The Business Secret

How Business Owners Can Manage All Their Requirements, Challenges and Ambitions into One Overall Plan of Action - *WHICH WORKS!*

PENGUIN

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Foreword

This insightful book strikes a cord from it's very first paragraph which reminds us that "the only way to do great work is to love what you do".

I would extend this to add "…with open minded, positive people who relish the challenges business and life brings", as does the book later on.

Success in business stems from creativity, self-motivation and constant appraisal blended with attitude and aspiration which when harnessed by a good leader and motivated team delivers financial and self-fulfilling rewards. Engaging with talented individuals is a priority whether operationally or advisory as this enables planning and choices during the business' evolution, preparing for succession , a controlled exit and for those who wish to retire, life beyond.

Most of us in business instinctively know what is required to maximise our enterprise value and achieve personal goals but invariably day to day pressures distract us from much needed focus and prioritisation as exemplified by the book's reference to Pareto's 80:20 Principle.

I have always found that a simple reality check helps when faced with important operational or strategic decisions and that is to ask oneself “in this scenario what would you advise a client to do?” It is a principle that has served our business and investment interests well, as will your own reflection on the score card and summary action points set out herein.

J FRANK HOLMES, FOUNDER AND PARTNER, GAMBIT COPORATE FINANCE

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Introduction

"You've got to find what you love. And that is as true for your work as it is for your lovers. Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work. And the only way to do great work is to love what you do.

When I was 17, I read a quote that went something like: "If you live each day as if it was your last, someday you'll most certainly be right." It made an impression on me, and since then, for the past 33 years, I have looked in the mirror every morning and asked myself: "If today were the last day of my life, would I want to do what I am about to do today?" And whenever the answer has been "No" for too many days in a row, I know I need to change something.

Remembering that I'll be dead soon is the most important tool I've ever encountered to help me make the big choices in life. Because almost everything — all external expectations, all pride, all fear of embarrassment or failure — these things just fall away in the face of death, leaving only what is truly important. Remembering that you are going to die is the best way I know to avoid the trap of thinking you have something to lose. You are already naked. There is no reason not to follow your heart."

Extract from Stanford Commencement address delivered by Steve Jobs, CEO of Apple Computer and of Pixar Animation Studios, on June 12, 2005.
http://news.stanford.edu/2005/06/14/jobs-061505/

Hand on heart – how would you describe your current experience of being in business?

Are you tired? Stressed? Pressured for time? Juggling? Financially stretched? Lonely? Frustrated?

Or are you free? Loving every second of what you do? In control? Inspired and motivated? Hitting every target? Meeting your goals and working to a structured plan?

Is it a pain or is it a pleasure?

This is a Book which aims to help you - wherever you are today, wherever you want to go, whatever you want to do – succeed in Business.

We are aiming to help you by sharing some ideas, by extending some of the education and training we have had, by sharing our experiences of being in Business and crucially through the benefit of our financial expertise.

Unlike most Books or guides produced by our peers, we want to bring together a series of different strands into one overall approach.

We are not focusing on finances or money. We want to demonstrate how the financial factors are – when all is said and done - just an aspect of a much bigger picture. We will seek to show how the finances fit into that bigger picture along the way.

The approach we are advocating is almost entirely about practical steps and actions, but it also contains elements of philosophy, about the very essence of what it means to be in Business.

However, it is not just about the business side, but also about your personal position and requirements. We aim to explore how you can produce a symbiotic approach which transforms both your business and your personal goals and outcomes.

The overall objective is to pull this into a series of action points which can support you and help you meet all your future goals.

We hope you find something within the following pages which will truly influence your well-being and prosperity, in every possible way. And as you progress on your journey we would love to become part of your team.

Scorecard

The scorecard will help you by focusing in on the key areas that will need attention; the idea of applying a score to each is that you can figure out where your priorities lie, where you are strong and where you are weak. It can be referenced again when you have read the whole Book and can be used to create defined action points.

How to use this scorecard:

1	2	3	4	5
Weak	→ → →	→ → →	→ → → →	**Strong**

The idea is for you to use this scorecard to identify those areas where you feel you score highly and those you score poorly. In relation to your own view of your personal and business position, you mark your score from 1 to 5, with 1 being the weakest score, 5 the strongest. For example, if you think you have a clearly defined purpose in your business, you would score 5. If you have never thought of this and have nothing you can identify in this regard, you would score 1. Clearly you would score somewhere between 1 and 5 depending how far off or close to the mark you think you are. Once you have completed the exercise it should help you identify those areas which need attention and – in many cases – will help form a picture. Combine this with our suggested action points throughout and it will provide a road map to determine priorities and actions that should be pursued.

