**TBP 267 Simon 6R Edited\_Transcription**

[Daniel Hill] (0:05 - 1:08)

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. Ladies and gents, it gives me huge pleasure to welcome a very special guest to this month's six round podcast. This is the only person who has ever done this blueprint, six round podcast format three times.

And not only that, today we're going to do a very special edition focused purely on wealth, wealth creation, and how to take yours to the next level. This is a prelude to an event that we're both speaking at that's coming up called the Wealth Summit. And Simon, when is that?

And welcome. Hello, Dan.

[Simon Zutshi] (1:08 - 1:16)

It's the 18th and 19th of January, Saturday, Sunday. Perfect timing for the beginning of the year to really kickstart people and help them make 2025 one of the best years yet.

[Daniel Hill] (1:17 - 1:34)

Absolutely. I'll personally be speaking there. We're going to be focusing on all things business, investment, and wealth creation.

And to kick it off, we're going to have a six round special now on six rounds, 10 minutes a piece on different wealth creation topics. So to kick things off, define wealth.

[Simon Zutshi] (1:34 - 2:21)

I was going to ask you the same thing, Dan. Well, you know, I think a lot of people think that wealth is about money, and that might be a result of wealth. But actually, I think wealth is a lot more than that.

I think wealth is what you have if you lost all your money. What have you got? So I think it's probably the specialist knowledge you have.

I think it's the mindset and the belief you have. And I think it's the contacts you have, your network, your network is your net worth, as I always say. And so if you lost everything, what would you have left over?

And I think most truly successful, I feel the same, I'm sure you'd be the same. If you lost everything tomorrow, Dan, I'm sure you can get to where you are much quicker second time around because you know what you did wrong last time, what you should focus on next time. So I think it's far more than just the money.

It's that experience, that wisdom, that knowledge, contacts, and mindset. Yeah, absolutely.

[Daniel Hill] (2:21 - 4:09)

What do you think? Well, Roger Hamilton has that quote, doesn't he, where he says, wealth is what's left when all the money's gone. It's the same as brand equity, you know, if you've got a reputation, like you're saying about knowledge and achievements, things you've achieved, it doesn't matter what really happens as long as you don't damage it, you still have that brand equity.

So in that capacity, the wealth of knowledge, things like that, agreed. I think my angle would be more specifically on the traditional sense of monetary wealth. And it really is about financial independence.

It's getting to that point where, you know, what is being wealthy is having time, having freedom, freedom of choice, freedom of location, freedom to do what you want. And ultimately, that's what money's for, because at the early stages of making money, it's just to pay the bills, isn't it? It's that this modern day slavery that we see of 40 hours a week for 40 years doing something you don't like.

All you're doing is keeping the wolf in the door. Wealth to me is being able to break out of that and not run on the treadmill to pay the bills, but rather work once, you know, get in, make some money. But then rather than be stuck in society is by those solar panels, put them on the roof and then be off the grits.

You know, your outgoings every month are covered by the assets you own, not the activity you do, all the financial fortress stuff we talk about. Yeah, that to me is wealth is a high, low geared balance sheet, you know, a high net wealth, not necessarily high outgoings. I think that's the thing where people make a million quid a year and spend a million quid.

That's not to me wealthy. That's rich lifestyles, high, yes, high income, high, high outgoings. Wealthy is, you know, you your outgoings are 100 grand a year, but you make a million pound a year and your portfolio might be 10 million, but your gearing is only 20 percent.

It's that's to me, that's what what wealth is.

[Simon Zutshi] (4:09 - 4:42)

But it's a very personal thing as well, isn't it? Because for someone to be financially independent where they don't have to work, all the bills are covered. For some people, that could be two or three thousand pounds a month.

Some people, 10,000 pounds a month isn't enough, depending on the lifestyle. And I think that's that point about the difference between rich lifestyle and wealthy lifestyle, is that with a wealthy someone, you have more than you need. You've got an abundance where someone can be rich.

They can earn lots of money, but they also spend lots of money. And they've got this kind of trap that if they stop turning that money, especially if they have a job, they could be in a really dangerous position.

[Daniel Hill] (4:42 - 5:43)

And this is this concept that we talk about of relative wealth is really important because I'm right in the living off the steam book at the moment. And one of the things I realized first off was like, who am I writing it for? And initially I was writing it for people who make it already high net wealth to make 100 grand a year.

And actually they want to start de-risking. I thought, actually, what I want to write it for everybody. And if you want to earn 30 grand a year or you want to earn 300 grand a month, the strategy applies.

And the whole the whole thing hinges on relative wealth, which is if you're making a million pound a year and you're spending a million and one pound a year, you are less relatively wealthy than someone that's making 30 grand a year and spending 28 grand a year. Completely agree. That's that.

That's that key, key difference. And it isn't about. Yeah, it's about what you want and what level that is.

And I'd much rather if somebody is making thirty thousand pound a year and just wants to buy back their time and have a nice family lifestyle business, it's then actually doing that and not getting seduced by the billionaire wave where it really is never enough.

[Simon Zutshi] (5:43 - 6:35)

I think people get caught on that hamster wheel. So there's the hamster wheel when you're in a job and you're working hard, earning money to cover the bills. But then people understand about this, you know, entrepreneurship and financial freedom.

They start investing in themselves. They start doing property or business with shares, but they also get on a different hamster wheel thing. I've got to do another deal, got another deal.

And actually many people that we know could actually stop if they wanted to because they've got enough now and they get into this kind of almost habit, addicted to doing deals. I think understanding when enough is enough is a really important thing to do. But there are crazy people like me.

I just I just love doing stuff. And we were talking before this. You like doing deals, right?

And you don't have to work anymore, Daniel. You're kind of enjoying, you know, your new baby Harper and your new kind of family life. But but you were saying to me, well, I kind of like doing deals.

So I'm going to do this because I want to, not because I have to. And that's a big difference, isn't it?

[Daniel Hill] (6:35 - 7:44)

Yeah. And you got to have those rules. I think there's there's only one thing that's more important than money and it's time.

And I came up with a quote recently that said income is what you earn. Assets is what you own. But time is all you have.

And on the financial fortress model of cash flow profit asset at board level now, we teach the chairman blueprint. I've actually added a little thing at the top, which is time. And when you get to a point where in your life, this is my opinion, from my experience, where actually you start to value your time more than your money.

I think that is the ultimate level of wealth because you do. Then, you know, you said doing deals is great fun, but then it's like, you know, you then have a tailwind of stuff that comes with it. I can think of a number of analogies that I won't use.

But, you know, you do the fun, exciting bit, but then you have a bit of you have a thing to deliver. And then when I went back into doing deals this year, it's on the basis that I've got a team that completely deliver. And apart from saying, yeah, I'll buy it and put in the cash up, the team deliver it start to finish.

The reason is I would rather take a smaller slice of the pie and pay other people that have all of my time than sacrifice my time to make money that I don't need.

[Simon Zutshi] (7:44 - 8:09)

That's one of the key things we're going to teach at this Wealth Blueprint Summit is about recognising truly wealthy, successful people don't do it on their own. You have to have other people. You have to have team because there are things you shouldn't be doing your time.

You should focus on the high value task, get other people to do other things or things you don't enjoy or things you're not very good at, get them to do that. And you might get a slightly less income, but you'll get a lot more because you'll have the time, the headspace to do the deals you should be doing.

