**TBP 296 Win Win Edited\_Transcription**

[Daniel Hill] (0:05 - 23:16)

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. Welcome to the next Blueprint Podcast episode, I'm hopeful that this one will be a game changer for you. I had a conversation recently, a few conversations actually.

One question I get asked a lot is, what is the secret sauce to either creating wealth or doing deals and sort of having a success in the business, investment, property space? This podcast is going to take you through one of those. This is the secret sauce for going out there and actually creating wealth.

It's not about squeezing the pips. It's not about ripping people off. It's not about tricking people.

It's really about having an abundance mindset, an abundance approach, and understanding the art of world-class deal-making. What I'm going to take you through here is what I would call the win-win-win blueprint. The conversation I had recently, twofold.

One was one of our board members on Property Entrepreneur, on their private mentoring call, asked, as a deal-maker, what is my mindset? What's going through my head when I'm cutting these deals, when I'm appraising opportunities, when I'm looking at things? That was one conversation I had.

And the second was, I had a conversation recently with a very good friend of mine who's talking about AI and how this supercomputing in the next few years is going to get to a point where it can process so much data and information, it can do scenario planning, or in more specific cases, outcome planning. And where you've got things like the Trump tariffs at the moment, and the biggest thing is the uncertainty. What impact is that going to have on GDP, inflation, interest rates, import-export, surpluses, global economy, all these sort of things?

The best economists in the world are forecasting, processing data, but it will get to a point where actually, you can just put in all the data that exists, and then where at the moment we try and forecast, actually, it could do a scenario planning. It would say, well, if you increase interest rates by 1%, this is what will happen to inflation, property prices, employment rates, GDP growth, et cetera, et cetera. And it has that advanced computing to be able to process all of the data and actually tell you the outcome.

And then we got to talking, connecting the two conversations about negotiation and about deal-making and how actually, when you're looking at, in this scenario, global deal-making, trade agreements, tariffs, what is the best scenario? And what the conversation we had was the AI will actually get to a point where it can tell you what the best thing to do is because of what the outcome is. And what it was is it would look at all parties, so for example, every country, every society, every industry, and it would be able to summarize all of that and say, look, all things considered when you process all of the data, this here is the best deal, the best structure, the best scenario, the best whatever it is, policy, practice, changes to the economy.

And what it made me think is that really is, if AI can basically get to a point where what it does, it processes all of the scenarios and it comes up with the best outcome for all parties, that sounds like a great, to me, that just sounds like great. Well, that's what we're all trying to do. And what I realized was that's not actually what we're all trying to do.

That's what I've done. And my approach is always, and it has always been, play the long game, abundance mindset, give as much as you get, and basically just find the win-win scenario. And this is what the secret sauce is to deal-making.

And if you want to become a world-class deal-maker, my approach, and it's not the same as everyone's approach, some people just want to focus on the transaction rather than relationships. Some people want to squeeze the pips and only do the deals that nobody else will do. And they get themselves into a position where all they're thinking about is, how can I get the most out of this?

How can I pay people less? How can I earn more? And that's, there's two different mindsets.

And of course, there's horses for courses and certain things work in certain scenarios. What I would encourage you to do to move to the next level as an entrepreneur, an investor, a deal-maker, is get into this mindset where your AI, your brain, your algorithm is processing the script of how can I make this a win-win-win? And what I'm going to do is take you through this, because my experience has been in deal-making and really all day, every day, 70% of my time is on deals.

And they're not just property deals, obviously buying deals, looking at deals to acquire. We've just acquired a big portfolio, five blocks of apartments, and we're appraising a big M&A deal at the moment, which is looking really interesting. But over the years, I've done tens of millions of pounds of developments, joint ventures, finance agreements, employment contracts, property acquisitions, company acquisitions, performance-related pay for different people.

And really, it's all about deals. All I do all day, every day is cutting deals with people, with properties, with businesses. And this is what it's about, really.

It's understanding how to approach it and really finding the best outcome. And what I would say the best outcome is, is win-win-win. Now, in the moment, that's on the deal, because if it doesn't work for one of you, it won't work for either of you.

And that's a really good mindset for you to take away. And one of our sort of soundbites that we teach is, if it doesn't work for one of you, in the long term, it's not going to work for any of you. So you want it to work for every single person sitting around the table.

Everybody wants to win, you know, win-win-win, so it's win for you. Win for the other person. Win for either the development, or the business you're buying, or the business you're selling, or the investor you're working with.

Everybody wins. But if you have one lose in there, you know, win-lose-win, or a win-win-lose, ultimately, everybody loses. And when you adopt this mentality, not only will you do better deals and make more money, because you might think on face value you're making less, but the deal is more likely to actually complete.