I have a clearly defined purpose:

1 2 3 4 5

I have clearly defined goals:

1 2 3 4 5

The goals are written down:

1 2 3 4 5

The goals are in my financial plan:

1 2 3 4 5

I have regular review meetings to;

a) Run through the 80/20 rule:

1 2 3 4 5

b) Look at how to improve all aspects of the business:

1 2 3 4 5

c) Share/discuss ideas with all team members:

1 2 3 4 5

I am free to do what I want when I want:

1 2 3 4 5

I have all the business risks fully protected:

1 2 3 4 5

I am insured to the maximum amount necessary:

1 2 3 4 5

I am using all available tax reliefs:

1 2 3 4 5

I have reached my financial freedom date:

1 2 3 4 5

I can retire on my own terms:

1 2 3 4 5

My Business can operate without me:

1 2 3 4 5

I have great team members around me:

1 2 3 4 5

My Business is highly valuable:

1 2 3 4 5

I have an exit strategy:

1 2 3 4 5

Purpose

Whether you are in the early stages or your Business is well-established having a clearly stated purpose is a vital foundation for all that you do. If you are in the early stages then spending time on your purpose – and giving it definition – is time very well spent. If you are further on in your journey then refining and keeping this fresh is important. All decisions and actions - ultimately - should be linked to your purpose.

"What is your why?"

What is the true reason you are in business? For many people this question can actually be quite difficult to answer.

There is real value in taking time out to construct an answer, because the answer can act as a foundation for everything that follows.

It can also raise further questions, and as we shall outline, there is ample evidence that **a consistent approach to raising questions and seeking answers** is a very good way to make seismic progress.

No two businesses will be the same, no two people in business will be the same.

One person's purpose may be to do something they love, another's to make a sizable imprint on the world.

The key though is that **<u>the purpose is clear</u>**, from person to person, from business to business.

There is an often-used phrase “definiteness of purpose” which neatly explains why purpose is important, because it provides a clarity and a statement of intent, plus if applied correctly – an unstoppable force.

Each person’s purpose both for themselves and for their business should be self-defined, not imposed. It should be written down, much like a mission statement, and shared amongst key people.

Time spent on thinking, defining and clarifying the purpose will help answer the question why you are in business. It will then lead to many other follow-on actions, as we shall explore later.

There are some fundamental questions you need to ask yourself for success to occur:

1. Why am I doing this?

2. What do I want my life to look like? (What is my idea of work/life balance?)

3. Why am I sacrificing myself for this project/business?

4. What is the ***higher*** purpose? (i.e. the purpose bigger than money)

5. What’s worth doing even if I fail?

6. What are our core values as an organisation?

7. What do I want my business to 'look like'?

8. Who do we serve?

9. What type of clients/customers do I love working with?

Applying answers to each of these questions involve having a clarity around the purpose/values which will lie at the heart of the business and the reasons why you are in business.

It is no coincidence that most of the great writers who have influenced so many business people, including Napoleon Hill, Stephen Covey, Tony Robbins, Norman Vincent Peale, and W. Clement Stone - all, in one way or another, make definiteness of purpose their central theme.

Never forget the powerful saying, "talk is cheap." It's not enough to want meaning or to want a purpose, you need to live meaning and take action to create it every day of your life.

Giving purpose or meaning to a business is a powerful underpin to future success and attainment of goals, but it has to be supported by subsequent actions and decisions.

However, there is one further aspect around attitude and top down thinking we wish to cover first, before we look at the actions and decisions that follow on from defining your purpose. That is the issue of how failure and success are perceived.

Suggested actions #1:

1. Work with anyone you feel comfortable with, family members, friends, professional advisers, a business/personal coach or team colleagues to identify **and write down your purpose**. Share this with all and sundry, **publish it** and make it the basis for everything you do and all decisions and actions you take.

Failure/success

Too often, perhaps, as business owners we are infected by assumed societal thinking. This means we apply labels to actions and approaches which may determine and influence, possibly heavily influence, our individual thinking. This can have a serious effect on the way we deal with our businesses. The classic example is how failure is so often perceived – the negativity attributed to failure can often prevent steps being taken which would otherwise be necessary to succeed. We seek to explore more about this in this section.

"It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat."

Theodore Roosevelt

In terms of your mind-set: you simply have to be **prepared to fail**. There is no sure-fire way to succeed, you can only try to do your best, so failure must be a possibility.

How do we even attempt to position success or failure? If you position them at either end of a spectrum, you create a problem, because success is seen as good and positive, failure as bad and negative.

However, if you position them as buddies next to each other on the spectrum, thinking of neither as bad or good, positive or negative, but just as aspects of a journey, then you can view them very differently.

You can go even further (and this is exactly what many experts have done, Daniel Kahneman for example) and view short-term failure as a pre-requisite for future success.

Matthew Syed's book, Black Box Thinking, makes this argument brilliantly, establishing evidence that most success actually **derives from** earlier failures. In some ways, Syed and other experts promote the idea that you should actively embrace failure, even possibly, seeking it out!

This may seem counter-intuitive, even bizarre, but there is logic in this. If you are not failing in your efforts often enough, it could be because you are not trying hard enough!