[Daniel Hill] (8:09 - 9:25)

Yeah, absolutely. And we bang the drum on that proper entrepreneur all the time about do nothing, delegate everything, build a team. It's an investment, not an expense.

And one of the things I've noticed over the last couple of years is the reason that a lot of entrepreneurs don't do that is because they can't afford it. And the reason they can't afford it is they're actually doing the wrong strategy because 99 percent of businesses just fundamentally will not make money. I talk about my chickens in the garden.

Like I see them try and fly. They've got these huge bodies and these tiny wings, like most businesses, huge overheads, tiny margins. Show us that again, Dan.

And on a good day, on a good day, they might get onto the coop. But most days they're flying into walls, they're tripping over and it's like they're just not built to fly. Some businesses and investment strategies and wealth creation models, specifically the ones I'll be talking about at the Wealth Summit, they're like the eagles.

You know, they're these tiny overheads, massive wings. And really, you want to get to a point where you can make a million pound a year on a team of less than 10 working one day a week or one day a month. And you can't do that with most business models.

They just would never work. But some of them, some of the strategies you were telling me about earlier that the other speakers are going to deliver, the ones that we do in property, the ones I shared with you in the car on the way into the studio. Yeah, they are neatly in a haystack deals.

You can make a million or that one was two million pounds without even hoovering the building. And yeah, it's alien.

[Simon Zutshi] (9:25 - 10:06)

But what is your point here, Dan, in that sometimes people see opportunity in front of them, but they just don't seize that opportunity. I remember you were saying that the deal you've just done, you told all the people and popped into us, someone should go and buy this. And a month later, no one bought it.

So you bought it. Yeah. Why is it people don't take action?

I don't know. What do you think? Well, I think people get distracted.

I think people aren't clear what they want. And if you're crystal clear what you want, you need to get good at saying no and say no to things that don't move you towards that goal. But I like shiny pennies.

I know you do as well. And I think that's the challenge. It's really successful.

People are very focused. They're very clear what they want. They do actions to move towards that.

If it's not going to move towards that, they just don't do it.

[Daniel Hill] (10:06 - 11:26)

And some people say, yes, to sometimes doing the making the tough decisions in order to have the easy life and a tough decision of one things I've noticed in some of the businesses that I've seen is the reason people don't go for the needle in a haystack strategies that make loads of them that are really good for wealth creation is because they're two years in or three years in or 10 years into a business that either they think is going to work and come good or it used to be good and it's on its way out.

And actually just turning up and doing a job in the UK, you don't have to work very hard or know very much to make enough money to pay the bills. You know, unemployment's low, income's high, activities, you know, rife. There's plenty of stuff to do.

But finding something that not only pays your bills, but also pays you the same again and, you know, more if you do the right thing. Some people don't want to get off of the familiar track and do something else. I am the same.

Elon Musk, I admire because for lots of reasons. But one is he'll climb to the top of the mountain with electric cars and then go all the way back to the bottom and start doing it with spaceships. And then he doesn't mind being a beginner in day one every time.

I think, you know, I'd love to go and play the piano or maybe even do some stuff with music. But it's really easy for me to just turn up to a couple of hours where I make a load of money because it's comfortable, it's familiar. And maybe that's why I don't take action, because the pain is not high enough or the you know, the drive's not not enough.

Yeah, definitely.

[Simon Zutshi] (11:26 - 11:38)

I think if people don't have enough incentive and that pain thing is really a thing. People often get to the point where they're quite successful and they then get very comfortable and they have no big challenge to move them forward. They have no pain.

They're trying to get away from.

[Daniel Hill] (11:38 - 11:45)

Yeah. The biggest enemy of the great is the good. You know, once you're good and you're comfy and the bills are paid, you know, you put your feet up and watch Love Island or whatever.

Lovely. You're next.

[Simon Zutshi] (11:46 - 11:56)

So as you stole my first question, Dan. Thank you. I'm going to ask you a little bit about mindset.

How important is mindset when it comes to becoming wealthy?

[Daniel Hill] (11:57 - 14:01)

I would say when we do the Financial Fortress training, I've recorded the masterclass in the studio last month. And one of the things I said on that, you can go to living off the steam.co.uk and you can listen to the masterclass completely for free. And one of the things I said was I've spent the best part of 20 years and tens, if not hundreds of thousands of pounds figuring out how to get wealthy.

And actually most of the money and time I spent was figuring out what didn't work because I always thought it was about big top line, big company. You know, I was in that beast mode mindset of the big bigger is better. Now I've gone around that and I've had the big national company.

I've had international companies. I've bought companies, I've sold them. I had a team of over 40.

Having done all of that and come full circle, what I've realized is it was completely opposite. It's not how much you make. It's how much you keep.

And it isn't about having a ginormous team and a huge business. So I thought as the business got bigger, it would become more profitable. But what I found is every time you double the problems, double, double.

And actually, in my experience, it won't be the same for everyone, but in my experience, the profits halved and I ended up with a huge business with loads of overheads, loads of headache, hundred thousand pound insurance policies and HR departments and all this. And I was just like, this doesn't make much sense. Whereas in the sideline, I had a business with one person that made over a million pound a year for five years running.

And I've got a team of 40 here that aren't even getting close to that. And I've got one team member over here doing my developments that's making me the real wealth. And having come round my mindset now, I think it's really important what your mindset is.

And my mindset now is easy life, easy money. And you can make hundreds of thousands or millions of pounds a year if you understand the right strategy. If you understand the right models, if you understand how to go through the gears.

But I think the problem is unless you get that knowledge and wisdom from somebody else, most people's mindset is wrong. And they'd have to learn the hard way like I did, which costs you years. And most people don't make it out.

[Simon Zutshi] (14:01 - 14:40)

For me, mindset, I like to simplify things. I like to think of the ABC of mindset. A is for attitude.

So it's the positive can do attitude and the glass is half full, it's not half empty. Then B is for belief. And I think belief is one of the most important things we have limiting beliefs that might hold us back about things we don't think we can do.

We're not capable of doing. And we have our empowering beliefs that empower us to move forward. And then courage, courage to step outside of our comfort zone, do things that we haven't maybe done before might be a bit scary.

And I think that so many people are so scared of making mistakes or worried about what other people might think of them. They're not prepared to step outside that comfort zone.

[Daniel Hill] (14:40 - 14:52)

Which one of which one of those would you say was the biggest thing that got to some of some of those things would come to you naturally? Some of them would you have found more challenging? Which one of those would you say was most challenging for you?

I think belief.

[Simon Zutshi] (14:53 - 15:40)

I think everyone has these beliefs, which are your beliefs of what you believe to be true. And it's based on your experience, your knowledge, your upbringing, etc. And I think most people have a bit of self-doubt because of, you know, they might have experiences in their life where things haven't worked.

And and I think that one of the definitions of a successful entrepreneur is someone who has an idea. They go and do it. And, you know, if they get knocked down, they get up again.

Whereas most people, if they do something and fail, they're so terrified of failing. They know that didn't work. I'm not going to do it again.

Did that ever bother you? Fear of failure? I don't know.

I don't know if that particularly worried me. I used to worry about what other people think about me, you know, family, friends, etc. And then I had a great saying I heard from Tony Robbins was what other people think of you as none of your own business.

[Daniel Hill] (15:41 - 15:41)

Yeah.

[Simon Zutshi] (15:41 - 16:15)

You know, which is easier to understand and actually take on because most people are self-conscious. Most people want to be liked. They want approval.