And the project or the business is more likely to actually be successful. Not only on that transaction, if you like, will it work well, but also the relationship and reputation you develop will be worth its weight in gold. You know, some of the best opportunities I get are given to me by people that I know.

Because I've been in property all the way from construction up to M&A and developments and asset management for 20 years. And it takes 20 years to build a reputation, but it takes five minutes to ruin it. When you're known as a reputable person that people love to recommend in a win-win scenario for everyone, it's a great place to be.

And I'd recommend it for you. The mistake people make is they squeeze the pips. You know, they look at an employee and they think, well, let's negotiate their package and how little can I pay them?

That's a mistake. They look at how much can they get from the transaction. And all they're thinking about is mine, mine, mine.

How can I get it? They've got that scarcity mindset. And even in a negotiation, they think it's me against them.

You know, they're sitting there thinking, right, it's me against them. We're going into this negotiation. And it's this dark arc of arm twisting and ripping people off.

That's not, I honestly don't think that's how you need to do deals. I don't think that's how you need to sell. And I really don't think that's the way that you go out there and create opportunities and build businesses and deals.

I think there's a much better way to do that. And that is this win-win-win, this sort of secret source to become a world-class dealmaker. And this is really the win-win-win blueprint.

So what does that actually mean? You know, what does win-win-win mean? What it means is everybody wins.

And it's a mindset more than anything that you're going into a negotiation or an opportunity. And all you're doing is sitting there with all stakeholders. So for example, if you're buying a deal, let's say buying a business with some estate, you're looking at the property estate.

You're looking at the operating company that you're then going to lease to. You're looking at the investors that are going to lend you the money. You're looking at the agent that bought you the deal.

You're looking at the specialist advisors that you bring in. All you've got to do is sit there and have a mindset of my job, like a piece of AI would with the algorithm. My brain needs to work in this win-win-win scenario, an algorithm.

And all I'm doing is thinking strategically, what is the solution where everybody around this table gets everything they want? And that's the outcome. That's the approach that I take.

So that's really what the win-win-win sort of outcome is. And the approach and the blueprint to do it is just that. And the way that you do it is you ask, you find out what everyone wants, because some people will want high return.

And they're happy to take high risk. Other people will want low risk. And they're happy to take low return.

Some people will want speed. You know, they want this deal done in the next 30 days. Other people have no urgency at all.

And they want the maximum price. And when you get everybody's objective, your job then is to align them all and try and find the win-win-win that ticks everybody's boxes. So I'll give you some examples to illustrate.

So the first is, so I did a roll-up from 2018 to 2021, 2017 to 2021. I did a roll-up of 10 different companies, went out, bought them, did M&A, acquired some various businesses. And I basically rolled them up into a group.

And then I sold it. And when I went to sell it, because of the way that I'd structured the deal, there was a gap in the cash flow. So basically, because they were bringing consultants in and additional overheads, what it meant was that through the first three months, they would actually go into a dip, which meant they would make lower profitability, which is fine because that's what you'd expect when you do M&A.

You'd often go into a dip. You know, you go backwards before you go forwards. The profitability might go down.

You know, when I scaled one of our companies, I burnt through £180,000 in the red, you know, 15 grand a month until it came back around. That's what the dip is. That's how it works.

But rather than say, you know, well, that's what it is. You're just going to have to, you know, suck it up. What I said was, well, actually, I've got this other business over here that we could contract you to for three months.

And I'll basically pay you that deficit because that company that I own is going to pay that money to somebody anyway. How about I just pay it to you? And for three months, I'll pay you that, which is, you know, tens of thousands of pounds.

And then that bridges your gap. It gives you the breathing space you need. You don't have to go into the red, although, you know, that's not an uncommon thing to do.

And that would work. And how does that sound? And of course, it was fantastically well-received.

It was a win-win. It didn't really cost me anything because I was going to pay that money to a company anyway. I thought I might as well pay it to the company I'm selling.

So do them a favor. Obviously, for me, gets the deal done. And that was a win-win-win.

Jumping in quickly with a huge opportunity for you. If you would like to hear me speak live and understand over the coming months of spring and summer 2025, how to capitalize in an uncertain market and do the best deals with the highest margins in one of the toughest climates we've seen, then join me when I'll be speaking at the Virtual Property Exhibition on Saturday the 24th of May. It runs from 9.15 until 5.30 PM. It is completely free of charge. Go to www.virtualpropertyexhibition.co.uk now. And on that event, I will be giving you the most up-to-date, live detail and insight on what is happening with property prices, interest rates, inflation, GDP, where to find the deals, how to make them stack and how to make more money in a challenging market than you ever have previously.

Go to www.virtualpropertyexhibition.co.uk now to secure your place on Saturday the 24th of May from 9.15 AM till 5.30 PM. It is online. It is free.