The lessons we get when we try something and fail can be much more powerful than any lessons from success. They will be more powerful than the non-existent lessons we get from not trying at all.

It is therefore fine to think about the future in terms of high ambitions and to try to aim for the stars, because not only is failure purely subjective, it is also probable that to succeed in the longer-term will require setbacks along the way.

"It's brilliant. I love it. Genius. The problem is - it doesn't work."

If you ever get to read the history of Dysons, you will never think about rejection and failure in the same way again! Today Dysons is a company with close to £3 Billion revenue, employing over 7,000 staff. The company was effectively formed by James Dyson (now Sir James) in 1979. Between 1979 and the early 1990s the business went through horrendous problems, including hundreds of prototypes which were unsuccessful and failed to work, financial and legal problems, rejection of his ideas by virtually every major industry manufacturer and distributor, rejection from bank after bank for his pleas for financing.

In fact for just over 10 years the history of Dysons was mainly a history of **constant rejection**.

Not only did James Dyson carry on regardless (he clearly had a very well-defined purpose) but he learned from these rejections about how to succeed. The prototypes he built which failed, enabled him to build a better product, which when success arrived magnified that success onto a completely different level.

Such stories abound whenever you read about outstanding success. There are some successes which happen with speed and with almost no problem, but far more often success is born out of failure.

Who cares?

The problem with a fear of falling down or falling short tends to be about a fear of not having enough money, not being able to feed the family or losing one's house. Many people therefore reign in on their goals because they will "play it safe".

This is not a reason to abandon big ambitions or exceptional goals.

The fear of the risk occurring, and the losses incurred as a result, <u>**is a call to action to determine a pathway which manages those risks.**</u> Of finding a way of working towards the goals whereby the outcomes are controlled.

The most successful businesses and the business people who run them, like all great investors, are first and foremost, skilled risk managers. This is true of the best poker players and the best currency speculators.

The task therefore is to align your purpose, with a mind-set which reflects the highest ambitions and then to apply the very best risk management to your decisions and actions.

Risk management in your business planning and personal financial planning

Examples of areas where you can actively risk manage your position:

1. **Taking big expansive steps within your business** – to grow may involve taking big decisions, followed by big actions. These should always be pursued by working out a downside position, making sure the decision will not bankrupt the business, come what may. This could involve finding a different way to get to the same target, revising the financing and funding position of the business or agreeing some form of target position to measure the decision/action, cutting losses if the targets set are not met.

2. **Succession Planning** – there is no day too early when you can think about how you will pass your business on or sell it. Having a succession plan in place (and bear in mind you may not be the one who decides when this day is) mitigates the risk of finding yourself scrambling around at some later date.

3. **Staff problems** – if a problem arises with a team member this can represent untold misery and significant cost for your business. Having in place a strategy and plan around looking after and managing staff can reduce this risk considerably, as we shall explore in more detail later.

4. **Death, illness and injury** – it is probable that even where your family are not directly involved in your business, their well-being should something happen to you will be dependent on the business. Likewise your success (or otherwise) with the business and your earnings, ability to save and provide for the longer-term, will all be inherently linked. You have to ensure your position is insured. You will need to have life insurance, critical illness insurance and protection against loss of earnings.

   These sums need to be of a sufficient size to properly cover the risk of something untoward happening to you. Many people have cover in some or all of these areas **but the level of cover is NOT ENOUGH**.

As a business person you also have tax efficient ways of organising your cover- most business people fail to organise using this tax efficiency. You should not be amongst this brigade.

5. **Losing your ability to act –** the possibility of losing your capacity to make decisions (for example through mental incapacity) is a very serious one, as this can ravage a business: bills may not be payable, bank accounts become inaccessible, staff matters left in limbo and much more , can all become impossible to manage. The 'rules' do not allow for someone else, for example your spouse, simply to pick up and run the business, there can be serious legal problems with this. **A Power of Attorney** arrangement will take care of this and all business owners should have one.

6. **Shareholder/Partnership Protection** – if you are in business with others, you will want to protect against one shareholder or partner dying. It is very likely that in this instance the remaining shareholders will want to buy out the deceased's value in the business. Likewise the family of the deceased will probably want to have the benefit of their loved one's share or partner value as a cash sum. No-one wants to end up in business with the deceased's spouse or other family member, or worse, the new spouse of that person! **A shareholder or partnership protection arrangement will take care of this.**

This is not just about a cash sum being available to the remaining parties, but a tight legal contract being in place to dictate what happens.

7. **Decisions to employ someone, recruit outside help or work with a new firm, for example, a supplier** – the cost of getting this decision wrong can be enormous. Having a risk managed approach to selecting the very best people or firms and a strategy towards dealing with matters if things should go wrong can make an untold difference.

8. **Where to invest your savings –** evidence shows that many savers and investors lose money over time or do not make enough return on their investment because they lack a structured plan towards their investing and/or have a growth-first policy when investing. This means they (or their advisers) manage the plan/investment programme based on the upside, not the downside. Evidence shows that successful investing works the other way round – manage the downside first.

