**TBP 173 Edited\_Transcription**

[Daniel Hill] (0:05 - 20:02)

Welcome to the Blueprint Podcast. In these episodes, I'm going to share with you my life's work boiled down into simple blueprints that I used to build a 10 million pound portfolio and retire with financial independence at the age of 35. You can listen to these podcasts in any order, and I guarantee you that when you execute them in practice, you will see that success and failure are both very predictable.

Let's get into the next blueprint. How to make over 2 million pound a year with only having four part-time employees. Many of you will be out there wanting to scale up big businesses and think bigger is better, grow, grow, grow, but the reality is you could be growing yourself broke.

I've been there. I've done that. I had a national company with a head office in Nottingham, seven offices around the UK, over 40 team members at one point, and that was exactly what I wanted for my ego, for the fun, for the journey, and I absolutely loved it.

But the reality is once that's out of your system, once you scratch the itch, there is far more lucrative ways as a new age property entrepreneur to be out there making money in 2023. In this podcast, I'm going to take you through how just using a small number of companies, you can make over 2 million pound a year from a team of only four part-time employees in the next 12 months. In this podcast, I'm going to take you through how I have built a small portfolio of companies.

I'm going to select three of my companies to show you and how with only four part-time employees, they generate over 2 million pound every year and have done for the last three years in profit from just four part-time employees. You don't have to have a huge business. You don't have to have a huge team.

You can go out there and be highly lucrative, highly leveraged, and make 2 million pound profit a year from only four part-time team members. So in this podcast, I'm going to take you through three of the businesses that I own. So I've got lots of other companies that I invest in, that I own, but what we're going to look at here is an example of how you can cover all bases, so you know the three levels that we need to cover, cash flow, profit, and asset, how you can cover all three bases with three different companies that generate over 2 million pound a year with only four part-time employees.

So to give you an idea of the concept of this, a good friend of mine, a proper entrepreneur board member who's been on the board for over seven years, I recorded a podcast with him recently on Six Rounds, and he is the ultimate FD. Josh Keegan, I was having a conversation with recently, is releasing a new book later this year called Small Business, Big Profits. And it just inspired me to do this podcast for you to really get you into that mindset that if your number one objective is to make money, you don't need to have a huge team.

I had a huge team, I had a national company, I had heads, I had directors, heads of departments, department managers, team members, assistants, head office, local offices, I get it. It was fun, it was exciting, it was to scratch my ego, but it wasn't the most lucrative thing that I've ever done. You can, however, have a small business with a huge profit when you understand the strategy, the blueprint, and to be highly leveraged and highly lucrative.

So we go to the three levels inspired by Josh's new book that's coming out called Big Business, Small Profits. No, the other way around. That's probably actually true.

Big businesses probably do have small profits, and they definitely have small margins because they've got managers and HR departments and insurance policies. Inspired by Josh's business, we don't want to have a big business with small profits, we want to have small business with big profits. And we're going to cover all three levels, cash flow, profit, asset.

If I take my training company, which is a reasonable size training company, 150 to 200 clients, people come from all around the world, people fly in every month to attend the workshops, been going for 10 years, cash flow business, reasonable size, multi-million pound business, profit, which is deal packaging, which I've talked about previously, which is all about the value slab. So if I can make you 10 million, will you pay me 2 million? If I can make you 1 million, will you pay me 100 or 200?

And then developments, going out there doing built-to-rent developments, class MAPD. If you've not already bought the online training that we did, www.dealsdealsdeals.co.uk, £500, learn how to make £500,000 in less than 12 months, everything you need is in there. That's the asset strategy, and that's how I've done over £10 million worth of developments, made multi-million pounds in profit and equity, and that's the asset business we're going to look at.

So cash flow, training business, profit, deal brokering, packaging deals for people, selling companies for people, and then assets, my development company, build-to-rent, high-density, class MA to class C3, residential development. And using that, just those three companies, I probably still own or invest in maybe 20, 25 companies, but just using those three companies, how I can do £2 million in profit each year and have done for the last three years with four part-time employees. So if we look at sort of how the business works, so the team that I've got, so if we start off with the training business, so training business basically has a head of the training business.

So the head of training business is basically, operationally runs the company day to day. She's there running the team. She's there liaising with the clients.

She's there dealing with all the third parties. Her responsibility is pretty much on a day-to-day basis to run the business. She then has a team around her of employees.

So she's an employee. We then have... The office is open 9 till 3, I think it is, 9.30 till 3. So it's a part-time head office business. All the team members work around those hours loosely. And she's supported by an events and community coordinator and a finance assistant.

And those three run that business, probably £2 million revenue business, highly, highly lucrative, very noisy events company. Those of you that run it needs lots of stuff. There's only three of them that are employed that actually run it.

So they run the training company. And then the profit, which is basically packaging deals, selling companies for people, is literally me. And that's it.

No employees, no part-time employees. And I have an EA who works with me, a self-employed EA who works with me. I have a finance team that work with me.

I have an accountancy team that do due diligence, reporting, appraisals for me. But they're all subcontractors, self-employed, third parties. So in profit, there's nobody apart from me.

