**PEP 91 Edited\_Transcription**

[Daniel Hill] (0:05 - 42:12)

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

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

Success and failure are both very, very predictable. Let's get into it. My question is, over the last six weeks we've opened our private VIP podcast WhatsApp groups.

If you go into show notes, you can get access to one of these today. We're only going to have them open for another two weeks and in there every Tuesday I've been answering direct one-to-one questions for people in the group and also giving them opportunities to ask a question and have a podcast dedicated to them. Now, because we've had so many WhatsApp groups opened, unfortunately I have such a long list, I'm never going to get through them all on these podcasts.

So what I'm going to do is in this podcast, I'm going to answer the first half of them in a single podcast at a very high level. Moving forward, I'll take them into wider depth but if you want to hear the answers to your questions, tune into this podcast now. I've approached the first set on business, buying businesses, raising finance, doing deals, focusing on the key five areas of your companies and I guarantee you, listen to this, hear what we've done in practice and success and failure when you do this are both very, very predictable.

So in this podcast, for every single one of you that's tuned in and dropped them in, my question is, and these are my answers. I hope you enjoy. Hello and welcome to the next episode of the official Profitable Entrepreneur podcast.

It is championship season, we are in full swing and I don't know how you're feeling, ladies and gentlemen, but the tyres have seen the first signs of shredding. There's been steam from under the bonnet and there's been a couple of short pit stops just to make sure we get across this in one piece. So I hope you're enjoying the championship season.

I hope you're making the most of the 12 weeks of summer and everything's heading in the right direction here. So we're down to, so deals wise, everything's going across well. Manko House is now completed.

We're just getting ready to submit the first phase of planning for two stories of AEBS based on that. I've got a number of other deals going through, being negotiated. Everything is progressing well on the business side of things.

We've got a number of company and property acquisitions going through private schools, two private schools completing next month, all being well, three more agreed due to be completing the end of this year. And yeah, in the main, with the exception of having probably too many tasks and not enough time, which is always the case this time of year, early mornings, not necessarily late finishes because I go to bed when it's still daylight. I won't tell you exactly when.

But it's, yeah, it's all guns blazing. With that in mind. So we're going to do today's podcast.

In fact, it's grand finale event. If you've not secured your place, I'm recording this on Wednesday the 27th and you'll be listening to it on beginning of August. We're literally down to like the last 16 places now for the grand finale event, last event of the year, last event of the year, next one won't be till June next year.

You do not want to miss phase three. It's going to be level up year. Those who miss this one are going to miss big time is going to, it's our 10 year anniversary.

You do not want to be missing this one. If you've not yet got a chance, it is the last chance saloon to get a ticket at that event and go to www.boomorbust.co.uk and you can down, you can buy several ticket there. If you're not already a member of one of the podcast groups, what's that groups are actually going to be closing those in about two weeks time.

So literally last opportunity to get your questions answered, jump in there and we can sort you out a VIP discount rate, but yeah, don't miss out. Come join the party. Every event this year has been rated world class and next year is going to be an absolute banger.

So come, come join the party, come on the track with us. What I'm going to do today is I was just looking, so I was going to do a dedication to the podcast groups because the podcast group has been pretty amazing this year. They've been buzzing.

The questions have been great. It's been really thought provoking and in there I've invited people to request podcast topics and I've done two so far, which I've dedicated to some of our podcast listeners. So shout out to those two that has theirs picked up and I've just revisited the list that the team have put together for us and it is a whole page long of podcast topics.

Now I will work through them in due course, of course, uh, but it's going to be a while for it since it took for me to get through all of them in depth. So what I thought I'd do is I've not, I've just looked at the list. I've not read them all.

Um, end to end detail, I thought, you know, I'm going to do, these are your questions and I said, I'll answer them. I'm just going to answer them with initial answers at a high level. So at least it gives you the direction of travels.

You're not waiting too long for the answers. So I'm going to go through them. There are nine, uh, people who've asked questions.