And this is one event you do not want to miss. Link is in the show notes. Now back to the podcast.

Other ones would be with, say, team members. So I had a team member, really, really impressive, world-class professional started with us a few years ago and really impressed, consistently progressing, exceeding expectation, clearly, you know, somebody that I wanted to keep on the team and progress. But after about six to 12 months, they had some personal changes, circumstance.

And unfortunately, we got their notice and their notice said, look, I'm really sorry. My requirements at home, you know, I've got some responsibilities with my family. And unfortunately, it means I won't be able to work anymore.

I've absolutely loved it. It's been my dream job. It's exactly what I was looking for.

But I just can't commit to the hours anymore. I'm really sorry. But this is my notice, you know, I'll work it and, you know, be ashamed to leave.

And then what I did was rather than accept the notice, I went to her line manager and just said, look, we want to keep them. They've obviously got some other commitments they need to honour. Can we just find a win-win?

You know, if we go back and say, look, let's look at changing your hours, change your working hours, your working days. Is there a restructured model where you could basically do the same amount of work and deliver for us what we need, but on your terms? You know, maybe you work early in the morning or late at night or you work at the weekend or we say that you're not available on Mondays, Wednesdays and Fridays, whatever it is.

And they came back and said that would be absolutely incredible. We did a win-win deal. And that team member has now gone on to become one of our most senior people.

And is consistently fantastic, exceeds expectations, and has actually gone on to grow the business, make us lots of money, does really well. But I never would have had that. You know, I would have lost that if I hadn't have thought, right, well, how rather than they can't do what I want them to do, how can we find an opportunity where it gives them what they need and gives us what we need?

Bonuses is another one. So, for example, people say, you know what, when I give somebody a bonus, what percentage of their salary should it be? And the industry standard is somewhere between like two and eight percent for normal corporate world.

If you're paying someone eight percent of their salary, you know, that's deemed to be phenomenal. I remember, I think it was Mercedes had a corporate bonus scheme, which was sort of seven and a half percent. And that was really sort of promoted as being, this is incredible.

You know, this is the place to work. That's where you want to be. My view is completely different.

I don't look at, you know, how much should a bonus be? I don't look at it as how it should be a percentage of their salary. I look at how much is it making me?

And to give you an example, I had a couple of team members last year who were three months salary. Basically, this is a bit exaggerated, but three months salary in a day. So basically, we did a deal, a big acquisition, and I paid them, you know, weeks or months worth of salary for doing a single transaction.

Now, of course, there's work involved, etc. But I paid them that. I paid them their hourly rate for doing the work.

But because for me, it made me several million pounds. The idea of paying them not just a percentage of their salary, but what would equate to months worth of salary. Because I was looking at what I was making and what could I pay them?

You know, that's a very different approach. And it's a win, win, win. It sounds bonkers.

You say we, you know, they probably would have done it for X, you know, they would have done it for a week's salary or day's salary or 5% salary. I just think the more, and I actually just sent a WhatsApp message before I recorded this to somebody that I'm doing a deal with. And I said, it's in my interest to pay you as much as I can, because the more I pay you, the more deals you'll bring me.

And I'm not looking at the market rate and things like that. I'm looking at how much I want to pay you as much as possible, like sales teams. Some people say, oh yeah, I don't want to spend more than 40 grand on my salesperson.

Well, how about you pay someone 100 grand, find a way to pay them 100 grand. So maybe it's zero basic and a high commission. But if you can pay them 100 grand and they can make you 500 grand, which is genuinely an example of what we do with our sales teams.

You know, that is an absolute, our sales teams, our deal sources, even agents and brokers who bring us deals. You know, that's really where you want to be going. When I bought the hall, the seller was really clear what they wanted as a price.

And there was not really any movement on the price. I was like, OK, fine. To them, the most important thing was the price.

But to me, it was like, well, that's fine. I can give you that price, but it needs to be on my terms. So we did exchange delay completion.

We did 10% deposit. There was some other bits and we were allowed to move in within the key undertaking within the EDC period. And they got their price because I was able to get my terms.

Whereas if, for example, they wanted their terms, we want to be out and the first offer offered them was, well, it's £500,000 less than what I ended up doing the deal on. But because I said we would complete before Christmas, which was like whatever it would have been, 10 weeks, 12 weeks. So if they wanted to be out quick, which was my perception from the agent, they don't really care about the price.

They just want to get out of the deal quick. But they didn't. They didn't take that.

Instead, they wanted the price. So then they came around to work on my terms as a win-win. And we've ended up being fantastic friends since because of that.

Well, maybe not because of that, but it's just that sentiment of some people work in that world and that's how we operate. Same when we've bought companies in the past, we've bought and sold loads of companies. And what we find is there can be a huge range.

