**TBP 174 Edited\_Transcription**

[Daniel Hill] (0:05 - 14:48)

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 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. The secret to growing broke. You've heard this before.

Most entrepreneurs spend their life building businesses that don't make money, and you've heard that most businesses are actually going broke. The opposite mindset to this is the secret to growing broke, and most entrepreneurs believe that more revenue means more profit. Bigger is better, but the reality is that is not the case.

Most entrepreneurs mess around and find something that makes money, then they try and grow it and scale it for their ego, and they grow and they grow and they grow till they end up with all the overheads of a big business, none of the revenue, and zero profit. In this podcast, I'm going to take you through the four steps to enable you to move through the gears and complete the cycle, which only 5% of entrepreneurs actually go out and do. If you do this, your business will grow in a cyclical nature.

It will be highly lucrative and highly leveraged. If you don't, you will burn yourself out, you will run your business into the ground, and you will grow yourself broke. In this episode, I'm going to talk about the four steps of the business cycle, and if you've not already listened to the Perfect Profile episode, which is one of the highest downloaded episodes that we've had, in there are talks about the four seasons and profiles of people where you've got spring at the top, which is your dynamos.

The summer, you've got your blazes. The autumn, you've got your tempos. And the winter, you've got your steals.

And on Property Entrepreneur, this is exactly what we teach. We take our businesses around a 12-month cycle, autumn, winter, spring, summer, and that's how we grow our business in a 12-month cycle. What we're going to talk about here is taking this to the next level and understand the four phases of your business growth using the same model.

So when it's the 12-month cycle, we have spring, summer, autumn, winter. In the spring, it's all about creating new products and services, trying new things out. In the summer of the year, April, May, June is spring.

July, August, September is summer. In that summer period, we're all about growth and expansion. In October, November, December, which is autumn, we're all about calming down and cruise control.

And in the winter, January, February, March, we're all about under the bonnet systems finance, getting ready to race. That's the cycle of the 12 months. When a business grows, it's the same with an economy and a relationship, anything.

It goes in a cycle. And what we're going to look at here is the four stages using the seasons of business growth. So using the four seasons, spring, summer, autumn, winter, as you're listening to this, you will be able to relate to where you are now, and then you'll be able to figure out where you're going to go next.

And most entrepreneurs are stuck in one season, and they get stuck there, and it doesn't do them well at all. So all entrepreneurs have been in the spring season because the spring season is where we start. And just to note, this is not the calendar seasons.

This is like an economy, which goes for a 10 or 15 year cycle, has a spring season, a summer season, an autumn season, and a winter. We're now in sort of a winter season where we're paying the penalty for all of that summer season we had with low interest rates for a decade. Everyone can borrow money, pandemic money, money raining on fools, all this sort of stuff.

We're now paying the price in a bit of a winter period. We're in that cold, dark. When it starts to come out of this over the next couple of years, we go back into spring, growth, enthusiasm, then we'll get into summer, the boom period, everyone's going to make money, Bitcoin, tulips, AI, go crazy, and then we all get caught out again.

It's all very predictable. In the spring of the business, it's all about the entrepreneur finding a product. Find a product, find a service, kissing some frogs, did that, didn't work, did that, made a bit of money, did that, that really worked, it was easy, I loved it, made loads of money, happy days.

That's the spring. And what you do in the spring is you plant the seeds until you find the ones that grow, and then you want to go out and grow loads of them. Because you're like, oh, look at this, we're making money from selling this and doing that, and this client wants this, fantastic.

What could be better than loads of clients who want you to do stuff? More clients, more revenue, more growth. And that phase one where you're finding out what works is called the form phase.

We're forming the products, we're forming the service, we're forming the business. Everything's new, it's exciting, it's sexy, but we're figuring it all out for the first time. At some point, that'll get traction.

You and your mates in your bedroom, in your home office, you on your own, doing a load of stuff, you'll get traction. You're like, wow, we're going for a race now. And all of a sudden, you start growing.

You take on offices, take on more clients, take on a team, recruit people, company cars, insurance policies, overheads, business rates, internet policies, client management, CRM systems. And you're like, wow, let's go, let's go, let's go. And this is the summer season.

And the reality is when entrepreneurs get into this season, they run a million miles an hour and they grow and they grow and they grow because they think more revenue must mean more profit. The reality is it doesn't. It means less profit, smaller margins, bigger headaches, more issues, growing to death.

This is the whole grow yourself broke. The reality is more businesses choke to death than starve. So business growing is more likely to choke to death because they're taking on loads of revenue, but they're not making any profit.

They're bringing on loads of clients, but they've got service failure. They're bringing on loads of team members, but they've got growing pains and HR issues. It's just not working.

The second phase is called the storm phase. And this is where most people grow themselves broke. They borrow money to expand.

They're chasing this big target in the future. But the reality is they've got no handle on what they're actually building. They're not being strategic.

They're not being sophisticated. They don't have a business model. They don't know the key products.