Some of them have got three questions in, some of them have got, uh, just one, I'm going to work my way through them and then try and give you as much value as I can in about, uh, 20 minutes, 20, 25 minutes, I'm going to try and get through all of these. So the first one is from Ashley Lindsay and says something that I would find very useful is a weekly monthly update on the economy and how this will affect invested in the short, medium, long-term, maybe one in depth podcast on the property economic cycle, and then update dates and tactics as things change. So perfect, really good one to kick off with.

And that's not a new one to me. I did do you a podcast, uh, called recession is coming. So if you're not listening to that, those of you that listen to this podcast, go back and listen to recession is coming.

And that will give you an overview of what's going to happen with property prices, GDP, inflation, interest rates, uh, in my opinion, over the next 12 to 18 months. And then as far as current updates go, I would say at the time of recording 27th of July, I suspect the next interest rate rise is going to be half a percent. And I think that will probably be the big statement rise.

Then I think we'll have one of 0.25%. And then as long as things have started to steady out by the labor market, loosening up supply chain, speeding up, I think then it will just be smooth running of either 0.25% raises or, or no further raises. And I think interest rates will end up capping out somewhere between two and 3%, quite likely more towards two and a half to 3% in the short term, medium term and the medium to long term. They need to be up to that sort of, uh, three to 6% rarely.

So I don't think we're going to see them come back down. I think anywhere between two and 3% of the economy can, can roll with that. And then hopefully that'll, you know, give us what we need.

And then I think what we're going to see is regardless of who gets new prominence to spot, I really do hope it's a Rishi Sunak, like genuinely, genuinely hope that he takes, uh, the role, uh, regardless of who takes it, I suspect what we're going to see now is a new lease of life into phase three of the bounce back boom, which is the government's leveling up strategy, building back better local to national, to global public, to private finance, all of these strategies that we've talked about for last year, I suspect that's going to be a big one. So make sure you're on board with that. And again, if you've not done the three day event on the three day blueprint event, they'll take you through the, uh, niches, the crest of the waves that are coming up.

So you can make the most of those in the, uh, months to come. So that's the main, uh, big thing I would say, uh, next one is buying businesses. So to boost cashflow, this is from Prue considering the purchase of a going concern.

In this case, it's a rent to rent portfolio. How would you assess the business and its value to know the right money to pay? What due diligence would you do and what to look out for?

And what's your process when buying a new business? So I'll approach these in turn, basically I'll apply this to any company. So we're talking here about buying a business, Prue is buying a rent to rent portfolio.

So how would you assess the business and its value to know the right money to pay? So there are lots of different ways to value businesses. You've got, so you've got multipliers, which are reasonably straightforward.

Some industries will use a multiplier of revenue, specifically Lettons. Most industries will use a multiplier of profit or the gross profit depending on what business it is. Net profit EBITDA as a multiplier, um, or you might have say strategic acquisitions, which basically means the numbers plucked out of nowhere.

So Facebook by WhatsApp, that's losing 300 million pound a year for $18.2 billion. That's called a strategic acquisition where it doesn't matter what multiplier you apply. None of it makes any sense because there's a strategic reason why they're doing it.

Might be a land grab. It might be, uh, economies of scale. It might be entering a new territory.

It might be a lost leader strategy. It might be a commercial advantage. It might be vertical or horizontal integration.

There's reasons why some businesses can pay more for other businesses where they really are not worth that, that money, but they do it to, you know, to, to get a chunk of it. So how do you actually value a business? You guys are sitting there listening to this thinking, well, I've got a business.

How do I value it? And how do I value it? And I would say that the easiest, the biggest thing I learned doing mergers and acquisitions from some of the guys that I learned from who have done this for decades was one of the mantras that we use in M&A is that a business is worth.

So this is the valuation for every business. A business is worth whatever anybody is willing to pay for it. That's basically what it comes down to.

And then what you've got to think of is it's very easy to think, you know, what's a property worth? What's a business worth? What's the magic algorithm and calculation that you use to value it?

It's the same as property. It's the same as businesses. You can use comparables.

You can use industries and sectors. I would just tend to revert to basic logic, basic investment logic. In most cases, this is at a macro level.