They want recognition. And I was a big I really want a recognition. And then you get to a point where you think, hang on, actually, maybe I'm enough.

And that's a big, big point for people to get to because most people don't think they're enough and they they have inferiority complexes. And and actually, I think understanding that we are we have to all accept responsibility, personals, everything we have in our lives, good and bad as a result of all the decisions we've made or the meaning we've given to things that have happened in our life.

[Daniel Hill] (16:15 - 16:16)

Yeah, absolutely.

[Simon Zutshi] (16:16 - 16:26)

And I think that mindset is probably one of the most important things in life, in business, in property, in business. And just if you want to be successful, I think you really need to work on your mindset.

[Daniel Hill] (16:26 - 17:29)

And beliefs, without a doubt. So attitude as in sort of can do actually getting up. I never had a problem with that courage.

Naively, I had this blind faith, everything would be OK. Better house, jumped off the skyscraper, built the wings on the way down, you know, like never fazed me at all. But what I found is what took me on that journey was the belief that I could do it.

And with regards as in just the way I wired my brain, I believed I had to be the first one in the office. I believed I had to be the last one to leave. I believed that failure wasn't an option.

I believed that I could only fail if I agreed to give up. And I wired my brain like that. And without a doubt, that was the single most important thing that got me through that journey.

Equally, when I've hit these glass ceilings where I've struggled to break through to the next level, the most recent one has been going from an executive director to being a chairman. What I realized was everything I've learned for the last 20 years to get me to be a high performing managing director, CEO was actually getting in the way of me going to chairman level.

[Simon Zutshi] (17:29 - 17:29)

Yeah.

[Daniel Hill] (17:30 - 18:29)

And now the idea that if you'd asked me a year ago, what I would, you know, if I was playing snooker on a Wednesday afternoon a year ago, I would put fake things in my calendar. I wouldn't have told people the team I would have been jumping in between frames, like sending messages. So they think I'm working because to me it was I needed the work ethic, the visible leadership, things like that.

Whereas as chairman now, I've had to completely rewind my brain. It's taken the whole year and I'm definitely not finished to actually take pride in the fact that I don't work and take pride in the fact that I'm not available and take pride in the fact that you don't get an immediate response from me. It's like it's a complete different thing.

And I think acknowledging those belief systems and the one you said about taking responsibility, you and I, for as long as I've known you, we've shared that thing of everything's our responsibility. We don't sit there and bitch about the fact that a deal's gone tits up because a joint venture partner screwed us or a team member is letting us down. We know in our head, it doesn't matter who we try and blame.

Everything is our responsibility. Absolutely.

[Simon Zutshi] (18:29 - 18:29)

Yeah.

[Daniel Hill] (18:29 - 19:37)

And equally, when I sit on the other side of people that don't progress in personal development, one of the biggest consistent things to say, and this is I've seen it in employees, I've seen it in personal relationships, I've seen it in businesses, is that the people that don't take responsibility and actually everything is somebody else's fault. And you hear them on the defensive and they're they're negative and they're slagging people off. And, you know, woe is me.

And Jim Rowan's got a great, great quote, which is this guy comes up to him and says, you know, Jim, I've been listening to your stuff, but this not none of it works. Blah, blah, blah. And he says, you know, what what is the problem?

And Jim Rowan says, he says, I don't know. This is all I can tell you is things like this happen to people like you. And it's just like whether you have success or challenges, you just magnify, multiply and attract those things.

And if you take responsibility and you take ownership and you do the right thing, it pushes you forward. If you want everything to be a problem, everything's an issue to be negative. You know, those people in your life, they just attract drama and problems.

I whatever you put it down to, I don't know what it is, that belief system, a mindset defines everything that happens to you in my experience, including getting wealthy.

[Simon Zutshi] (19:38 - 20:15)

So I guess to finish off this round, we talk about how can people improve their mindsets. So a couple of things I would suggest is listen to podcasts, autobiographies of successful people who've done what you want to achieve, because if someone's done it means it's possible. And almost anyone successful, they've not done it without challenges, without problems.

And and when most people face a problem, they think, oh, this is too hard. I'm going to give up. But if you recognise what everyone who's ever achieved anything has gone through some adversity and they've kept on going.

And I think that's the thing. If you if you know what to do and you keep going, you will get there eventually. Most people want instant results and give up too soon.

So what would you suggest?

[Daniel Hill] (20:15 - 22:46)

How can people improve their mindset? And well, Naval Ravikant says, if you if you commit to a single thing for long enough, you will always get there. It's that whole thing.

You can only fail if you agree to give up. If you keep going and keep going and are self-aware enough to do it with revision and, you know, not falling into a feedback loop, a failure loop, then you always get there. I would say the biggest mindset thing is actually understanding what wealth is.

And it's completely backwards in my experience from doing it. Ninety nine, ninety nine things I tried didn't work. The one thing now I understand and we teach it, the whole cash flow profit asset.

And it doesn't matter how many times I tell people about that. They'll still come and pitch me. We had our strategy weekend this weekend.

And the most consistent conversation was people wanted to scale level one cash flow businesses. And I'm saying if you want to do it for the fun and the ego and the rush and the drive of building a big business, fantastic. If you want to do it to get wealthy, it's completely the wrong way to go about it.

The way to get wealthy is earn enough money from a noisy cash flow business. HMOs, letting agencies run in a studio, whatever, and enough money on that to pay your bills, but doing it on as little time as possible. So if you're outgoing as a 50 grand a year, 100 grand a year, try and do the noisy stuff for two days a week to pay the bills.

Then what people will do is go from 50 to 100 and 100 to 250. And they have no time. The amount of money they make actually goes down.

But once you've brought back your time with that cash flow, stop doing cash flow because it's the hardest money you'll ever make and start moving into profit, which is large capital events where you can make 100 grand, a million pounds, the one I showed you earlier, two million pounds from a deal that might take a year, but you don't need it to pay your mortgage. And then after that, with a large capital events, buy assets, boring assets, commercial buildings, single lets on leases, blocks of apartments, care homes, hotels, lease to operators, just own that asset. And when you own loads of assets, you know, the income just just comes.

And that is the mindset and belief that I now have for doing it the wrong way. And if people take nothing else from this podcast episode, I would say that is the secret to success of building wealth. If your definition of wealth is financial independence, we never have to work again and you always got money.

So that would be the big one for me. That's a good one. Risk, so risk management, risk mitigation, where does risk come into the concept of wealth?

[Simon Zutshi] (22:48 - 25:08)

So Rob Moore actually has a great saying that he puts upon all his emails. He says, if you don't risk anything, you risk everything. And so I give Rob a little shout out there, but that's a very wise sentiment, I think, because it comes back to that courage.

A lot of people are so paranoid about making mistakes or what people might think about them. They don't dare to step out of that comfort zone and take some risks. And I think if if you want to have anything in life, if you want to grow, you can get better.

You have to have an element of risk. There's a risk in everything. There's a risk stepping out your front door every day.

There's a risk if you want to just lie in bed every day, you'll get bed sores. So anything you do, there's a risk to it. But I think the important thing is to understand, is it a real risk or is it just a fear in your head?

Because we don't want to take a gambling risk, you know, casino kind of star risk. But if you take a calculated risk, we look at what are the risks, what's the downside or what's the upside? And if the upside is significant compared to the potential downside, then it may be worth taking that risk.

