee you, you would have wished that you were more financially savvy and more into the wealth side of things. When you're one of your family members gets into a difficult position, whether that's through poor decision making or through health and they need support, whether that's you taking time off to help them or giving them financial support to get the care they need, or even you, you know, if you have an accident or you're out of work or you just wake up one day and don't want to be an entrepreneur anymore and you just want to close the business and sail off into the sunset, you need to know that in the background you've built a financial fortress which can provide for you for the long term. And the first exercise is all about wealth creation and wealth management.

And what we do here, and again, listen to the podcast called Rich, Bad, Wealthy, Good. And what it talks about is the three level, we use a model called the wealth hierarchy or the wealth pyramid. And it's basically the three levels of wealth creation.

The first is cash flow, the second is profit, and the third is asset. Cash flow is level one, profit is level two, and asset is level three. If you imagine a Toblerone shaped triangle, the big long slab at the bottom is cash flow, that's level one.

The slab in the middle, the middle level, level two is profit, and then level three is asset. And level one is all about salary. Are you covering your overheads on a monthly basis?

Once you've done that, you then move up to step two, which is making lumps of cash, which is profit, large capital events. And then level three is once you've had those large capital events or you're having those large capital events, and you've got a high surplus of retained earnings or profit in the bank, you then move that up to level three, which is boring assets. And this is basically your pension fund.

Strategically, every year, you look at where are you on that? So to ask, to sort of help Tony on his way, the first question is, on those three levels, where are you? And if you're not paying your overheads on a monthly basis, the priority that you need to focus on is doing that.

And the way that you get to that breakeven point is either reducing your overheads, which you could, on Property Entrepreneur, we have people moving with their parents, we have people who go rent a room and sell their house. The aim of the game in wealth creation is the first protocol before you can even start is you've got to cover your overheads. Once you get to that breakeven point and you're paying your overheads every month, if you can reduce them to £1,000 a month and you can live in a rented room and live off pot noodles for a couple of years, the quickest way to create wealth is to complete level one, which is breaking even.

If you've got that, and Tony's listening to this, other people listen to that, I don't have any issue with cashflow. I'm bringing in £100,000 a year, I'm spending £100,000 a year, I'm spending £80,000 a year. Great, you're at breakeven, don't spend more time on those businesses.

So those businesses are probably like letting agencies or HMO portfolios or service accommodation companies, anything that's bringing in that reoccurring monthly revenue. Once you've prioritised cashflow, prioritised level one and completed it, don't spend any more time on it because it's not how you create wealth. Noisy, cashflow businesses are noisy.

They've got clients and tenants and arrears and voids and employees and overheads. Cashflow businesses are noisy businesses. If you can make 20, 30% on a cashflow business, you really are doing well.

Once you've got to that breakeven point, stop prioritising those businesses and start prioritising profit. And what I mean by profit is lumps of cash. So if you've got a company that's doing £5 million in revenue, you're making £1 million a year on cashflow, fantastic, great, you're making £1 million a year.

But stop there because if you double the size of that business, it's double the size of a £5 million business or even double the size of a £1 million business that's covering your costs and making you £100,000 a year. It's noisy, it's intense, it's painful, it's risky, it's hard work. As soon as you're breaking even, focus on profit where you can go and do a flip and make £100,000 a year, one deal, no employees, no overheads, no insurance policy, well, no highly onerous tasks.

Then start to focus on these lumps of cash, so flips, build to sell developments, flipping companies, packaging deals, whatever you can do to start making absolute minimum at the beginning, £50,000 a year. And in reality, for someone probably like Tony who's more established, hundreds of thousands, if not millions of pounds a year doing flips, bigger developments, six-figure deal packaging for people. Start making a million, £2 million a year or rather minimum £50,000, but start moving up to maybe making £500,000 a year or £1 million a year in lumps of profit.

And they're not cashflow businesses, they're profit, they're transaction-based, they're not noisy. Make those lumps of cash and then move it up to the top level, which is boring assets. Use that money to buy care homes that you lease out to a third-party operator, do a supported living development and lease it out for 5, 10, 20 years to a charity or buy stuff for the council or single-let properties, three-bed, single-let properties that are rented out to young families or just families.

You want to start moving into those boring assets. The first exercise is prioritising where you are in the wealth hierarchy. Are you at level 1, level 2 or level 3?