So let's say rent-to-rent portfolio. How would I value a rent-to-rent portfolio at the macro level? Well, what's the defining or limiting factor of a rent-to-rent portfolio?

I would say it is the term of the lease. So let's say that I'm going to buy, let's say it's 100 properties or 100 units to be probably more realistic. 100 units, 100 bedrooms.

And they are on, again, some of them will be on 2-year leases. Some of them will be on 5-year leases. But let's just keep it really simple and say they're all on 5-year leases.

You've got 100 units, all on 5-year leases. Now, let's say that each of those units, again, these numbers are completely made up. But let's say each of those units, one unit makes you a £1,000 profit per annum.

Now, some portfolios might be loads more than that. Some portfolios might be less than that. These are just made up numbers to illustrate the fact, the point.

1,000 units, £1,000 a unit, 100 units. You're going to make £100,000 profit per year from that portfolio. Now, you're looking at a business.

It doesn't matter that they're properties. It doesn't matter if the furniture is made out of granite at this point or bespoke squirrel skin. I don't know.

It's not relevant at this point. What's relevant is those leases are worth £1,000 for 100 units, £100,000 a year for 5 years. Now, if everything went to plan and that was the best portfolio I've ever seen, the voids and the maintenance and everything else were calculated accurately, and the best case scenario is those units can be worth...

That portfolio is worth to somebody £500,000 in profit. Now, what you then do is think, well, what sort of return would people want? Well, obviously, risk against return.

If it was 100 units that were leased out to Starbucks, you'd say, well, that £500,000 profit is guaranteed. So you might spend £250,000, £300,000 to buy it. And you put £300,000 in, you get £500,000 out.

Once you paid your £300,000 back, you made £200,000 of a £300,000 investment over 5 years. £200,000 over 5 years would be £40,000. Obviously, it depends how you depreciate the capital, whether you do it all up front or you do it straight line.

And then you work out your return on investment. If, for example, it's a really questionable portfolio, and you think, right, well, if the wind's blowing in the right direction, it'll make £500,000, if we're more realistic and we take into account the fact the market's getting more competitive, the fact that the furniture's getting tired, it's going to need some money spent to decorate it, you then put all those figures in and think, right, well, what is it actually going to make?

And say, right, well, it's actually going to make £400,000. There's risk associated, and it's a questionable portfolio. So actually, in order to make £400,000, I don't want to be spending more than £100,000.

You then put £100,000 in, you get £300,000 out. And you've got, again, depending how you calculate, it's 33% return on your investment. Or sorry, it's a 300% return on your investment.

So it could be 100%. Put £100,000 in, get £300,000 out over five years, you'd have to do the maths on that. So it's like £60,000 a year for five years on £100,000 investment.

That would be, again, depends how you calculate it. But loosely, if you're £100,000 in, not including repayment terms, you're going to be making, say, 60% return on investment per year for five years plus your original stake back. So it's basically just looking at the numbers and being realistic.

I've seen some ridiculous valuations on rent-to-rent portfolios. I've also seen some very, very sound valuations on portfolios. It's all about looking at the numbers, money in versus money out, risk profiling, security of tenure, security of leases.

Anything that's like, let's say there's £100,000 worth of furniture in there, and it was only put in yesterday. We might say, right, well, that's worth £100,000. That's got to come off of the profit or there's got to be a debt facility to pay that off.

And that's a P&L and balance sheet exercise. You just sort of play the game. So in Prue's case, that is hopefully a roundabout way of saying it's worth what anyone's going to pay for it.

Look at the numbers. What's it actually making? What return on investment are you happy with taking in exchange for the risk?

And is it a business you want to buy? And also, why are they selling it? But you ask that about anyone selling a house or selling a business, why are you selling it?

And you can read into that, whatever you like. At the end of the day, it shouldn't. Should it matter?

Maybe, maybe not. If you legitimately know why somebody is selling a business, and they can give you absolute transparency, and it makes absolute sense, then there can be some value within your confidence level of doing it. Equally, it still needs to stack up.