And so one of the things I teach our mastermind students is how to overcome that fear. And when you're worried about doing something, it's often worried about the consequence of the risk, the dangers you need to ask yourself, well, is this a real life threatening risk or is it just a perceived risk in my head? And very often it's just fear, false expectation appearing real and that stops people moving forward.

And so if you say, OK, is it is it is it a real risk or is it fake? What's the worst that can happen? And then am I OK with that worst case scenario?

And then what's the best that can happen? And hopefully there'll be somewhere in between that worst case and best case. And you just you've got to weigh them up to work out, OK, is it worth doing or not?

And the other thing is you don't have to take all this risk on your own. You can obviously and you should get backup. So we teach our masterminders that we're about to buy a deal.

Don't don't buy a deal without sense checking with your your mastermind property coach, because sometimes you can't see things. You've got blind spots, a lack of knowledge, or you're just so optimistic about something. You're trying to make the figures work.

You need someone to bring you down to ground and say, well, hang on. These realistic figures are not so. So I think it's good to take risk.

They should be calculated, but also make sure you've got people who've got your back and looking after your best interest.

[Daniel Hill] (25:08 - 26:55)

Yeah. A few things immediately springs to mind when you say that. And this is in no particular order, but just because they sprung to mind.

So one thing is to acknowledge that the ratio is risk versus return, isn't it? Yeah. And you've got high risk and high return and you've got low risk and low return, and that's just how the world works.

You know, it's if you go casino and you put your money on red or black, it's 50 50. And the return could be double your money. It could be lose your money.

If you put your numbers on, if you play the table is one in 36 or 38 or whatever. You know, it's it's it's a lot lower and less likely to come in. But when it does, you get 36 or 38 times your eight times your money.

So there's that risk in return. I think also there's and this should hopefully give some people confidence and give other people a bit of where or wisdom is when you at the beginning of the journey, and this might just be me, but I don't think it is. At the beginning of my journey, I had nothing so I could bet the house.

I had not had nothing. So I had nothing to lose. So I was very bullish PG's on everything like no issue.

Put the house up to the bank like I really didn't have much. So I bet everything and it wasn't an issue when I was working with my business partners then. So I was like high risk, high return.

My business partners were people who had made their money and they'd sold their business and they've already made, you know, they've got their money, their hard earned money. And they were like modest return and low risk. You know, they had no interest in betting the house.

They'd done that previously. And they were at the other end of the spectrum and just wanted to keep the house. They'd rather have high security and low return rather than high return and high, low security.

That's why we're around. So that's another thing that's been to mind. And then and that's definitely where I am now.

All I want is low, low risk, low return. That's what I'm looking for. Well, I just that's the primary objective of I don't want to make more.

I want to keep it.

[Simon Zutshi] (26:55 - 26:55)

Yeah.

[Daniel Hill] (26:56 - 27:46)

And the final thing is I came up with a mindset. And I know two things. One is you've got when you early doors, first year mastermind, people who are out there looking at thinking about the first property.

In many cases, they're so they get deal heat and they're so keen just to get a deal done that maybe the excitement and ego is definitely, you know, the case for lots of people. You go into it with that mindset and you talk yourself into doing a deal. What I find having done that and been done that and just learn why that's not a good idea is actually when I'm looking at appraising risk now, I try and talk myself out of the deal.

So every deal I'm doing, I'm physically cannot talk myself out of it. And if I'm looking at every angle, I can't talk myself out of it. Then I'll do it.

Whereas back at the beginning, I would have had any excuse or reason to talk myself into it.

[Simon Zutshi] (27:47 - 29:34)

So in a way, you're being your own coach, aren't you? You're trying to say, what are all the things that could go wrong here? And I think I think that's a good thing to do, because when it comes to property, there are so many deals out there.

You should only do the really, really great deals. If it's a marginal deal, don't do it. You need to get better at finding good deals or negotiating good deals because there are so many great deals out there in this buyers market.

We have at the time we're recording this. I think one of the things you touched on, Dan, is, you know, it does depend on where you are on the journey. Depends on your attitude to risk.

And one of my definitions of wealth, there are three steps to creating wealth. The first one is you've got to learn how to make money. And I think people stop there.

I think it's all about making money. Second step, you need to know how to actually keep the money you make. And that's by reducing your taxes, by understanding how you can do that and also making sure you're not spending everything you earn.

You should be putting some money aside that you're investing in low risk things. And then the third one is growing that money because it's no good to have a pot of money and just have that settle because of inflation. That's going to devalue over time.

Your pot should be growing faster than inflation does. But you can decide how you allocate that pot. And there might be some very low risk things.

And I love what you do in terms of the very hands off, very low return things. But I would also say you want to look at some things like, you know, I invest a little bit of money in cryptocurrency. I only do Bitcoin.

I think others are very risky. But you know what? It's only a very small portion of my wealth because it is very high risk.

And so I think you need to not invest the same amount of time and money and energy into every asset because you need to understand that different assets have a different return. And sometimes people don't get that if you're getting a nice high return, that's probably because there's higher risk there or higher work involved. And that's why your approach about a lower risk, lower return makes a lot of sense.

[Daniel Hill] (29:34 - 30:34)

And if you look at any managed stocks, whether they're, you know, Vanguard funds or whatever, they'll have that risk of that spread risk. And I think about 70, 20, 10, normally would say 10 percent of your allocation is high risk, high return, which is going to be your crypto, your Bitcoin, you know, which is basically casino money, although everyone's riding the wave. Now, when everyone got into it last cycle, I said to all the entrepreneurs, it's all board members, it's fine, but it's not my bag.

Like, it's very seductive. I remember being in St. Anton's Snowboard and everyone had Bitcoin and they're waking up and we made 10 grand last night. That's not the way to do Bitcoin, by the way.

And I was going to buy it a whole long time, I think. And I was sitting there logging into my Revolut and I've got to buy one. And luckily, I didn't get in because it crashed like about three weeks later.

But it's that if it's 10 percent of your net wealth and you know, it's casino money, it's great fun. You can talk about it with anyone, your barber, your taxi driver, like everyone's all over it and it's that that high risk, high return bet. So there's definitely a place in the portfolio for that sort of stuff.

[Simon Zutshi] (30:34 - 30:35)

I don't tend to do.

[Daniel Hill] (30:35 - 34:33)

And I'd say I wouldn't even bet 10 percent. I do 5 percent. They go perfect.

Even better. I mean, I don't do any. I've got.

Yeah, I don't. As far as I'm aware, I don't have any high risk stuff just because I just. Yeah, I just don't tend to play casino.

I play poker. There you go. That's that's about as dangerous as it gets.

I'm crap at poker. So I'm only just starting to figure out how that how that works. And a closing sentiment is one liner that I came up with on my journey, which has done me really well and that we share on property entrepreneurs.

When you're looking to do a deal and you need the acid acid test of from a risk point of view, is this something you should do or not? If you ask yourself this question, it should be blatantly obvious what you need to do. And the question is, if this goes well, how much will it impact my life?

And if this goes bad, how much will it impact my life? And what you'll normally find is like you're saying earlier, what's the downside? What's the upside?

If it's you do it and you're like, if this goes well, it's going to absolutely change my life, my family's X, Y, Z. That's going to be fantastic. But if it goes bad, you're literally going to be homeless.

You're going to lose. Which would you rather have? You would rather have your house and not not bet the house or thing.

This is a really good sort of way to appraise it. And it does make it really clear whether it's something you want to do because you don't want a better house. But it can it can be quite seductive.