Suggested actions #2:

1. Assess the risks within your business, especially those that may derail you from your big ambitions.
2. Question those big ambitions, compare them to your purpose. Work backwards to assess what could stop you from achieving them and how you can limit the risks involved.
3. List out your current plans which deal with the risks – especially the life insurance, health cover and other structured insurance plans. Have you got all the risks covered? Have you got them covered to the levels that are ideal? Are you paying the lowest costs and are they organised in the most tax efficient fashion?
4. Create a Risk Register and regularly review the items on it.

Actions and decisions

The two regular aspects you will be undertaking, which will have a real and meaningful deterministic effect on your future results, will be your actions and decisions. This section looks at what you need to do to make great decisions and instigate truly effective actions. Get these two things right and your business will fly.

A question of semantics?

Executive

As an adjective:

> "Relating to or having the power to put plans or actions into effect."

As a noun:

> "A person with senior managerial responsibility in a business."

To execute as a verb:

> "To carry out fully: put completely into effect"

It is interesting to note how definitions of business roles and tasks so readily lend themselves to the idea that **it is actions that count**.

Through a simple logical extension it is clear that successfully applying **the best actions** will produce the best results. The linear relationship between three steps is a reliable one.

Purpose (vision and goals)

↓

Decisions

↓

Actions

Your purpose (vision and goals) direct your decisions, your decisions determine your actions.

It is likely that you are an executive, even if that is not your official title. Your role will ultimately be, one way or another, <u>***to execute***</u>.

But to execute what?

Yours – and possibly others – decisions. Such decisions are determined by your goals and vision. In this regard the relationship is both linear and circular.

"To carry out ***fully***: put ***completely*** into effect" – success is determined by the ***quality of your execution***.

Many businesses and business people will fall short because they fail to execute as well as they could.

This is likely to be down to mismanagement and, in many cases, this will fall into one of three categories:

- A failure to manage oneself, especially in terms of time and productivity;
- A failure to manage a team or other people;
- A failure to manage the finances.

To help with this we will now look at how the purpose, goals and vision can be directly linked into the decision making and the action plan. Following that, we can look at the money factors, reviews (in terms of reviewing the decisions and action plans) and the team elements.

The action plan in terms of the business is **the business plan**, in terms of the personal, **the financial plan**.

Decisions and actions are the keys to the door that leads to success.

You can have the greatest intent in the world, the finest purpose attached to your business, the biggest goals and ambitions. But if your actions and decisions do not support these, then they will all amount to nothing.

We have to work out how to link goals and decisions, at the same time making sure we risk manage our positions so that we can stack the odds in our favour.

Short-term decisions to meet long-term goals

"It is sometimes claimed that Japanese executives excel in long-range planning and give less emphasis to the rate of return on investment in the short run. One must, however, distinguish long-range planning from long-term vision setting. Japanese top executives are really facilitators rather than planners."

Harvard Business Review

The use of goals in financial planning is a crucial factor.

Goals provide the direction for your financial plan, for you, your family and your business. Those three elements are unlikely to have distinct goals which act in contradiction. Or the other way round, they are highly likely to have common ground.

Therefore, your business and personal goals are almost inevitably going to be either one and the same or highly complementary.

This means goals are a key component part of **your daily decision making**. Every decision should really only ever be made in context of these goals. If you are facing a decision ask yourself "where does this fit in the big scheme of things, will it move me towards my goals?" If the answer is yes, then the decision makes sense, if it is no, it probably won't.

There is link here that is often missed – goals tend to be long-term, for example, "I want to sell my business for X in 10 years' time" or "I want to buy a house in France in the next 15 years" or "I want to become financially free by the time I am 50".

Of course, goals may also be narrower than this and compartmentalised "I want to buy a commercial property for my business", "I want to learn to play the piano" or "I want to meet my hero". However, decisions are ***always*** short-term. The link is that goals are normally long-term, decisions are short-term.

It is your decisions ***<u>now</u>*** which determine your long-term outcomes.

This is the missing link, because there is a focus often applied to long-term goals, without a corresponding application to what this means in terms of short-term decisions.

For example, if you apply a cash flow financial forecast to your personal financial planning, you will do so to see what occurs in the future based on different scenarios. The object of the exercise is not to predict the future, but to see what different assumptions do to change the future patterns and outcomes.

Your PERSONAL Financial Forecast

In terms of planning your future, the exercise of **personal** cash flow modelling is invaluable in many ways. It is a method of using software to plot your future financial position and 'picture' right through from today for the rest of your life.

The term personal cash flow "modelling" is sometimes referred to as personal cash flow "forecasting."

We can explain why both titles are important:

Goals, which are essentially your vision of your future placed into a set of defined objectives, can be monetised by the cash flow forecast. This allows you to input all your **personal** finances, both the known existing current position and the predicted future flow, into the software to see how your goals can be met. Or if they are not going to be met, where and when the shortfalls occur.