It still needs to be independently, fundamentally, commercially viable. And yeah, it is a numbers exercise in running something like that. If you were to do other businesses, so just like give you an example, you could buy businesses, don't make any money at all, don't make any profit, but you could consolidate them like a roll up or a fragmented industry model, where you get loads of businesses that have all got like our private schools, get loads of independent businesses that are fragmented industry, buy all the opcos, and then basically centralize them. So rather than have five bookkeepers, and five marketing people, and five company secretaries, and five accountants, or five social media marketers, you just centralize all of it.

Pros and cons of all of that stuff, but that's definitely one for a bigger podcast. What initial due diligence do you do and what to look out for? Now, I will do the due diligence mainly, this is what I do, and this is not necessarily the way I'd encourage you to do it.

What we will do is work out an initial offer based on a number of conditions. So this is property as well. So we'll go out and buy properties, schools, businesses, and I will often buy reasonably blind based on the fundamentals.

So if I'm buying a development site, the last three development sites we've bought spent several million pounds on them, I've not viewed them, I've not been to see them, I've not done anything. As in, I've not done land registry, I've done very, very little to get the offer in, but I've offered it sort of conditionally or subject to. So it might be subject to due diligence in a business case, it might be subject to survey or subject to legals in a business or a property case.

And with regards to due diligence, I do. The initial due diligence is best case scenario, headline facts, loosely what the information we've got, what's it worth. Now, this is probably not the most, it's probably not the best example, because it's actually a really bad example of how to do M&A or how to do acquisitions, is Elon Musk's attempted acquisition of Twitter.

Now, that was potentially opportunistic, there was an opportunity in the market, Twitter were potentially going to sell. He wanted to get it from however many users it is, 30 million up to 200 million, and he probably would have stood a good crack at it, but he decided to buy it blind. So he basically said, yeah, based on this information, I'll buy it blind.

And then got into the, although he said he can't do any due diligence, he then got into the data. And for whatever reason, plus a turn in the market, decided to pull it. We would do similar in the fact that we would get a deal secured or at least provisionally agreed subject to due diligence.

And then we would allow normally a 30-day window to do our initial due diligence. Now, 30 days initial due diligence would be done with us looking at finances, accounts, getting into the sort of NDA style information as a desktop. And then subject to that, we would then, or in fact, I'll say a month, I think it's actually more like seven to 10 days to do that.

And then we've got exclusivity seven to 10 days to do our due diligence. Then we would subject to that, formalize our offer, have it accepted with any conditions, and then go to solicitors. And then the solicitors would do what we call a due diligence questionnaire, where the solicitors will basically send a list of applications to the sellers or the buyers, depending if we're buying or selling.

And then they'll work through that due diligence checklist and basically go through each step, work their way through each of the questions. And it's everything from what contracts have you got, et cetera, et cetera, et cetera. Basically, all of the data there, all of the information, all the finances.

Then we would get our specialists to look at it. So solicitors, accountants, industry experts, compliance, anything like that. Pull all that apart, do those sort of things.

Once we've got that due diligence and we're happy with that, we would then move into what we call the SPA, Shareholders Purchase Agreement, if we're buying or if we're selling, to be fair. If we're doing an asset, a share sale, we would then do the SPA. So start getting the Shareholders Purchase Agreement ready, looking at actually what terms need to go into the contract.

And then within there, based on the due diligence, we would then do any final negotiations. We would then look at what key warranties and insurances need to be put over the business. Sometimes you can get rid of it.

Sometimes you need to insure or get warranties against the skeletons in the closet, which would always come out. Or you take a view on it and if the risk's too high, we actually just get rid of the closet, including the skeletons. So that's the sort of process we'd go through.

Initial one at home, if you like, on desktop valuation in the office, desktop appraisal in the office, then get the solicitors to do the full due diligence once we knew we were actually going to buy it. And then final negotiations, SPAs and warranties into there at a very headline approach. Quickest we've ever bought business from having the offer accepted to completion was four weeks.

Most we would allow about 12 weeks and that's still pushing it a little bit. 12 weeks to get it done, start to finish. And they're not just small businesses.