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It's completely free. We've never shared it before outside of property entrepreneur. Go into the show notes now.

Click the link. It's www.lifebydesignscorecard.co.uk Back to the podcast. Nice.

You're up. Passive income, Dan. Tell me about passive income.

Well, it's one of those words, isn't that? It's like financial freedom. It's two of those words.

It's like financial freedom. It's like get rich quick. It's passive income, I think, is one of those words that gets banded around a lot.

It gets criticized quite a lot. And I would say it's definitely possible. And if passive is that you never have to do anything, I would say that it's not.

The closest you'll get will be a government bond. But then is it really passive? Well, no, you still need to look at the market.

If the market moves and you have an opportunity to sell or reallocate your capital, you need to do it. My portfolio is probably as passive as you get. The businesses I own, I'm either not on the board at all or I'm at chairman level and there's directors running them.

My portfolio of stocks and shares are nothing to do with my businesses are all on trackers or S&P 500. So I literally don't do anything with them. And my properties aren't rented out to individual tenants.

They're all on five year leases. They're leased to operators. And I would say that's as passive as I have been able to get.

But I wouldn't say it's passive. I would say it's managed. I still have a team of people who look over it for me.

I still have to manage things like lease renewals, refinances, allocation of capital. But to work, you know, a couple of hours a day and make multiple seven figures a year, that to me is I'm more than happy to do that. I enjoy it.

I love it. It's very lucrative. You know, I would say that's as passive as I've been able to get.

What about you?

[Simon Zutshi] (34:33 - 37:47)

I think I'd agree. I don't think it's anything that's completely passive. My properties, I spend an hour a week speaking to the people who manage my properties for me.

And occasionally I have to do remortgages. But, you know, it doesn't take a lot of time. And I think for me, passive income is breaking that link between your time and earning money.

And the trap that most people get into is they they start a job, they start trading their time for money. And that's what most people do for their entire life. And yes, you could work your way up the corporate ladder.

You could have an incredible job and a big business and be paid very, very, very well for that. But there's obviously a very small number of jobs right at the top. But for most people, they're trading their time.

So for me, passive income is breaking that link where you work once and get paid forever. And this is one of the things that I think it amazes me how people say, yeah, I want to get passive income. But they're not prepared to put your work in to create the passive income stream.

So you've got to put the upfront of it. So when you go and buy a property, you're putting time and effort. And again, you could get someone to find that for you, get a source.

So got to be careful. Most sources don't know what they're doing. But if you find a good one, pay them a fee.

And if you're a real high earner and don't have the time to invest, getting someone to do it for you, as long as they know what they're doing, could be better than not investing at all. And then you can give it to a letting agent to look after. And we know most letting agents aren't very good and better to do a long term lease as you're doing.

So you can certainly reduce down the management and ongoing time as long as you put that upfront time in. But it's so many people are not prepared to put the effort in upfront. And I think one of the challenges is because people get used to this.

Well, I go to work. I get rewarded either that week or that month I get paid. When it comes to setting up your own business or investing in property, you can spend months and months and months and months of work and effort and you see no results.

And then people think, oh, this doesn't work. I should see results by now, because that's what they used to when they have a job, when someone pays them every week or every month. And so I think that's the trap people fall into.

And that's why they don't put enough focus and effort in. They give up too soon because they don't get the results as quick as they want. And it's changing the mindset to understand some businesses might take literally years to start creating an income and then they produce a lot of money.

And you touched on it earlier about you have people who they're in their business, they scale the business, they're spending all this time and they might make less money. I think a trap that many people have when they they're a business owner is they're working really, really hard in that business, putting lots and lots of time in and they might be earning lots. But if you look at what they're making per hour, some of them might actually be better off flipping burgers in McDonald's on an hourly rate, given the amount of time they put in.

And only when it's a really good exercise for you to do, by the way, is look at how much do you earn each year with all the bonuses and dividends and extra? And then how many hours do you actually spend to generate that income? And some people are often shocked at how low that hourly rate is because they're putting so much time in.

And one thing is the reason of doing things like property entrepreneur and learning from you is that putting systems in place, putting people in place, you can start to free up your time. So you're getting the results and the benefits without necessarily having to put all your personal time and effort in. So for me, that's what passive income is about.

It's breaking the link between time and being paid on an hourly basis for your time.

[Daniel Hill] (37:47 - 39:49)

Well, that's sort of around the belief that one of the bits that I've prepared for the session I'm delivering on the Wealth Summit is around acknowledging that. And there was two bits to a sort of mindset like we talked about earlier. But it's also about strategy.

One of the bits that I'm going to be talking about is how when you don't have money, you have time. So we all start off, you have time and most people will get a job and spend their time for money that they spend and never actually get the money. Other people build a portfolio or a business like you're saying.

And as soon as you've got money, you should then buy back your time because if you can have you can put your time in or you can put your money in. Like now I wouldn't put time into any business I go into. I'm putting money in and I expect other people to do the work because it's their time that I'm using the money for.

Whereas when you don't have the money, you have to use your time because that's how the game starts. And as you go on that journey and you start to build up that capital and make your money, you want to go, you want to start buying the assets. I talked about earlier about the solar panel on the roof.

You work once, make your money, invest it and buy assets. And you want to get to a point where and this is the passive income piece is the money you make comes from the assets you own, not the activity you do. And when you're doing a job, that's just activity.

It doesn't matter if you're I mean, 500 pound an hour is the equivalent of making a million pound a year. So it doesn't matter if you're making 500 pound an hour. You're still sacrificing your time to make that money.

Whereas if you can do a deal like the one I showed you in the car, which, you know, I'm tinkering with it here and there, a couple of, you know, maybe a few hours a week I'm doing on it. But it's not a huge amount of work. And that's two million pounds.

The reason that I'm getting such a high hourly rate on it is because all of the work that's required from sourcing it to project managing it to onboarding it to shortlist in the leases, doing the legals, all of that's done by other people. And yes, that's going to cost me tens of thousands of pounds. But it means I don't have to pay any time.

So that hourly rate goes through the roof. And we actually did that on Property Entrepreneur Workshop on Advance last Thursday. We got everyone to write down how much did you make last year?

How many hours did you work? What's your hourly rate? And a lot of them were gobsmacked.

[Simon Zutshi] (39:49 - 39:49)

Yeah.

[Daniel Hill] (39:49 - 40:28)

And then I showed them a table afterwards and said, there's three types of work. There's strategy, which is what we all do. There's management, which is leveraged.

And then there's delivery, which is on the tools. And if you're still doing your own emails, you're still driving your own car. You're still booking your own planes.

You know, that's no disrespect that you could get somebody overseas to do that for £6 an hour. And if you want your hourly rate to be £500 an hour, there's nobody booking planes or booking taxis and booking hotels that make £500 an hour. So it's you know, that's all part of the the journey of getting to a point where you value your time more than your money.

[Simon Zutshi] (40:28 - 40:40)

I think we mentioned this last time we did a podcast that 10 years ago. I told you, Dan, because you were driving around the country, you're going to pin meetings and stuff and speaking. I said, Dan, why don't you get a driver?

And luckily, you listened to me. Yeah, the best things you've done, right?

[Daniel Hill] (40:40 - 41:46)

Yeah, absolutely. I've had a driver since I was 25 and 39. That's 14 years ago.

You would have told me that. Yeah. And at the time, I was exactly the same.

I was like, yeah, but it's going to be £15 an hour. That could be 60 quid for an evening. And then when you realize how long would it take you to make 60 quid?