So one that was sold a couple of years, maybe like 18 months ago, the range was two to four million. Two million was cash upfront, give us the keys, put the keys for the letterbox, walk away tomorrow. Four million was a million upfront, a million on deferred, two million on earn out over the next five years.

So there's a huge difference between price and terms. And the whole thing is all about finding this win-win-win. What I would say is the mindset is around this.

And you might just think the most important thing is money because that might be the most important thing to you. But for other people, it could be speed. It could be certainty.

It could be flexibility. It could be working from home. It could be staying in.

It could be getting out. It could be anything. The most important thing for you to do is to find out what is important to them.

And when you're looking at doing this with deals, it's all about mindset. It's about aligning of objectives. Find out what everyone's objective is.

At least you just sit there. And that's it. And then try and find a way to do all those together.

If it's things like pay rates, it's understanding there's three different types of pay rates. One is the market rate, which is what everybody pays. So let's say it's a PA.

£15 an hour is what everybody pays. That's the market rate. The next level above that is the expertise rate.

So if you've got a PA that's been a PA for 25 years and worked for Richard Branson, that's an expertise rate or maybe just experienced or qualified. You can't train experience. You can only pay for it.

And let's say they've got 20 years experience and they've been fantastic at their job. That would be the expertise rate. So it's not £15 an hour.

It's say £20 an hour, £25 an hour. That's when you're paying for the expertise. But then the top value rate that you need to be aware of when you look at these win-win-wins is the value slab.

And the value slab is not hourly rate or market rate. The value slab is a percentage of what they're making you. So when I'm selling a company for somebody, I'll charge between 7.5% and 15% of what I get them. They don't pay me a penny to list it, a penny to market. Whether it takes me six weeks or it takes six months, the fee's the same. And I don't get a penny until they do.

I get paid at the first payment from the solicitors at completion. Until then, I work for free. I work on my own risk.

It's a win-win-win. And then the reality of someone paying me £100,000 or £200,000 or £300,000 to sell their company is a no-brainer when they're making £1.5 million, £2 million, £5 million on an exit. And then finally, probably just the abundance mindset to finish would be all about thinking about paying more.

And that mindset of, I want to pay you more. The aim of the game isn't how to pay somebody less, it's how to pay them more. And the way you do that is to make sure it's a win-win-win.

And for every pound you're paying somebody, for every pound I'm paying any of our team, I know that I'm making £3. And of course, the more you pay people, the more likely they're to bring you more deals, to do better work for you. The more you pay people, the more likely they're to stay with you.

The more you pay people, the more likely they're going to want to do the work. If you're building a, we've had portfolio building companies, we've had development companies, we've had mergers and acquisition companies. And when we're doing deals, when you do a deal, you want your team to be buzzing, excited, motivated, driven.

If they're getting paid £50,000 a year, regardless of you doing one deal or 10 deals, every time a new deal lands, they're just going to be sitting there thinking, what, like thinking this is more work. You know, this is another deal, blah, blah, blah. I'm just working more and they're going to get demotivated.

The only one who's making money is the business or you. Whereas when you say, right, every time we do a deal, you're going to get X. Every time you get a deal, they're like, wow, this is fantastic.

This is exciting. When you can pay a team member more, you know, let's say the market rate is £40,000 and you can pay them £100,000. Of course, you're going to get the best people.

You're going to keep the best people. They're going to be driven. They're going to perform.

They're going to be motivated. They're going to be loyal. And these are the things you want.

So this is the win-win-win blueprint. And I would really encourage you next time you're looking at a deal, a payment package, a negotiation, whatever it is, just try and get in your head. What is the win-win-win?

That's the only thing you need to do. And it's easy for me to say that because that's the way my brain works. But you might find it quite hard to do.

But just remember, this is a very viable model. If you want to be in this game for decades, not days, building a great reputation, looking after everyone, doing the win-win-win, I think is, you know, I think is the way to go. I hope you've enjoyed that.

This is the win-win-win blueprint. I hope that you take it on board. I hope you go out there and do some deals.

I hope it changes your mindset. And yeah, I would credit the successes that we have with deals, joint venture partners, investors. I've got investors that have been with me for over a decade because I don't chip the fees.

I don't negotiate. I don't split the legals. I don't make it hard.

I make it easy. I make it lucrative. You know, I just try and invest in the relate.

That's probably the closing sentiment, actually, is I invest in the relationship, not the transaction. I want to work with people for decades, not days. And for me, this has been really lucrative.

And I hope you get value from it. This has been the win-win-win blueprint. Join us for the next podcast next Tuesday.

And until then, success and failure with all this stuff are very predictable. And hopefully this will fast track you to get where you want, do the best deals, and have fun whilst you're doing it. I'll catch you on the next episode.

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.

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I'll see you on the next episode. Bye.