We've done multimillion pound organizations in that time. You do need everyone on board. You do need good solicitors.

You need to know what you're doing, but it's very possible. And then process of buying a new business. That's pretty much there, really.

Yeah, process for buying a new business would really be if we're in an existing sector. So for example, when we were buying letting agencies, we did a roll up of 10 different letting businesses, letting agencies, head office, maintenance company, etc. We already knew what the industry and sector was.

So we knew what our profile was. We knew our valuation metric was. We knew what our acquisition model was.

We knew what the strategy was. We knew what the framework that we would use for the M&A element was. So we knew that start to finish.

When it's a newer business, it might be more about the sector or the niche. If we're looking at a sector like private schools, it's like, what is the actual niche in that play? What is the niche in that sector?

And how are we capitalizing on it? Like what elements of it appeal to us? And that's our strategy.

That would be phase one, identifying the niche and going into it. And then once we're in it and established, you start to learn all the tricks of the trade, quickly learn what you do and what you don't do to make things work. And then you can roll over some sort of generic M&A experience about the softer side of things, you know, culture, cultures, attrition rates in clients, team members, employees, all the sort of softer side that comes with mergers and acquisitions, which are often underestimated.

Right, so I'm already 20 minutes in. I've only done two questions. Fantastic.

Just jumping in quickly to let you know that the brand new Boom or Bust report is now out at www.boomorbust.co.uk. And what I've done in there is I've listed out the top five things that I'm doing now as recession is coming to make sure that 2022-23 is the making of our businesses, not the breaking and how you can do exactly the same. Also, if you've not yet secured your place at the last three-day blueprint event, the grand finale on the 24th to the 26th of August at the Belfry Golf and Spa Resort, you can secure your place on the same page, www.boomorbust.co.uk or go in the show notes now and get access to the VIP podcast group where you can get VIP access and discounts to come to the last ever event of 2022. Back to the podcast.

If you were next one, if you start again with a lump of 50k, where would you begin to build short-term cash flow, then long-term wealth? What property strategy service would you choose to start with? And why?

So piece of cake, because I literally teach this on Profit Entrepreneur every year. And if I was starting again now with just 50k lump of cash to build short-term cash flow and long-term wealth, it's just going back to basics. So if you're not listening to the Rich, Bad, Wealthy, Good podcast, go back and listen to that.

Cash flow, then profit, then assets. Cash flow would be without a doubt right now, back-to-back leasing. So going out to landlords, putting leases on properties, and then back-to-back in that lease with another operator who'd pay a higher margin.

So public sector, councils, people like that, in that sort of space. Not easy, takes a while, but very lucrative. We've got a number of businesses that I advise or own a number of companies that do that.

And once you've got it cracked, it's very lucrative, but nothing's easy. So take that with a pinch of salt. So I would do that.

And then what I would do is once I've got the track record, I've got the breathing space, I've got the cash flow covered, I would then just start doing bigger and bigger flips. So start off with flipping some small houses, maybe two beds to three beds, then start buying some nicer residential stuff where you're getting a high price per square foot. Stuff that you can buy or sell at 500 pound a square foot, but you can refurb or develop at 150 pound a square foot, buy it like just basic resi or do C4, A4, PD.

So basically buying four bed HMOs in Article 4 areas and then taking it up to seven beds using PD and then change of use or doing resi houses. Buy a nice house with maybe a detached or end of terrace and use PD at 50 to 150 pound a square foot to increase the floor space and make it more desirable. So single story extensions, wraparound extensions, loft conversions, all of these things that increase the square footage and then go out and refinance or flip, get those lumps of cash.

And then that's level two, then level three is moving that cash, moving that capital into long-term investments, commercial property, blocks of flats, rooms leased out to three, five, 10 year operators, low return, low risk, boring assets, just repeat stage two and stage three enough times until it replaces the money you need at level one in cashflow because that's a noisy, boring, businesses that take a lot of work. Next one is, well, I'm not gonna do all these today. There's 10 questions, I think.