Very straightforward. And that will tell you, right, this year I need to prioritise making that sort of money. So for me, it's assets.

I've done my cashflow businesses, I've built them up, I've moved into profit, made the lumps of cash and then moved those lumps of cash into building a financial fortress of loads of single-lets, blocks of flats, care homes, hostels, blocks of service accommodation that are leased out. And then that's my financial fortress completed. So I just focus on assets now really, just constantly buying single-let a month or doing a development and just developing about 70, 80 flats at the minute and then ideally lease those out or rent them to the open market.

And it just naturally increases your wealth profile and your sustainability in that position. So the first is prioritising wealth. Where are you on the three levels?

The second is annually. Again, remember, this is October, November, December, is annually looking at the market. So looking at all your businesses and thinking, where is the market?

Because there's only two places you want to be building businesses. And this is where you prioritise. I prioritise all of my effort on investing in, buying, selling, developing businesses that are in two places only.

If you look at every single company I've started, systemised, scaled, invested in or sold, it's always in one of these two places. So the first is it's in a niche and the second is it's a crest of a wave. Niche means it's very, very niche.

You could use my blueprint, the proper entrepreneur blueprint on any business. We've got design companies. We've got marketing companies.

We've got bookkeepers. We've got accountants. We've got mortgage brokers, although they are a bit property.

You can use this blueprint for any industry you want, but we do it for property. Property entrepreneur. You could have marketing entrepreneur and you could have IT entrepreneur.

You could use this blueprint for any company you want, but it's niche, it's property. We're the only end-to-end start, systemise, scale and sell, wealth, health, life by design, all under one roof, one-stop shop, everything you need. That's what we do in property.

That's why we're oversubscribed every year. That's why we've never had an issue for selling places for, well, since 2013, nine years now, because we're niche. The other thing is crest of a wave.

Now, crest of a wave is where it's high risk, high return. So some markets are at the beginning of the wave and others are more developed. The more developed the wave is, the higher the competition, the higher the competition, the lower the margin.

So one property entrepreneur would do a thing called strategic positioning. What this is, is looking at your market, looking at your competition, looking at the strategies and saying, right, based on what's going on in the market, where do we actually need to be? What do we need to be focusing on?

And if you're still running around trying to do B grade, ex-student, rent-to-rent, HMO stock in mass market areas, the reality is that that market's probably in the main at the mass market strategically had its day. That was 2010 to 2015, where the HMO market just boomed for young professionals. If you want to be in that market now, you need to be really niche or you need to be really crest of a wave.

You need to really understand your market. You need to be looking at your microeconomics to make that sort of market work. Whereas if you're looking for something for high margins, like high margins, off the scale, getting 100% return on investment in the developments we do isn't unrealistic because we're looking at the brand new stuff.

P, the new PD, the new planning changes, new permit development changes, ways to cut up larger blocks into smaller blocks and develop them in phases. If you're looking at more macro investments, like those of you that are into investing, it's the fintechs. It's anything to do with green, low cost, high tech, sorry, low carbon, high tech.

Anything in that space is crest of a wave because these things are just about kicking off and you're going to get a decade's worth of work out of them, whatever it's going to be. I won't start rattling them off because there's a million different things you can look at, but equally some of them are quite questionable at the moment. I have looked at starting or investing in some green companies, but it's crest of a wave.

It's finding that crest of a wave, the beginning of the curve. Where's the demand? In reality, post-COVID, it's probably more towards the bottom end of the market and the mass market than it was pre-COVID or pre-COVID, pre-Brexit when it was at the top of the market.

The second thing is what business do you prioritise? Well, you prioritise the ones that are lucrative. You prioritise the ones that are the crest of the wave.

You prioritise the ones that are niche. You prioritise the ones that are genuinely making at absolute minimum 20%. I mean, to give you an idea, on our incubator programme, we won't look at a business model unless it starts at a minimum of 35%.

But what you're looking for is the needle in the haystack businesses. You're going to work your arse off. You're going to invest your time and your money.

Don't do it to try and scrape off a 10%, 15% margin. Find that needle in the haystack. Look at that crest of a wave.

Look at that niche. And then if you look at the board members' businesses, the advanced property entrepreneurs' businesses, the spaces we all operate in is absolute minimum 20% margin. Realistically, 30%, 35% for cash flow.