Yeah. And you turn up, refresh and you can sleep on the way home. This is when I was doing my pin meetings.

Yeah. So, yeah, 100%. But I still didn't want to listen.

And now I listened. And, you know, yeah, absolute game changer. But I've always had to drive because I don't drive.

Yeah, exactly. Yeah. There we go.

So, yeah, passive income is definitely the aim of the game is to live from the money, living off the steam, right? Work once, invest it, live off the steam that comes from the money, not going to work and running on the treadmill. So, penultimate round.

Let's go for biggest lessons. So maybe this is things that you've got right, but also things you've got wrong. What are the biggest lessons?

Dan, we haven't got long enough. It's only 10 minutes. Let's see if we can pick out the biggest, the biggest highs, biggest lows, biggest lessons.

[Simon Zutshi] (41:46 - 42:29)

OK, so big lessons. Great. So we've talked about it already, but I think it's so important.

Great saying by Brad Sugars, the founder of Action Coach, is not employing someone in your business is costing you a fortune. Great saying, because most people have a cost mindset. They look at the cost of doing things, but truly successful.

We have value mindsets. What's the value we get out of any investment we make? So I think that took me a long time to get that.

I've got that lesson now and I've used it for the last 10, 15 years, but it took me a long time. I was trying to do a lot of things myself. And even now, I still do things.

I have VAs, people that help me. I've got a great team. I couldn't do all the stuff I do without the amazing team I have backing me up.

But I'm still always thinking, am I always using best use of my time?

[Daniel Hill] (42:31 - 42:58)

I'll tell you what we do. So we can try and give in 10 minutes as many as we can. OK, we'll just bounce literally to your next and try and go soundbite rather than sort of stories on it.

I would say similar to yours. As soon as I realized that my team was an investment and I would get an ROI on it and not an expense, that just changed the game for me. And that was very early on.

That was during my mastermind journey. And I realized, but bringing people into the business actually increased the money I made, not reduced it. That was a big one.

[Simon Zutshi] (42:58 - 42:59)

Yeah.

[Daniel Hill] (42:59 - 43:00)

Similar point.

[Simon Zutshi] (43:00 - 43:25)

If I want to learn something, I don't try and work it out myself. I don't watch YouTube videos. I will find the best person who has done what I want to do, but also really importantly, become really good at teaching other people.

There are sometimes people who have done really well, but they they can't impart that knowledge to you. So I will always, if I want to do something, I'll write a check to get. Well, old fashioned.

You know what I mean? I'm paying to get that knowledge, expertise rather than think I have to learn it the hard way.

[Daniel Hill] (43:25 - 44:09)

Yeah. And here's another good one. You can't as this is for wealth creation.

Specifically, we're talking about team at the minute, but you can't train experience. You can only pay for it. Yeah.

And when you go through the recruitment process and people fall into that trap of bringing people up to build their portfolios or invest in stocks and shares or crypto and they're like this, this person shows great potential. You know, I think in a few years they could be running my portfolio for me. That's quite a beginner's mindset.

Whereas if you bring someone in and say, look, this person, probably like how you do with your managing director and stuff like that. Here's somebody who's run a business before. They can do it in their sleep.

They used to run in a 10 million pound company. They're going to come down and run a five million and take it up to 10 million. It's that it's you can't train experience.

You can only pay for it.

[Simon Zutshi] (44:12 - 44:21)

Due diligence. Do your due diligence. I've made mistakes when I've not looked into the facts enough.

And, you know, I should have spent more time checking things out.

[Daniel Hill] (44:22 - 45:01)

Yeah. Agreed. I would say for all strategies, all wealth creation strategies, whether it's business, finance or stocks, is have similar to due diligence is protect the downside.

And there's only one deal I did where I really didn't have a plan B. And if it hadn't have been for COVID, I wouldn't have got out of that deal. It would I would have lost money on it.

But touch wood, that's the only one that I sort of didn't protect the downside. So I would say everything you do, you want to have a plan A, B, C, D, E. So even if it doesn't make amazing money, you still don't lose money and you don't get stuck holding the baby because we see that a lot.

People bet the house. And yeah, it doesn't doesn't end well.

[Simon Zutshi] (45:02 - 45:14)

Get good at saying no, i.e. say no to most opportunities that come your way and just focus on one's going to move forward. And also when you're looking at a property deal, get to a no quickly. Rule it out so you can focus on the ones that look like potential.

[Daniel Hill] (45:15 - 45:27)

Yeah, nice. You pay for you. You pay for your education one way or the other is a great one.

So, you know, we're doing this for free. The wealth summit is the wealth summit. How much is the wealth summit?

It's a thousand pounds. So it's a thousand pounds.

[Simon Zutshi] (45:27 - 45:48)

Full money back guarantee, though. What's the guarantee? Up to halfway through, which I think is amazing.

Get all your money back. And actually, I think if people actually listen to what we say, especially the mindset stuff, they're going to be transformed the way they think. I think what we're going to share with you over this two days will have such a big impact.

It's going to be worth tens of thousands, if not hundreds of thousands of pounds. If you don't think so by the end of the first day, get all your money back.

[Daniel Hill] (45:48 - 46:15)

Exactly. So that's a no brainer. And the concept of you pay for your education one way or the other, you either pay a thousand pounds to make ten, ten grand, hundred grand, five hundred grand, whatever people are going to do with the strategies we teach.

You pay for your education like that and get it right. Or you don't pay for your education. You go and do your first property deal, your first stock investment.

You do it completely wrong. And you've paid for you. You've paid your, you know, your idiot tax.

You paid for your education the wrong way by getting it wrong.

[Simon Zutshi] (46:15 - 46:35)

So we have so many people who who understand the value of investing in property. They go out and they do it. And and just because they don't know what they don't know, they blindside.

They make an expensive mistake. And they come back, say, I wish I'd paid for my education to do mass mine because I would have not tied up my money in that deal. I'll be so much further ahead.

And then they come and pay anyway to come and learn how to do it properly.

[Daniel Hill] (46:35 - 46:41)

Exactly. So you pay for your education one way or the other. I think it was a great wealth creation mindset I got.

Yeah.

[Simon Zutshi] (46:41 - 47:35)

Another one is don't pay twice for the same mistake. Yeah, I think it's an Alex Hormozy thing where where what happens is you might make a mistake. How about it?

So let's say you do buy your first property and you don't know what you're doing and you you lose money and you think, oh, my God, I'm never going to do property again. Well, that's a bad mistake. You made some mistakes and we all make mistakes.

We learn from those. But don't allow that one mistake of losing money in that particular opportunity to stop you making money for the rest of your life in property when you know how to do it properly. It's a bit like if you have a bad and we've all had maybe awkward, painful personal relationships.

It's about having coming out of a bad relationship saying, well, that's it. I'm never going to go out with anyone again. Then you're you're missing out on all that future potential joy and happiness and companionship just because you're making that first mistake and allowing to pay a second time for that first mistake.

[Daniel Hill] (47:35 - 49:17)

Yeah, never the optimist. When you make a mistake, there's a return to make on that mistake. If you've got that wisdom of how to get it wrong, you're never actually going to see a return on that unless you go and, you know, go and make it right.

So another one I had would be broke people stay broke by living like they're rich. Rich people stay rich by living like they're broke. And obviously I've used the word rich that I should use the word wealthy.