The software is a combination of your income and expenditure, assets and liabilities and can be varied in a large number of ways. As an example, if your assets comprise savings then you can look at different assumptions about future rates of return on your savings and see how this varies the amounts that accumulate. This can affect a future shortfall, either by reducing it or wiping it altogether.

Likewise you may determine when you do your first set of assumptions, that you are heading for future projected income levels that will not allow you to have enough money to pay for care in your later years, should it be needed. This may lead to a revised scenario being run through the software, for example by increasing the amount you save or extending the period before you take a pension. This second scenario may then show – based on the new assumptions – that you will have enough for care costs.

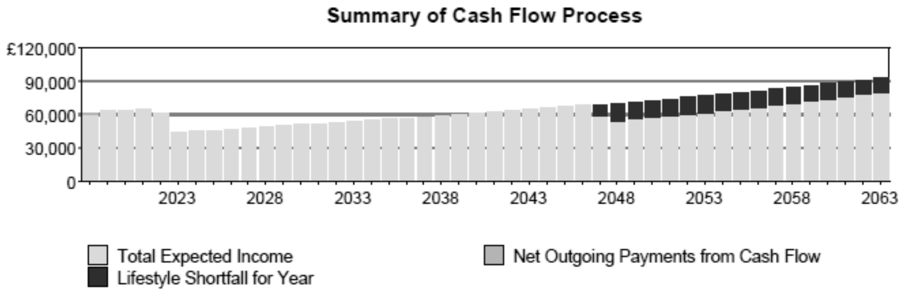
This provides invaluable guidance about how you should shape your financial planning **and can inform your decision making in the short-term**.

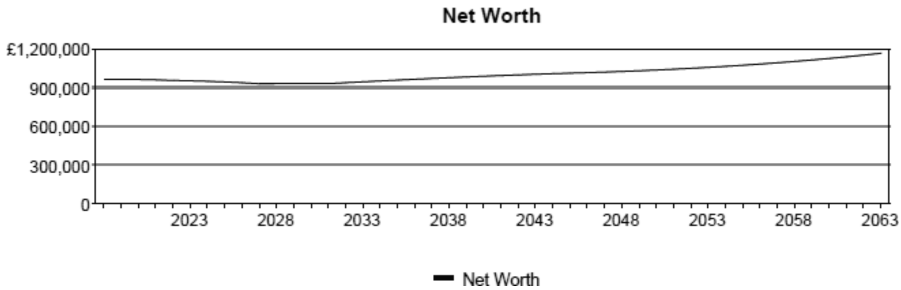
This is why it is both forecasting ***and*** modelling.

You are in effect using the software to run a series of "what if?" scenarios, changing the variable future assumptions to see how they move the figures, change the timelines when you can do something and provide clarity around different approaches and how they may impact your position (and therefore your goals) in the future.

Examples of the areas where this type of financial forecasting might provide crucial guidance and information in the context of your financial planning:

- It can help you determine how much money you need so that you don't run out of funds in later life;
- It can define what sort of risk approach you need to take with your invested funds, such as your pensions;
- It could help you decide whether (and when) to target paying off a mortgage or other loan/finance;
- It could show you what sort of income level or expenditure level you need to be on **now** to have sufficient savings amounts being put aside to meet all your future goals;
- It may clarify the sort of sum you need to realise from a future sale of your business.





You have to be constantly planning for the longer term, but making decisions in the shorter-term. As stated at the outset of this section, in many ways, you are best set starting with a vision, before you express a goal. That vision can then determine the goals and those will then lead back to the decisions you need to take.

For you, as a business person, the exercise is one that should incorporate your personal and business vision and goals.

You then become responsible day by day as the facilitator for your long-term goals. You are in effect, doing everything you do to reach these goals.

That is why every decision and action has to be put into the context of the question "is this getting me to my goal?"

Deciding NOT to do something

One thing that has become clear to us, is the high importance of **a decision <u>not</u> to do something**, which we can break down into two parts:

The first, is the non-decision. Where no decision is reached, normally down to indecisiveness or procrastination. These situations can cause as much impact on the longer-term as any decision to do something.

A failure to act is likely to have a consequence, for example in terms of meeting a longer-term goal. This means that non-decisions or delaying a decision (and in this sense we mean also failing to act or delaying an action) is normally counter-productive to longer term outcomes.

However, the second meaning is different. In business in particular, where there are normally myriad ways of dealing with things, where there are many opportunities and possibilities, making decisions what to do and what not to do can be very important.

For example, it may be that you decide that you are spread too thinly, in terms of your time and focus and that you have too many customers, some of whom make you very little money.

In this case it can make perfect sense to decide to stop working with these customers.

Or you may get a new opportunity present itself, which has various attractions, for example enhanced revenue for the business. But on closer inspection, the deal has other factors which are not so attractive and, maybe, do not correspond to your purpose or goals.

In this case, deciding not to pursue this could be a game changer.