They don't know the sweet spots, the commercial balances, the step changes. You can grow big businesses, of course you can, but 95% of people, it never works for. They grow, they take on loads of revenue, take on loads of team members, and they end up in this choking to death space where they're all really busy.

They're working all days and hours of the day and all days of the week. And they're basically running on the treadmill. The reality is you can't paint a masterpiece when you're running on the treadmill.

And if you're in that storm phase now, don't die there because most people stay there for the whole life. I know people in their 50s, 60s, and 70s in the storm phase, running around, doing deals, chasing their tail, never got any time, never got any money. You don't want to stay there.

As soon as you've got that growth, you've got that revenue, you've done that big land grab and got that step change, then what you need to do is go from storm, which is where 95% of entrepreneurs stay, and move into norm. Norm is the autumn. Imagine the autumn.

Storm is the summer, growth in the trees. There's all of the green leaves. The growth is at the top of the tree.

Autumn, the leaves start to go brown, start to die. The energy goes from the top of the tree down to the bottom. And then down at the bottom, the energy from those leaves, the latent lessons, learning energy goes into the ground.

And then it's autumn, it becomes more sensory. And during the summer, it's blazing fields of crops growing a million miles an hour. The grass is up here.

Autumn is more about letting it settle down, reaping the harvest, slower days, calming down, more peaceful sensory energy. And during this pace phase, the growth, the starting entrepreneur and the scaling entrepreneur of spring and summer needs to disappear. And here's where you bring in your ops team, your tempo profiles, your traders, your deal makers, and you let them calm things down, let normality move in.

Put the business onto cruise control. And here we start to focus not on scale. So you've got starting at the beginning of spring, scaling in summer, not scale of starting, we focus on service.

And what we're looking to do is let the business normalize. All right, on a Monday, we do this. On a Friday, we do this.

This client has this package. This package, these products over here, we're going to get rid of and just focus on this. These clients we're going to get rid of.

These clients we're going to move over here. And you just find the rhythm to the business. And for the first time, people come in at nine.

They have an hour's lunch. They finish at five. The business is starting to be profitable.

It's starting to be lucrative, starting to feel less frantic, less chaotic. It's more autumnal. It's in that normal phase.

It's got routine. It's got rhythm. 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. And then once you've got that, which is probably only about 3% of entrepreneurs, three of the 5% of entrepreneurs that get there stay there. The last phase, which hardly anyone gets to because it's boring, but it's where the money is, is the perform stage.

So we get into the winter season, we've formed, we've stormed, we've normed, and now we're going to perform. And perform is all about KPIs, dashboards, stats, profit margins, commercial balance, sweet spots, legalities, compliance, SOPs, maps to the business. It's all the process, the operation, the attention to detail.

This is where the money is really made in the business, is in the winter period. Again, it's not going to be your startup entrepreneur. It's not going to be your scale up salespeople.

It's not going to be your service tempos. It's going to be your bookkeepers, your finance directors, your ops people, your steel profiles. Anyone to do with admin, ops, detail is perform.

And this is where the money is made. After that, you can then go into diversification. You can go through another cycle.

You can add other products, services, layers. But the reality is, if you want to build a proper business that you can work on, not in, if you want to be a business owner, not an operator, you know, I've got businesses around the UK that I've never seen, I've never been to. I've bought companies that I've never, genuinely never met the people that run them.

If you want a business owner, not operator, you need to take the business through those gears. Most entrepreneurs stay busy, frantic, running around like a headless chicken. Their life depends on it.

If you want to be lucrative, you want to be leveraged, you want to be a business owner, not an operator, success and failure are going to be very, very predictable. And you need to go through the gears, start in norm, which might take you six to 12 months, 18 months. Scale in storm, which you might stay there for a year, two years.

You probably don't want to stay there for too long. Then move into norm, which you stay there for as long as you need to, to find the right rhythm and find the routine and then perform. Move to the finances, move to the business model, negotiate, look after the pennies, focus on the pounds.

You know, it's like really sort of moving into that detail bit where you make the money. You've got to go through those gears. So have a think about where you are, think about what gear you're in, think about where you've been, think about where you are, think about where you need to head to, and then move out of your natural season.

Because if you're a dynamo, you'll be heading the clouds creative, new ideas, a million a penny. If you're a blaze, you're all about meeting people, expanding, doing deals, sales, it'll all be fine. Turn the tap on, don't worry about the holes in the bucket.

If you're a tempo, you'll be more natural in the service, the reactive, the problem solving in the moment. And if you're a steel, you'll be more into the detail and the model behind the scenes, introverted detail sort of focus, focus things. Only one of those seasons is yours.

Figure out where you are, figure out where you need to be, and figure out who needs to lead you through that. So success and failure are very predictable. If you enjoyed that one and you haven't listened to the perfect profile episode, go back and listen to it because it's all about the people you need at each phase.

Otherwise, there's only four steps to the business cycle. More businesses choke to death than starve. And if you want to work on it rather than in it, make it highly lucrative, highly leveraged, and make sure you are not in the middle and the process of growing yourself broke, that is the blueprint for you.

I hope you enjoyed this episode and I will see you on the next one. 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.