So I'm gonna, or 10 people. So I'm gonna aim to do five. So I've got about another five minutes left.

So I'm gonna do another, at least two. So for Laura Davison, so love to hear more on the business side too, such as a focus on different areas with some actionable takeaways. Like many people take on multiple roles, it becomes overwhelming.

So narrow focus on each section would be useful. I've heard a few of these in your podcast and I find them really invaluable. Cool, so this is for Laura.

And if we think about the different hats you can wear in your business, there's only five. So you've got your strategic hat, which is your driver, your leader. You then got your systems hat, which is your steel, your operations, your back office, your admin.

You then got your finance, which is obviously like your FD, your bookkeeper, your strategic financial planning. You've then got recruitment, which is all about recruiting, onboarding, leading, managing, motivating performance related management teams. And then you've got sales and marketing, which is all about marketing, lead generation, sales conversations, campaigns, and actually making the tills right.

So there's only five areas of the business, obviously only five, but they take a huge amount of time. And very quickly as a one man band, you will have no time because in the first few months of business, it's all sexy and it's exciting and you're loving it and you're outselling and it's cool. And then gradually death by a thousand cuts, you end up being consumed with running the business day to day.

And actually you're probably working twice as hard for half as much. Doing 10 people's jobs, half of which you don't enjoy and no disrespect to you, but it applies to no disrespect to you because it applies to everyone is you won't do it as well. It'll always be late and you won't enjoy it.

So it's completely false economy, really. So how do we focus on those individual elements? What I'll do is I'll probably give you one for each.

And then these are like real step changes that you can do to get yourself out of that and get yourself out of it and go sort of a bit narrow on each of them. So strategically, I would say the first thing here is all about focus. Most entrepreneurs want to do everything.

You know, they want to have HMO portfolio and a flip portfolio and development portfolio, maintenance company, service accommodation, apartments, HMOs, new builds. They want everything. Now you've got two options.

Strategically, you can either launch one rocket to the moon and land it there safely and excellent. You're leading the way. Not many people have been there.

You've completed your mission and then you come back and you do another one or you can do what most entrepreneurs do and fly five kites around your garden. You're doing a bit of this, bit of that, jack of all trades, master of none, inch deep, mile wide, busy full, can't compete with anyone, high competition, low margins, busy, busy, busy, busy. That's no good for anyone.

So the first would be focus. Just choose that one rocket and rather than have five kites, have one rocket and just focus all energy, 70% of your time on launching that up to the moon. That would be the first thing.

With regards to systems, I would say the big thing to focus on here would be your map. So if you've done the three day blueprint, the map is the methodology, the assets and then the people and the performance. That's all you need in your business.

So if you're going to sort of drill down on that methodology is right. This part of my business doesn't work. So your client onboarding, investor onboarding, it's lumpy, it takes ages, etc.

Let's say, what's one that everybody would do? So maintenance. Let's say you get maintenance on your portfolio and the minute, you know, they're messaging you on WhatsApp, you're forwarding it to your handyman, you're booking in a plumber.

It's just really noisy. Like, do you know what I need? This is not a business.

If you want to build it for scalability or salability, it needs to have a map. The map to your business so that if you disappeared off the planet, everybody can still figure out how every part of the business gets from A to B. It's the map.

You say, right, what is the map for this part of the business? Well, the methodology is we only take maintenance online, for example. Okay, great.

The assets, right? What, how do we take it online? Well, we need a system or we need a tool or we need a form and we need a process, right?

Well, the assets are, what do we use and how do we do it? So the asset might be fixed flow. I mean, fixed flow, I don't know if they're still around.

I'm assuming they are. I'm assuming there's loads of different versions now, of similar things. It's an app.

You pay 30 quid a month for it and it basically is completely intuitive. It uploads photos, takes descriptions, works on video, blah, blah, blah, completely automated. Let's put that in place.

That's the process. Then what we do is write a training manual around it. So a communication strategy for the tenants.

When they move in, they get a little brochure saying, this is how you report your maintenance. On the notice board, they have a QR code that they scan and it takes them straight through to there. There's signs up in the property.