Your decisions what not to do can be as influential as your decisions what to do!

Suggested actions #3:

1. List your goals.
2. Look at your business plan, your personal financial plan and see if the plans are in line with your goals.
3. Organise, if you have not done so before, to have a personal financial forecast arranged.

Evolving and change

The importance of being able to embrace and manage change cannot be underestimated. More than this, it is about understanding change, what it means, when it applies and how it can be fashioned to create wonderful outcomes; which turn into a constantly evolving (and improving) position for you and your Business.

"It is change, continuing change, inevitable change that is the dominant factor in society today. No sensible decision can be made any longer without taking into account not only the world as it is, but the world as it will be ... This, in turn, means that our statesmen, our businessmen, our everyman must take on a science fictional way of thinking."

Isaac Asimov (Asimov on Science Fiction (1981))

Recognising the world we live in

The world around us is very different today to the world of even 20 years ago. It is likely it will change again in the next 20 years. It makes sense then to think appropriately because the threats and opportunities will be changing alongside the wider changes.

For example, in business terms it is now possible to run a business remotely and 'online' for a fraction of the cost, especially at outset, than was possible before. This means risk management of the position can be different. It is perfectly possible to set up and trial a business, or a new idea, product or service, with very limited downside risk.

Social media presents new and different marketing opportunities.

There are new ways of financing a business, an example would be crowdfunding, which could be much better than the traditional bank loan.

Likewise, in terms of personal finances, record low interest rates affect borrowing costs, return on investments and income available in retirement from annuities. This presents a different picture and set of decisions than was the case 10-20 years ago.

It is vital that decisions – especially ones geared to your long-term objectives – **respect the differences that exist over time**.

Are you planning for higher inflation and everything this would entail? No? Then don't be surprised in a few years, if you encounter problems because of higher inflation.

If you aren't planning – at both business and personal levels – for a different world ahead, you are not planning properly.

In some ways this is about putting your ear to the ground and seeking to work out what is coming, based on trends and the latest developments, and thinking how you can make these work in your favour. In other ways it is about defending against the unknown or the unexpected (which is back to risk management again!)

Every day in every way I am getting better and better

On a personal level there is one investment you can make which produces a huge return, and is guaranteed.

A big, big return with a guarantee, surely no such thing exists?

Well there is! It is your investment in yourself.

As a business owner, you are going to make decisions and generate actions which will have great influence on long-term outcomes and results.

Your decisions, which lead to those actions, are ones which can be made better over time, simply by practicing them (i.e. making more of them) but also through being smart.

Most successful business people are not particularly more intelligent than other people. But quite often they are smarter.

What this means is they make smart decisions.

How do you make smart decisions? Through training, constant improvement and getting help.

If you consider the two big titles most often used to describe key business people, 'Managing Director' and 'Chief Executive', they accurately tell a tale, the words **direction** and **execution** lying at the heart of these titles.

To be a great MD or CE requires being great at decisions and then overseeing the successful application of the actions resulting from these decisions. Anything you can do (whatever your title) to improve and get better day by day will reap rich rewards.

Planning for tomorrow

Remember the long-term always comes after the short-term. Here's an unusual concept for you to think about.

If you ***only*** plan with **long-term** goals as the only goals and you hit these goals, you will also succeed in the short-term.

However, if you only plan with short-term goals in mind, there is every chance you might succeed and meet these but still ***fail in the long-term***.

One of the greatest threats to any business owner, director or manager **is the pressure of the here and now.** The simple and often overbearing nature of having to deal with the daily to-do list that most businesses produce. Plus, the pressures of today's staff problems, today's cash flow requirements, today's customer complaint, today's need to make call backs and so on……

Your planning has to be a central factor in everything you do.

If you are spending too much time on the here and now and not enough on working out the vision and the long-term objectives (then working backwards from there to fathom what this means in term of today's actions and decisions) your pace of progression will be slow, or you may fail to get anywhere at all.

It is likely that in the majority of cases, business people spend far too much time in the pressure cooker of the day to day and not enough time considering the

changing world, putting in place long-term plans and assessing the risk of those plans.

If this is you – then work out how to change this. Or get help. Or both.

Reviewing the situation

"Successful people ask better questions, and as a result, they get better answers."

Tony Robbins

Most of us focus our attention seeking out answers. But as Tony Robbins has so succinctly put it, it is the questions that are important.

Once again, when we are in the cauldron of our own businesses it can be very difficult to break free. We will consider time and freedom in our next section. Within this cauldron, the temptation is to try and seek out quick answers, especially to problems.

If you have cash flow pressures, for example, the answer is to get some funds – and quick! However, is this the right answer? The better way to deal with this is to ask a question, "why have we got this cash flow problem, how did we get here?"

This could be a much better question than "how do we find the money to plug the gap?" because the answer to the better question could be that you have a toxic customer (who fails to pay you or pays you too slowly) and you need to find better customers.