If you're moving into profit, 50%, 60%, 70%. I've got businesses that do over 100% return, 100% markup. So 50% margin on profit-based strategies.

The second is what you prioritise. It's all about the market. What's your strategic position and what are the margins there?

What's the longevity of it? And then getting off of some waves, wind some businesses up, sell some, flip them on, and then get on to some waves. Researching, getting into something new, and then running with it.

And then the third model is once you've done all of that, like you're probably getting the vibe now, success and failure are very predictable. If you can be highly strategic with this stuff, well, that's it. If you can be highly strategic with this stuff, success and failure are very predictable.

Nothing should ever be arbitrary. So to answer Tony's question, how do I prioritise? Again, it's very binary.

It's very ones and zeros. It's very black and white. The third exercise to help you with that is once you've decided what level you're at for wealth, then you've decided your strategic position in, you've then got to distribute your time.

Tony's only human. I'm only human. Warren Buffett, Bill Gates, Elon Musk are only human.

Although I do think Elon Musk probably pushes the boundaries of that sometimes. But we're all human. We've all got 24 hours in a day.

What you've got to do is understand how to distribute your time. And this is where the discipline comes in. And the third model we use is 70-20-10.

So 70-20-10 is 70% of your time, three and a half days a week. 20% of your time, 1.5, sorry, one day a week. And then 10% of your time, half a day a week.

You can only focus on three things. What are they going to be? What are the targets for those going to be?

And which is going to be your 70? Which is going to be your 20? And which is going to be your 10?

Once you put these three exercises in place, you've got focus on your wealth, you've got focus on your market, and you've got focus on your time. Those three exercises on their own will give you the answer to your question, which is, what do I prioritise? How do I know where to put my attention?

You go through those three models and the answer will be there in black and white. So I know explicitly what mine are. So I'm not getting up on a daily basis thinking, oh, shall I focus on this?

Shall I focus on that? I'm like, this is on this year. That is off this year.

And it's all guns blazing to execute against that. So Tony, I hope that answers your question. I've got a few top tips to share with you.

So the first top tip is inch wide, mile deep. Most entrepreneurs pride themselves on the fact that they own a deal sourcing company and a maintenance company and a letting agency and a flipping company and a HMO company, a service accommodation company. It's like, well, congratulations, great.

That probably makes you think it's good for your ego, but it's Jack of all trades, master of none. If you actually want to make this work, you need to go inch wide, mile deep. Finding solid margins, being market leading, winning the awards, being around for the long term is like drilling for oil.

You've just got to drill deeper than anyone else. That's all this comes down to. And you can only do that with focus.

So inch wide, mile deep, choose one core focus, 70% of your time, and then go relentless on that. The second top tip is the 80-20 rule. So basically 80% of your money is coming from 20% of your business.

Look at where you're actually making money. Maybe last year you did a flip and made 100 grand and then you run another business which just about broke even. In most cases, you'll find that that business that just about broke even, the cash flow one, the noisy one with the employees and the tenants and the arrears and the clients, that didn't make any money.

It was really noisy. It was really painful. And it was a pain in the backside.

Whereas that flip you did, which just seemed to go on in the background, made you 100 grand. The 80-20 rule is looking at the businesses you're involved in and choosing the 20% that are the most lucrative and making them your 80%. 80% of your time is currently spent on the things that don't make the most money.

20% of your time is spent on the clients, the deals, the strategies that make the money. Ideally, you want to flip that round. So 80% of your time is on the high profit stuff and then 20% of your time is keeping the other stuff ticking over.

The third is you can't skip the gears. So I know you're probably sitting there thinking, well, you know, I don't need to do cash. I'm going to go straight to profit.

Or you say to 70-20-10, Dan, but I'm going to do 40-40-20. You're sitting there thinking you can. I guarantee you can't.

I've been teaching this for nearly a decade. Hundreds of people have come through our program and put this into practice. And I've seen more people try and break the blueprint and recreate it than execute it without question.

And I guarantee you, they always come back the second year and say, do you know what? I now know what you mean. Do you know what?

You can't actually crack the blueprint. Do you know what? I'm not going to try and make it more complicated and more creative and do the normal entrepreneurial thing of tearing it to pieces.