But on the come up without a doubt, I lived on 750 quid a month all the way through my adult life, really. Lives on narrowboat, et cetera, et cetera. But always living off the steam.

And I had this one set of books, which was my personal outgoings. And my budget was 50 grand a year plus expenses. I had this other set of books, which was the businesses, which was doing hundreds of thousands of pounds or multiple or seven or multiple seven figure returns a year.

And I never really I never acknowledged the I never looked at that company money as real money. To me, I lived on 50 grand plus expenses. And that was the money.

And then once I once my dad died, actually, and I started thinking about, you know, there's only whatever you want to do, do it now. There's only so many tomorrow is because one day, you know, it's going to be the end of the road for us. And then I went and bought the whole I bought the Rolls Royce.

I just thought, what am I doing? Stop all in all this beautiful cash over here, which was just numbers on a spreadsheet. I didn't actually realize how powerful and significant that money was until I started spending that.

But the only reason for that was I'd spent 15 years. It's not how much you make, it's how much you keep. And I've lived on a budget like I was broke.

But in the background, I've been building all this cash up. And it's not until you come out the other end of that that you appreciate how wealthy you've got. But you would never get there if you spend all the way.

It's that delay gratification curve sort of thing.

[Simon Zutshi] (49:17 - 49:29)

Yeah, definitely. When I was I was in Italy early in the year doing a virtual event for for another company. And there was this great saying in the wall linked to your learning thing.

It said, are you winning or you're learning?

[Daniel Hill] (49:29 - 49:45)

Yeah, yeah. Colin McGregor, I don't have Colin McGregor's original for that. He's probably not the best name to be thrown around at the minute.

But says, yeah, I'll have a winner. I learn. Yeah, it's just so true.

And that's that belief stuff you said about earlier. Yeah. Well, any other wealth ones like think things?

What what wealth lessons or experiences have really changed the game for you?

[Simon Zutshi] (49:46 - 50:10)

You've touched already, actually. Making money can be very boring and often people do things because they're exciting, but that's actually high risk. And if you, you know, Keith Cunningham, who was inspired Robert Kiyosaki to write Rich Dad Poor Dad, he talks about making money is actually very boring.

And and actually is when people then tinker with it. That's when they start losing money.

[Daniel Hill] (50:10 - 52:05)

Yeah, absolutely. There's a few boards that I sit on and there's been years, most recently one of them. I says for you, you need to go away.

Like if you start tinkering and lean over everyone's shoulder, new products, new ideas, new marketing campaign, this thing's never going to fly. You just need to let it be boring and run like a Rolls Royce and kick out the cash. I would say the big ones for me were large capital events and normally in downturn.

So the first one, oh, seven or eight. I had a bill of a group of companies up and then sold that in the coronavirus in the pandemic. I sold multi UK and I also sold all my whole HMO portfolio.

And having those law, having played the long game, built up those assets that in the short term made cash flow. But again, de-risking and things like that. Like I always had my mortgages.

I probably wouldn't do it now necessarily, but I had them all on repayment. So my cash in the bank wasn't fantastic, but I was always paying down the debt. And by the time I had those large capital events after like having the business in the portfolio, the portfolio for probably 10 years, the business for about seven.

Once I use that money, I released it and I used it to pay all the other mortgages off. I end up with an eight figure portfolio with 18 percent bank gearing in the middle of the pandemic. And I just thought this is a very strong position to be in in the middle of a downturn.

And then from that, I went and did three like big multimillion pound deals that made like 1.9 million in the first phase of the pandemic and 3.4 in the second. And the big lesson I had there was none. Not only would none of that have been possible if I hadn't have de-risked when the time was right, actually, if I hadn't have de-risked and the market turns like a lot of our friends, people we know, the big names in the industry, when that wind changes, it catches you out very, very quickly.

And it's all about how thick the ice you're skating on. And I was on very thick ice. A number of people on very thin ice.

And it goes very quick.

[Simon Zutshi] (52:06 - 52:46)

Yeah. Another amount of wealth is about protecting wealth. You know, as you at different stages, you think about you think about building it, growing it, you got to protect it.

So everyone listening to this, you absolutely must have a will. And I think you should probably have life insurance as well. Protect the legacy, but make sure the life insurance is not in your own name, because if you die, the insurance comes into your state, you're going to pay 40% tax on it.

It has to be in a separate family trust. I'm not giving financial advice here, obviously. I'm just trying to educate.

But a lot of people do things and they think they're doing the right thing because they're often advised by someone who doesn't know any better. So you've got to make sure your advisors really know what they're doing.

[Daniel Hill] (52:46 - 53:01)

Yeah, that because the sentiment is Warren Buffett says Wall Street is the only place that people who drive in in Rolls-Royce's take advice from people who take the tube. And it's like when you're talking about wealth, like, yeah, everyone gets the message. Last one, you're up.

[Simon Zutshi] (53:01 - 53:27)

So, Dan, Simon, a lot of people watching this are at different stages in their journey. And I'm always asked by people who are new in their wealth creation journey. So what would you do if you were starting again?

Now, I'm going to ask you that question, but I'm going to say to you, Dan, you can have all the knowledge and experience you've got. If you're starting from scratch, what would you do to build your wealth in the quickest possible way?

[Daniel Hill] (53:27 - 55:47)

So with my knowledge, but no money. Yes. I would start with a low capital intensive strategy to get cash flow going to the same model I talked about earlier.

First port of call is you got to put food in the fridge. So I would go for a really easy cash flow strategy that needs next to no money. So probably in the current market, probably back to back leasing.

You know, I'd find a way to get a couple of grand in the bank and then I'd lease a property off another landlord and then I'd lease it to somebody else back to back, get that cash flow in. Yeah. And then the money that comes off that I'd live off bread and jam and I'll compound it up and do those deals until I've got maybe 20 or 30 grand coming in cash flow to buy back my time from that.

I then move to large capital events and I would probably broker deals. So when you want to have these large capital events, like I talked about in the last round and there's only one better thing than selling a business and making hundreds of thousands of pounds or millions of pounds. And that's selling something that you don't even own and making significant amount of money.

So I've bought and sold lots of businesses. I would broker businesses. It's not uncommon for my fee to be between 100 and 250,000 pounds for selling a company for someone.

I would probably go and do some large capital events like that. Maybe sell two or three businesses, get half a million pound, a million pound in the bank as liquid cash, which sort of gets that balance. So you've got P&L's covered from the back to back leasing.

I then use the large capital events, get that balance sheet net worth value up. And then I'd allocate that capital with a bit of gear in into assets. And in the current market, I would probably be doing blocks of apartments.

So I'd go and buy blocks of apartments and asset manage them. So by rent it below market value, ideally put them on a lease at market value or above market value. Aim to refinance out, get all my capital back out and then go again.

And then along the way, I'd probably do the long term strategy of five grand a month as soon as I could into my pension. Put that into that. I use Vanguard S&P 500.

And, you know, it's not at the minute that's going up like 10 to 20 grand a month. And it's just sitting there in the background. It's all tax free.

And it's all compounded. That would be in like literally today when we're recording it, that would be my if I started again, that would be my strategy because they're the things I know. What about you?

[Simon Zutshi] (55:47 - 57:11)

Very similar to you. A few tweaks on it. So I love the idea of the back to back leasing, but rather than doing just back to back leasing, I'd try and get purchase these options so I can eventually buy the asset as well.