Or it could be that your financial adviser or in-house accountant is not managing the cash properly, in which case you need to get a different person in place.

Freeing yourself up from day-to-day pressure has multiple benefits. It allows you time to plan, to ask questions and to instigate constant reviews of everything to engender consistent improvements.

One of the greatest questions you can build in to any of your regular meetings is:

“If someone was buying my business tomorrow, what is the one thing they would change for a quick win?”

This is a question which focuses you towards decisions/actions which will stimulate major changes. By thinking of how someone else, a new owner, would take the business forward, especially for a “quick win” it will spark inspirational ideas about effective changes.

Suggested actions #4

1. Assess if you need to make fresh decisions about new or different actions that you should take to adjust your planning to your goals.
2. Review your position with the question – what is one thing I can do now to <u>radically</u> alter –for the better - my long-term position?
3. Then follow this with "What would someone change if they were buying my business tomorrow?"

Time

Time is such a multi-faceted subject, with influential factors for all Business Owners to consider and tackle. Ranging from how to organise yourself and others to maximise outcomes – from the limited number of hours available; through to bigger issues around how to make the most of your life, including the classic work/life balance. In this section we seek out ideas and tips around how to conquer the pressures so often exerted by trying to achieve a lot in the time we have to do it.

You can't buy back time. There is no second innings.

This is it! It makes perfect sense in that case to look at ways of maximising or optimising the time spent within the business.

If you can do more with the time you have available, you will get better results.

Or if you can do the same, in less time, you will have more time to do other things, for example spending more time with your family.

The hours and days are not elastic. But what you do within those hours and days is.

One further aspect, if you are in the brigade of "I am so busy, I have so much to do" feeling pressured or consistently at the outer edge of getting everything that needs doing, done

– then it is very likely you are not maximising possibilities or results.

The 4 hour week

"The 4-Hour Workweek: Escape 9-5, Live Anywhere, and Join the New Rich" is a best-selling book by Timothy Ferris, an entrepreneur. It has sold somewhere close to 1.5 million copies. He has backed up his thesis with practical applications, claims to have adjusted his life to these principles, written two further books (which also sold exceptional numbers) and has worked with some of the most progressive global companies around. As a result, it is worth reflecting that this is far more than a neat idea.

What Ferris really nails in this book is not especially that you can get all your work done in 4 hours per week, more that **the assumptions underlying the normal working methods or structures should be completely revisited**.

There is far too much for us to replicate in these pages, so we recommend all people in business, who have not yet read his book, should do so.

One aspect however that we will mention is Tim's emphasis on really being aware of and working on the 80/20 rule.

The 80/20 rule

Most people are familiar with the 80/20 rule, developed originally by Italian economist Vilfredo Pareto in the late 19^{th} Century, hence why it has been coined the "Pareto Principle".

What may be less familiar is that this principle has serious mathematical roots, with considerable supporting evidence to its validity. In other words this is not just a concept, but something very real. You can use this in your business and in your finances in a large number of ways.

For example, it is highly likely that 20% of your time is spent on 80% of your productive activities.

Tim Ferriss suggested that one of the ways to get more out of your day or week is to question the 80/20 rule **constantly**. What are you doing 20% of the time that is working to create 80% of your results?

A consistent approach to questioning this aspect, followed by ***constant revisions***, almost an iteration of adjustments around how you spend your time, will start to generate ever ***greater returns***.

Those returns, if applied successfully, can be measured as freeing up your time, whilst you are simultaneously gaining better outcomes.

Ferriss advocates the use of consistent, possibly weekly, reviews on this one aspect.

7 other ways to use the 80/20 rule

The 80/20 is not just about time and productivity. It can be applied in just about every part of a business or a business owner's work and personal life. The key is to adopt this into your thinking and apply everywhere you can. Plus to consistently review and adjust. Here are 7 other areas to consider whether the 80/20 rule applies:

- Is 80% of your revenue coming from 20% of your customers?
- Are 80% of your costs responsible for 20% of your output?
- Are 20% of your team producing 80% of your positive results?
- Are 20% of your new enquiries producing 80% of the conversions?
- Do 20% of the meetings you hold take up 80% of your 'meeting time'?
- Is 80% of your marketing cost, responsible for 20% of your marketing results?
- Are 20% of your suppliers relevant to 80% of your profits?

Of course, these are just examples. Meant as stimulants towards a type of thinking. If you can think in these terms right across every aspect of what you do, including your personal time and finances, and also what your business does, there is every chance you will make seriously impressive changes to your ongoing position (and results).

Focus

A keen aspect of managing time, increasing results and improving the chances of huge success comes from a ***disciplined focus***.

One of the temptations in any business, especially once positive things start to happen, is the idea of diversification. This can come in many forms.

An example would be where a business owner starts to make real, significant profits. Rather than focusing in on increasing the profits even further from the core activities, they choose to start diversifying, believing their success in one field can be replicated in another. They might start to develop a property portfolio or buy or invest in another business in a completely unrelated field.