My life's work is basically making this stuff simple for you. And hopefully everything you listen to makes sense. You don't need to recreate the wheel.

You don't need to try and embellish it with other things. And you definitely can't skip through the gears. If you can skip through the gears, I'm notorious for trying to take shortcuts when I drive.

I always say to my wife, let's take a shortcut. I take a shortcut, 45 minutes later, we're back where we started. If the shortcuts don't exist, if it was actually a shortcut, it would just be called the way.

I've been doing this my whole life. And I can tell you now, you can't skip the gears. Just trust me, go through the levels and don't try and skip the gears because it will slow you down rather than speed you up.

And on that sentiment, the final top tip is slow and steady wins the race. So slow and steady wins the race all day long. Most of you won't listen to me.

I don't even listen to myself on this a lot of the time or rather I never used to listen to myself a lot of this about this a lot of the time. Slow and steady wins the race. Do it step by step.

The compound effect really does work. Level one, level two, level three. More revenue does not mean more profit.

And all entrepreneurs now to turn the tap on, but hardly any know how to keep the money in the bucket. Like the final top tip with this is slow and steady wins the race. 70-20-10, focus on one thing this year, inch wide, mile deep and go all guns blazing.

Tony, I genuinely hope that answered your question. To finish off, I'll just share with you what my strategy is for 2022. So I spent three months in the cave.

The cave is basically what we call like journaling time. I've got Zenden at my house, going out to coffees, things like that. Just going out and having some time on your own with a journal.

The outcome of this is our year of and our strategies. My year of this year, this is personal. What my life's focused on personally.

2022 for me is the year of the 12 hour work week. And what this means is I was going to take a year off because I sold the biggest group of my companies last year. I was going to take a year off, but the reality is I've still got things to do.

I don't want to be completely off the grid. You know, I want to keep things moving. So I thought, well, how do I achieve both?

Well, I achieve both by having a 12 hour work week. So I now work Tuesday, Wednesday, Thursday, 10 till two. So it's 12 hours a week.

That's the only time I'm available. Outside of that, my phone's off, I'm off the grid and I'm going and doing other things, getting a lot, well, I'm going and doing other things. Underneath that, so that's my year of, 12 hour work week.

Underneath that, you then have your objectives. So three professional objectives, what I want to achieve professionally. And then three personal objectives, what I want to achieve personally.

So my three personal objectives for 2022 are, the first is now or never, travel and adventure. So basically I've never done traveling. I've never spent a huge amount of time having hobbies.

I've always been addicted to business and entrepreneurship. If there was every year for me to try adventure, travel, I might not even like it. It's now or never.

I've got the time, I've got the money. It's now or never. Commit to it, book it in the diary, get it done.

Make it happen. The second is a piece of a pensioner. So I don't know, those of you that have got like, know an old relative or just think about an old person, really old, loves the tea, you know, oh, come around for a cup of tea.

Oh, this tea's delicious. This cake's lovely. Oh, it's so nice to see you dear.

Just very peaceful, very present. Their mind's not running a million miles an hour. They're just really grateful for the company.

They're grateful for the experience. I want more of that in my life. More presence, more gratitude and have that piece of a pensioner.

Just calm down my brain. After 20 years of being a masochist. And then finally, number three is get a life.

I don't have hobbies. I don't have things I do extracurricularly. So I'm getting back into my weightlifting.

I'm spending more time with friends, family, reading, learning another language, playing the piano, just trying to find hobbies and getting a life really and seeing actually, is there more to life outside of business? And you know, in a year's time, I might say, yeah, there absolutely is. I can't believe, you know, I could have carried on doing this for 40 years and never realized it.

Or I might do it for a year and be like, do you know what? It was great to try it. It rests me assured that this is my passion and my sort of future and I can go back to it.

Professionally, I also have three there. So the first one is raise my rate. So obviously I'm working a lot less hours and I can only do really, really high value activity.

If you've not already listened to the podcast called Raise My Rate, you've got to listen to it because without exaggerating, the last two years, I've taken my hourly rate from an hourly rate in 2019 that I thought was never possible to this year. My minimum hourly rate is the hourly rate I made last year, which is seven times what it was that I set in 2019 that I thought was unrealistic. So the first is raise my rate, is only focus on things that meet my minimum rate.