When they ring the office, option one is, if you've got maintenance issues, please go to www.mylettingagency.co.uk forward slash report issue, et cetera, et cetera. And you've got your asset, the tool you're going to use, the manual to explain how to do it. And then P is the people and performance.

You know, that's all cool. We set it up, how do you figure out how it actually works? Well, every job gets checked every day to make sure that it's up to date and it's accurate.

Every invoice that comes in has before and after photos to enable you to audit the work. Every job that's completed has a sign off of £50, £100. So you've got control of that.

Every job that gets completed upon completion has an NPS score, net promoter score to see whether the tenant was happy with the trade that went out and the service that was provided. So then you've got a feedback loop so you can see how well you're doing. And then those dashboards, those assets and processes and that methodology is how you actually run your business.

Well, I've only got two minutes left, so I'm going to rattle through these. That'd be systems finance. What are the key things you can have in finance?

Without that, all you need is a business model. If you do not have a business model, you do not have a business. So business model, one spreadsheet on Property Entrepreneur, you'll get it.

It's one spreadsheet. It takes 60 minutes to fill out, 10 seconds to 60 seconds to explain. Really, really straightforward business model.

Then you build out your 12 month forecast and then you have your budget and actual profit and loss. That's all you need financially to actually make money. Recruitment, probably the biggest one is how to delegate.

So again, there's a podcast on this called Define. If you want to actually disconnect from the day to day business, you need to do Define, Delegate, Done. That's it.

Define what is the task and who's going to do it. Delegate it to somebody with the right capacity and the right expertise, and then done. Have they actually done it?

What's the feedback loop? How do you confirm whether it's been completed? That's it for managing a team.

And it really is this straightforward. The hardest thing is to keep it simple. And then you have SCSs, set up, check in, sign off.

Have that to do your management structure, your leadership framework, quarterly, monthly, quarterly, annually, all of these things. So yeah, management leadership. And then finally, would be marketing and sales.

Inch wide, mile deep on that would be niching. And then personal profile. Well, three profiles.

You've got three brands. You've got personal brand, company brand, and product brand. Choose those three.

So Daniel Hill is a personal brand. Property Entrepreneur is a product brand. And then PPN UK is a company brand.

Virgin is a company brand. Virgin Money is a product brand. Richard Branson is a personal brand.

Tesla is a company brand. The Model 3 is a product brand. Elon Musk is a personal brand.

Having those three things and then just having real set clear messaging. We have a thing on Property Entrepreneur called the brand board, which is basically the things you need to actually have a brand and own it. So you need your avatar.

You need your core value and your three supporting values. You need your sex appeal and then your tagline. You need your five sound bites and you need your blueprint.

That's it. If you get that nailed, that is your business. That is your methodology.

That is your brand and your sex appeal. And then go out there and raise your profile. You know, five to seven posts a week.

Personal, professional, promotional, walk the talk behind the scenes. All of these things that you learn on Property Entrepreneur. And that will raise your profile, raise your rates, increase your margins, reduce your competition and just make life so much more enjoyable.

Right, I'm going to choose one quick one to finish and then I will do a second round of these in due course. Okay, so this one is a nice quick one and it's also a really, really popular one. So Sophie Beckett, I believe, would like to know how to raise personal finance.

Some people find it an awkward subject and so far only funded businesses and portfolios out of own money. So absolutely, it's the same way we all do it all start. At the beginning, you won't have, at the beginning, you'll think there's no money anywhere.

Nobody's ever going to invest with me. How on earth am I going to raise 50 grand to do this deal? Once you've been in it long enough, you'll understand that at various rates, there is more money than there is deals.

It's just finding that sweet spot where everyone's a winner. So this is my closing sentiment on this one is I would recommend thinking it as a gobstopper. So if you think about the gobstopper and we start at the beginning, so take gobstopper, chop it down the middle and you've got the core at the middle and then you work your way out to the bigger networks.

In the middle is where you start and it's like the center of the earth. It's burning hot, it's high risk. You've got no track record and you're reasonably limited and your confidence is low.