And that business can comfortably do multiple six figures a year with zero employees. And at the top, the development company, over £10 million development today, made consistent seven-figure profits for the last few years in development, but only one part-time team member. And she's basically the head of the development company.

She runs the company, runs the developments, runs the sourcing side of things, talks to all of our third parties. But that's it. She's the only employed person.

And across those four people, they generate over £2 million in profit every year. Across those three businesses, they generate millions of pounds in revenue, over £2 million in profit. But I don't have to have a big team.

I don't have to go out there and worry about the complexities that come with running a bigger business that would naturally have a smaller margin. Jumping in quickly with a no-brainer potential 100 times return on investment opportunity for you. If you're an experienced investor and you're looking to go from property refurbs and conversions into smaller, medium-sized developments to create seven-figure equity and six-figure incomes, the recording of our Deals, Deals, Deals half-day training workshop is now available to purchase online.

For the comfort of your own home and in your own time, you can learn the unique and proven blueprint that I've personally used to create multiple seven-figures in equity and six-figure incomes using the unique build-to-lease development strategy. It's the full training, all resources, the deal appraisal spreadsheet that I've personally used to complete on over £10 million worth of deals is all available and included in the pack. Turn £500 into £500,000 in less than 12 months now by purchasing your training program online at www.buildtolease.co.uk. Back to the podcast. So how can you go and repeat the same? Well, the first thing is to understand about business is, this is a mantra that we teach on Property Entrepreneur is that the business you build will define the life that you lead. So if you want to have a big office with desks everywhere, loads of people, great for photos, see on Instagram, fantastic YouTube videos, follow me and my 100 employees, you can do that.

That's cool. But you are going to have anxieties about playing cash flow. You are going to have to make sure enough business is coming in every month.

You are going to get to a point where you used to make £100,000 a month profit and be like, wow, this is amazing. Now you're like, we have to make £200,000 revenue. Otherwise we can't pay people's salaries.

And you have big insurance policies. You have HR issues. You have service failure.

You have growing pains. Of course you do. It comes with the territory, but that's the life you've chose.

The business you build defines the life that you lead. Once you've done that, got it out of your system, realize it's not the most lucrative way to make money unless you want to go into the billions or hundreds of millions. You have to do that in most cases.

You can go small and lucrative and you can just find real high performers that run the businesses. It fits perfectly with their expertise. If you're not listening to the perfect profile, go back and listen to that.

Fits with what they're doing. Fits with what they want. Gives the business what they need.

It's a win-win-win. It's a win for you as the owner. It's a win for them running the companies.

It's a win for the company financially and profitably and the clients. And it's a win-win-win. If you want to go out there, these smaller opportunities are definitely one there.

And it's not that stressful. You can have 10 years worth of overheads in the bank because you've only got four part-time employees. It can be very balanced.

It can be very considered. It can be very low stress. It can be very enjoyable and very lucrative.

So the business will define the life you lead. The industry and sector is really important because if you need to run a business that is a 10 or 20, like aviation, 1% margin, or letting agents, 10% margin and a salary if you're lucky. Thousands of tenants, hundreds of landlords.

You've got to choose the right industry and sector. Also within that, you've got to find the high margins. You really do need to find...

All of these three businesses, all of them are niche. So selling companies for people on a zero upfront fee, zero risk, no sale, no fee basis, where you can genuinely make 100, 200, 500,000 pound a deal. It's very niche.

It's very Christopher Wave. You need to know what you're doing. That's one.

Property entrepreneur. How many hundreds or thousands of training programs are in the UK where they'll teach you how to refurb a property or do rent to rent or do HMOs? How many market-leading business and property training programs that have been going for 10 years and rated world-class for the last five, oversubscribed every year since 2013?

How many are there of those? It's niche. It's Christopher Wave.

It's premium price point. It's high margin. Or development.

High density build to rent. B1, C3, MAPD, E-class to C3, permitted development. It's very niche, very Christopher Wave.

You've got to find that right space where you can build seven and eight figure businesses that deliver six and seven figure profits with a team of four, five, 10 people. Definitely less than a dozen. If you can get closer to five, you really are a winner.

How does that work in practice? Well, can you go out there and do multi-million pounds worth of revenue and two million pound a year in profiting equity with only four people? Absolutely not.

Of course you can't. If you're going to build a block of 80 apartments, you can't even get started with four people. You need more people.

How do you do that? Well, what you do is you focus on the people you bring in. You look at business models that can be highly leveraged, very profitable.

Highly leveraged, other people can run them. Highly lucrative, very profitable. Then we bring a team in to run them.

If I look at the employed team in our team, the whole headline of this was how to make two million pound a year with only four part-time employees. That's a very small team. You need to have high performers in every seat.

Four high performers who know what they're doing. They're experienced. They're expert.

You pay them very well and they run the show. They're focused. They're dedicated.

They don't work for anybody else. They're locked in. They're employed.

They're there to do a job. They don't work evenings. They don't work weekends.