But yeah, renting to people who are taking on the hassle, whether it's people operating as SA people doing HMOs, but, you know, get them to do the legwork running out so I can focus on finding the deals. That's where I think I'd be able to work best. So I wouldn't wait till I was making five grand a month, put money away.

I'd start putting money away straight away. Some things we're going to talk about the wealth blueprint. We put very small amounts of money when you benefit from really good compounding on those, you know, compounding the eighth ones of the world.

Either works for you or works against you from credit cards and things. But most people use it the wrong way. So that's really important concept.

And then, yeah, I think I would use my knowledge. I think a lot of people, if you have knowledge or expertise, you can monetize. We both run training companies and people are paying us for our knowledge and expertise.

So I'd absolutely work with that. I'd I'd try and find people who are very wealthy, who want to know about property, and I do private consultancy for them. And I'll probably joint venture with them as well.

So people got good chunks of cash. Maybe they're successful business people. They don't know how to do property or they don't have time to do property.

I would absolutely joint venture with them on a success fee basis where they get the the first return. So the risk is covered and I get the upside.

[Daniel Hill] (57:11 - 57:18)

Excellent. Anything that you would do the on this on the journey that you have done, if you had your time again, anything that you wouldn't do?

[Simon Zutshi] (57:20 - 58:29)

Yeah, I wouldn't. When I built PIN and eventually sold PIN, I wouldn't take as long to build and sell a company. You know, I don't think if you if you intend, I never intend to sell PIN.

It just was an offer I couldn't really refuse. But if I wanted to build and I think you could build and sell something within three to five years and you often get more money selling a business than you do operating it. So one of my big projects at the moment, I'm working on.

I'm creating a bit of a pool of property, my property, joint venture property, properties that we're securing on options. We're putting it to long term 20, 25 year leases with really good care providers and providers and a specialized support and housing. The goal is within two years to sell that hopefully 100 million pound portfolio to a pension company.

So that's a really big capital event. But again, I'm I I don't know about special support or housing enough. I've got an understanding, but I'm partnering with someone who has that.

No, so they're getting a big chunk of the pie, but they're bringing that skills to the table. I'm bringing the property side and working with people who've got matching skills and ability is a much better way of achieving much more, much quicker. So speeding things up.

[Daniel Hill] (58:29 - 58:36)

Yeah, absolutely. I suppose there is a degree of you have to earn your stripes because PIN took you that long because it was the first time you were doing it.

[Simon Zutshi] (58:36 - 58:36)

Yeah.

[Daniel Hill] (58:37 - 1:00:20)

Whereas then crowd property achieved that in two years or three years. And now you have an executive level. You don't do anything.

And then this most recent venture probably pulls together the best part, best part of both of those. Yeah. Things I wouldn't do.

I wouldn't put my finance. I wouldn't I don't even know how common it is now. But when I started in 2011 repayment mortgages, especially with people like Lloyd's, I was doing commercial with were quite common.

But also like long term fixes. So I had a I had a couple of million pounds or probably three million pounds with Lloyd's locked on a 15 year fix at six point four percent. And at the time, that seemed like a wise thing to do.

But obviously the market did what it did. And it seemed like a stupid thing to do. But also when we talk about plan A, B, C, D and E, unless that lock is a no brainer, like, for example, I know somebody who did a 18 million pound fix at 2% recently with a big fund on a block of apartments.

That's a no brainer. Hedging the market on a 15 year fix at six point four percent and repayment. One, I got crippled with corporation tax because you're still paying your tax on your repayments.

And the second was when they changed the tax and you couldn't have properties in your own name. They were all in my own name. My early redemption fee was a quarter of a million pounds to get off that loan.

Luckily, we managed to negotiate with Lloyd's and they charged us 15 grand, not a quarter of a million. But that was an example where I tried to play the market to my favor and be low risk. But actually committing something like that was a really bad thing.

I see people come to me at the minute or recently. And then I've got half a million quid. I'm going to put it in this fund.

It's locked in for five years. It's a guaranteed six and a half percent. There's these risks.

I'm like, I said, I just really wouldn't do that.

[Simon Zutshi] (1:00:20 - 1:00:21)

So why is that money?

[Daniel Hill] (1:00:21 - 1:00:32)

Yeah. They said, why is that? I said, it's just not necessary.

Like you could get 7%. I mean, you get 12% and give it to me and I'll give you first charge. It's like it's just not necessary.

But some people don't know that. They don't know what they don't know. Absolutely.

[Simon Zutshi] (1:00:32 - 1:00:58)

And that's one thing we're solving on the Wealth Blueprint Summit is showing there are these different ways where you can actually make much better returns of that. So I link to that. I think sometimes people do try and judge the market.

They're going to wait just the right time to buy or sell. It's really hard to do that. You know, my view is we find a good property deal that stacks up by now.

Don't worry. It could be cheaper in six months or what it's worth. You know, if you're holding long term, as long as it's cash flowing, as long as you know, you can rent out long term doesn't matter.

[Daniel Hill] (1:00:59 - 1:00:59)

Yeah, absolutely.

[Simon Zutshi] (1:00:59 - 1:01:00)

Don't try and guess the market.

[Daniel Hill] (1:01:00 - 1:01:11)

I had lunch with Mark Homer last year and we were talking about so I was saying that timing is a moving target. You don't wait for the market to come good, then go in. It's just always moving.

You got to make your decisions.

[Simon Zutshi] (1:01:11 - 1:01:11)

Definitely.

[Daniel Hill] (1:01:11 - 1:02:22)

And there was two things recently. So the conversation I had with Mark, we were talking about government changes when they change taxes and writers rent reform. And the conclusion we both came to is if you're in this for the long term, actually, it always comes good for the landlord, because really the law of logic is it has to work for as long as you need investors.

And what's happened over the last curve is rents have just gone through the roof. You know, rates have gone up. It's gone through the roof.

So if you're there for the long term, it's you know, it's there's a degree of insurance policy in there. And then most recently with things like stamp duty, you know, a lot of investors and we're saying this is terrible. You know, I'm going for ideas could cost me another five grand.

But I'm thinking this is great. It's another barrier to entry. Definitely.

The Labour government's incentive was to reduce by select purchases by one hundred and thirty thousand a year so they can go to first time buyers. Well, in my head, I'm like, well, that seems like a silly strategy because what's going to happen now is the supply is going to go down. Rents are just going to go absolutely through the roof.

And for people like you and I, we're going to be in this for the rest of our lives. It's actually a good thing. So, yes, if you're playing the long game, it all works itself out, doesn't it?

Absolutely. Six rounds.

[Simon Zutshi] (1:02:22 - 1:02:41)

Wealth, wealth special. So wealth summit is on the 18th night of January. And in fact, I think we're going to put a link in the show notes below the video.

We're going to do a webinar explaining all about it and what's involved and what's going to help you can get involved, etc. So, yeah, probably click on the link below and come and hear about what it's all about.

[Daniel Hill] (1:02:41 - 1:03:56)

Yeah, absolutely. And like we said, you're going to pay for your education one way or the other. This is a no brainer opportunity.

You have to pay to get entry if you get in there and you don't get maximum return halfway through. Get all your money back. Get all your money back.

It doesn't get better than no brainer that I'll be there. I'll be doing a 90 minute session training people on the blueprint that I use to create my wealth and how I manage it now. And there's some other fantastic speakers as well.

So I recommend everybody joins us. Simon, thank you for joining us. Thank you so much, Dan.

And that's always a pleasure. For the third time, nicely done. I hope you enjoyed this blueprint podcast episode.

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