And that includes getting my book out, raising my profile and continuing to invest in the podcast. You know, I've got very little time. The way that you increase an individual's value is to reduce their availability or their accessibility.

So do more of that this year. The second is oversubscribed. I am oversubscribed for this year.

I have no capacity to take on any more businesses. I don't want to be doing any more investments. So the answer's no, sorry.

That's my second objective. It's just closing the doors, saying no and being really disciplined. Like the only thing I've got capacity to sell three companies for other people and that's booked into my 70-20-10.

But outside of that, if you want me to be an advisor, a board member, an investor, a business partner, unfortunately, I'm oversubscribed for the year. The answer's no, sorry. So I don't have to think about where do I fit it in.

I don't have to worry about where do I prioritise it because I've done that strategy. I've answered only Tony's question. What do I prioritise?

The things that I've already booked in. New opportunities. Unfortunately, I've oversubscribed.

The answer's no, sorry. And then finally is disconnect. Define, delegate, and done.

I've invested in my team. I've got more gatekeepers around me and I just want to disconnect. I turn my phone on at 10.

I have it on till two and then I turn it back off. That's it. Tuesday, Wednesday, and Thursday.

From 2 p.m. Thursday afternoon, my phone's off. You can't get hold of me until 10 a.m. Tuesday morning and that's just how it is. I need to disconnect.

I need to get rid of my addiction to my phone. I need to shake off the need to constantly be engaged and I need to have a team of world-class people around me to do that and I've invested over the last three months to do that and everything's in place now and I'm going through the motions of enjoying that first phase. So that is my year of and then my headline strategy, just to give you an example for a property entrepreneur.

The headline strategy for a property entrepreneur is world-class 2.0. So a property entrepreneur has been world-class every year for the last three years. We're now taking it to world-class 2.0 which basically means if it was world-class before, that's no longer good enough. How do we take everything to the next level?

World-class 2.0, execution is everything and that's all about execution for our clients, making sure they've got the support they need, making sure that they've got the resources they need, the templates, the blueprints, the daily, weekly, monthly support and then the three supporting objectives. The first is norm to perform, taking the back office and budgets through the last phase of the cycle. World-class community, engagement and experience, really investing in our events, our community, our private Facebook group, our mid-week mentoring to make sure that everyone's getting the support they need through the month and then finally is the one-stop shop.

My vision for a property entrepreneur is it's a one-stop shop. It's the operations manual to being an entrepreneur, whether it's your personal life or your business, when you're on property entrepreneur, my promise is you get everything you need. The blueprint is on us, the execution is on you and that's my vision for a property entrepreneur and the big focus we've got this year is the one-stop shop, consistently building out these blueprints, consistently developing the resources and making sure that whatever stage our clients are at, they've got everything they need all the way.

Once you can go through those three months of strategy, October, November, December, do those 14 exercises, three of which I've shared today, you'll have 100% clarity on what your year looks like, what the future for you personally is and what the year ahead and the future for your business is. It takes all of those questions, including Tony's about where do I focus my energy, what do I prioritise on off the table and it's not easy, it's challenging. You have to make some really difficult decisions but if you want drastic change, you need to make drastic decisions and on Property Entrepreneur every year, we promote the people who've done that.

People who've sold their businesses and travelled the world, people who've sold their house and moved to and bought their dream house and turned it into an estate of service accommodation down in Cornwall. Whatever it is, make drastic decisions, enjoy drastic change and all we want is for you to build wealth, health, life by design for your business and then just enjoy your life, have the year off, have the objectives as an entrepreneur. So Tony, hopefully that answers your questions.

Everybody listening, I hope you got value from that and Property Entrepreneurs, I will see you at the Property Entrepreneur Strategy Day this week. So wishing everybody the best of luck. Glad you are going all guns blazing into 2022.

Keep tuning into these podcasts, keep sharing them, subscribe. Any support you can offer from keeping them going will keep us motivated to keep this stuff coming to you and I wish you all the best for the week ahead. I will see you same time next week, Tuesday for the official Property Entrepreneurs podcast.

Have a great week and have a great Strategy Day. Take care, speak to you soon. 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. Please give us a review and let us know what you think. Follow me on social media, Daniel here on Facebook, Property Entrepreneur on Instagram and YouTube and if you'd like to hear more, please share, subscribe and look forward to seeing you on the next one.