What you want to do initially is either back yourself or get a partner, a private loan, a family member to sort of back you and they'll take the risk. They'll do it for the money but really they just want to help you, they want to support you, they want to see you do well. Get that first couple of deals done and that's your earning your stripes.

In this, make the mistakes, make the losses, you know, take it on the chin, play the long game but also raise your profile. So take pictures of your deals, put them on social media, create a little brochure, brand, get a bit of personal or business brand and go a little brochure website, tell everyone what you're doing and what you'll find is that your own money or that first person, that burning bit in the middle where it's really high risk and really nervous, like it sounds like you've already achieved, will then start to create some attention and start to become a bit more magnetic and then you'll go to the next layer which will be like your family. So your family might be like, let's say for example, your partner invested, you might find then that their brother invests or you might find that your brother or sister invests or you might find one of your parents invests and your immediate family starts to get involved, it should be a win-win because they're going to get a good return, they also believe in you and they trust you so you can still use it as a profile raising, trust building exercise as you get a bit closer because they're your friends and family, you definitely, definitely, definitely will not get too complacent and you'll keep a very, very sharp pencil to make sure you get that done. Then up to the next level which would be slightly extended family and then friends, you know, people that you know, your friends you went to university with, the people you drink down the pub with, you know, your friends, your family in that next loop.

Again, keep repeating the cycle then eventually you'll start to do little campaigns on social media and email databases and networking events and people that perhaps you've never actually met and you don't actually know but they've seen you and they feel like they know, like and trust you, they start to invest with you and then you end up with an open market relationship, reputation, profile and you can have, you know, it depends how big you want to take it but then you can go out to build communities, you can build audiences but it sounds like you're right at the beginning so I would say start small, get the track record, get the confidence, raise the profile, build the confidence, start at the beginning and then work your way through those layers and yeah, just step by step, don't bet the house, don't lose your shirt, build your know, like and trust and yeah, your reputation is everything so do that, raise your profile and hopefully that'll get you well on your way but trust me, there is more money out there than there is deals, that is without a doubt, there is more, the deal is everything right now so there's more money than there is deals, it's just how much have you got to pay for it and what security and experience do you need to offer.

Cool, so I hope you got value from that, that is half of the people that have requested questions over the last few weeks through the podcast VIP groups so thank you very much to all those who've offered. If you've not joined the podcast VIP groups, I answer questions in there every Tuesday and it's going to be the last couple of weeks now of using the podcast groups and then towards the end of the championship season, we'll wind those up, close them down and then all energy and efforts will be going towards the Property Entrepreneur Programme starting in October. If you've not already got your place at the grand finale, go online now, boomorbus.co.uk, you can download the brand new Boom or Bus report absolutely for free from there and like I said earlier, I think there's 15 or 16 places left so you've not yet got a place at grand finale, don't be the one that missed the boat, take action, it's 100% money back guarantee, you've got nothing to lose, join the hundreds and thousands of people that have completed this programme over the last nine years before you and join us for the 10th year level up on Property Entrepreneur this year, it's going to be an absolute record breaker and I look forward to sharing it with you. So remember success and failure are both very predictable and for those who've asked those questions, hopefully that helps you on your way. Tune in next Tuesday, I'll see you for the next one, until then I wish you the very best of luck.

I hope you enjoyed this episode of the official Property Entrepreneur podcast, if you are not already subscribed, click subscribe now to make sure you never miss an episode again. If you're not already following me on social media, Instagram is propertyentrepreneur underscore, Facebook is Dan Hill and if you're not already in the official Property Entrepreneur community on Facebook, there's over 8,500 of us in there now, join that group and if you're not in one of the private WhatsApp groups, maximum of 20 people in each group, in the show notes, type VIP podcast and send it to the number that's in the show notes on WhatsApp and we'll get you added to one of the private VIP WhatsApp groups where you can request your own podcast, it'll be dedicated to you and your business and every Tuesday, I'm in there answering questions, giving you one-to-one direct support and we don't know how long we're gonna keep these open for. Success and failure are both very predictable.

I will see you on the next episode.