They don't work ridiculous hours. They work set hours that fit with their lifestyle, their family, their professional aspirations. It works for them.

It works for the clients and it works for us as entrepreneurs. Once you've got them in, you then bring in the next realm of people, which is self-employed people. Now, the good thing about self-employed people is their variable costs.

If you've got 50 employees, which many of you probably will have, the reality of ending up with a million pound, two million pound payroll is very possible when you get moving to 50, 100 employees. It gets expensive. I don't know how to do the math on that.

50 people, 10 grand a year would be I don't know, 50, 10 grand. Yeah. It depends.

Obviously it depends on how much you're paying them, how long they're, how much you're paying them, what positions they're employed in, et cetera. But it's significantly expensive. It's a fixed cost that will keep you up at night.

Whereas if you have people on a variable cost, it means if there's no work, you don't pay them. And this is the new age property entrepreneur. It's VAs.

It's PAs. It's EAs. It's self-employed people.

It's pay as you go. It's zero rate contracts. And this is where we have a whole team of people around us that I talk to and see every day that are basically part of the team, but they're not employed.

And what does it mean if they're not employed? If they're not busy, they're not getting paid. If we're not busy, we don't have any words to give them, we don't have to pay them.

They're self-employed, so they're more driven. We're their client, not their employer. We don't have to worry about a lot of the HR issues that come with an employment environment.

Benefits of both, don't get me wrong. But the people that we'd have on top of that is my driver who's outside. He drives me.

He's my right-hand man. He is completely self-employed. If I don't use him, I don't pay him.

My EA, my executive assistant, basically runs my other companies for me, but she is self-employed. She doesn't take holidays. She takes it whenever she wants.

I want to give her 50 hours work. She probably wouldn't thank me, but she'll probably get it done. And I pay her for 50 hours work.

I give her five hours work, I pay her for five hours work. Speakers who speak on our programs, designers who we use for the podcasts, our websites, our artwork, the printing companies, bookkeepers, cleaners, the head of our finance department, the head of our operations department, our HR department, they're all self-employed people. They're on contracts, charges, whatever the hourly rate is agreed.

I've never met our HR department, but they're there. They do their thing behind the scenes. This is the whole thing about being a new age property entrepreneur.

And then third parties. You can't run a multi-million pound set of three, in this case, three companies without having third parties. The third parties would be people like the Belfry, who we've been going to for 10 years, nine years this year, 10 years.

We've been going to the Belfry. We spend hundreds of thousands of pounds a year. We put on the most amazing events where hundreds of people come and eat three-course ribeye steak meals and fine dining and three-course lunches.

You can't do that with full-time employees. You have to have third parties. So we have an events company that run that for us, or the AV, the tech.

It's all distributed out to third parties. In the construction company, we use a main contractor. We use a QS.

We use an architect. They're all self-employed. They're on fixed price contracts.

They're variable costs. We don't have to worry about them. The big message here is bigger doesn't have to be better, and you don't have to control everything.

You don't have to own everything. There's margins worth chasing, and there's margins worth missing. I've looked before.

Of course, I have. I've got seduced. So let's not go to the Belfry.

I'll buy a £3 million grade two listed building where there can be weddings and there can be events, and I'll own it. Well, it's good for my ego. Why not?

But the reality is, is it going to make me more money? No. Is it going to create more headaches?

Yes. Do I want more headaches? No.

Do I want more problems? No. Do I want more employees?

At the moment, probably not. Quite happy with a small team, highly lucrative, highly leveraged, and that's how you do it. So think about the sector you're in.

Now, the business you build defines the life you lead. Bigger is not better. More revenue does not mean more profit.

If you look at the linear line, as soon as you go into lines of management, then lines of directors, then insurance costs and office costs and a phone system costs, all of this stuff starts to add up. If you want to do it for fun, go and smash it out of the park. Enjoy yourself.

Fill your boots. I did it. But then I sold out when I didn't want to do anymore.

Nowadays, you can genuinely go and make a million pound a year from working with a small team, a couple of million pound a year from a small team, three, four, five people who work closely, world-class performers, smashing out of the park, build something that's world-class and go out there and make your millions without having headaches and HR issues. Bigger does not have to be better. And that is, as Josh Keegan says, big profits from small businesses, small business, big profits.

And that is the future of being a new age property entrepreneur. Have a think about it, play with it, let it sell. But I will be very surprised if at some time very soon that isn't the way you go.

So I wish you the best of luck. Success and failure in that capacity are very predictable. And I look forward to seeing you on the next podcast.

I hope you enjoyed this Blueprint podcast episode. If you're not already subscribed, sharing these, this is my lifetime's work. And every Tuesday, I'm giving you one Blueprint away for free.

These things are unique. They're proven. They've enabled me to build over a 10 million-pound portfolio in a few short years.

And over the last 20 years, start, systemize, scale, and sell over 40 different companies. If you like them, share them, subscribe, make sure you don't miss a single episode. And tune in every Tuesday for a brand-new episode.

And then follow me daily on Instagram for free content, post twice a day, completely free of charge. Success and failure are both very predictable. I'll see you on the next episode.