Diversification is an important element in investment structures, but it is not the case within the business structure. It is far more likely further success will come from building within the confines of what is working – and has worked – to that point in time.

Focus is a common trait found in successful business owners. This can be seen at times as obsessive, laser-beam, focus which applied diligently can generate incredible results.

Losing this or becoming distracted is a serious risk.

Freedom

One of the most consistent – and ultimate - goals people seem to apply, **is the desire to be free**.

Freedom is a very powerful word, which can have multiple connotations. We will examine financial freedom separately in a later part. However, freedom also means the freedom to do what you want when you want.

If your to-do list and your busy-ness is all embracing, dominating your days and weeks, then you are not properly free. You are a slave to your business. Under our definition, you are not then properly in business on your own terms.

"It's not enough to be busy, so are the ants. The question is, what are we busy about?"

Henry David Thoreau

Just as it makes sense to constantly review the 80/20 rule, you are also likely to benefit if you make regular revisions to your working approach. Based on the question "how can I free myself more tomorrow than I did today?"

Your version of 'freedom' will be personal, as we all have different requirements, preferences, work schedules and tasks, hobbies, family situations and businesses.

There is no prescription towards freedom, but there is methodology which can be applied so anyone can become freer day by day, week by week – and that is this basic process:

- Question
- Review
- Adjust

By its very nature, changing and evolving means doing things differently today than you did yesterday and doing them differently tomorrow than you did today. This is one of the great lessons of instigating constant improvement: change and exploring change is a relentless quest.

The aspect of making changes or improvements that is so often missed seems to be the ***regularity of reviewing <u>everything</u>***. It is an ongoing process and attitude; if it becomes something that is a 'moment in time' then it will not work, or will not work as well.

Delegate!

We would guess that if you are like nearly every other business owner, you will have several jobs or tasks that you regularly do that you simply don't enjoy. Or you don't want to do them but you feel ***you*** just have to do them.

In just about every case this will mean you shouldn't be doing them and the trick here is to delegate them.

Think of any task you do that you feel you would rather not do. Now imagine how you can delegate that task.

Great executives are typically great delegators.

Retirement

"There are some who start their retirement long before they stop working"
George Half

Retirement is the final aspect of 'time' as we consider it in these pages, as it represents the culmination of the link between the Business and personal financial objectives. In many ways this is a subject which could be covered all on its own but as this is a Book for Business Owners concentrating on specific business steps, we bring it in at this juncture as a link in the chain.

What ***exactly*** is retirement? And what does it mean for you?

The convention suggests that retirement is the time when you stop work. But as discussed earlier, the world today is a very different one than the world around previous generations.

It is likely to be somewhat different again in the future, exactly how one can only guess.

One factor however is that the requirements expressed by most people about retirement, or certainly about ***later life***, tend to be very consistent.

Those requirements are typically: **"I want good health, to be financially free, comfortable and to be able to enjoy myself".**

In this respect, retirement is therefore not so much a distinction between working years and non-working years, but a period of one's life, which may or may not include work. It would be nice to have the choice!

Thinking like this changes the way we can consider the financial planning aspects of retirement. When all is said and done, ***there is no end point, financial planning is about meeting continually shifting needs and circumstances, planning for the unknown and making sure at all points in your life – however long that may be – <u>you have enough money</u>.***

Up until recently the fixation has been on questions such as "how much do I need to retire?" – But questions like these are the wrong questions!

There is no figure which constitutes your 'retirement figure' – because no-one knows, or can tell you, how long you are going to live, if you are married, how long your spouse is going to live, what health care costs you may need and so on.

Therefore, you constant quest must be to plan to make sure you have enough money for the rest of your life. This applies this week, next week, next year, the 10 years after that and so on. Because if you think about it, you want and need to have enough money **now** to pay your way, you want the same position **next year** and in **20 years**, in fact every year you live.

Which means retirement or, more succinctly, planning for retirement is a red herring. Because what you really need to target is your "financial freedom date" and try and work out how to arrive at this as quickly as you possibly can.

Your financial freedom date

One way to approach this is to rethink the way you are likely to 'receive' monies throughout your lifetime. The traditional or conventional model was that a typical person received a salary through their working years, retired and then received a pension for the rest of their life.

For many reasons this has gone out of the window.

It is a position that has changed in recent years and is likely to continue to change in the future.

Some of those future changes are difficult to predict and are unknown. An example would be economic conditions and, in particular, the ability of government to provide adequate public services, such as care.

The emphasis for the future should therefore be on becoming "financially free" and working towards this as soon as you can get there. The definition of financial freedom is going to be personal.

It will depend on your circumstances, both current and future projected, your wishes, your lifestyle desires and your legacy wishes amongst other aspects.

Your personal financial cash flow can help to set out what this definition may look like in your case.

It is generally going to be the position where you have enough wealth, come what may, to last you for the rest of your life.

As a person in business you have distinct advantages, because you can control so many aspects of your finances and can dictate your pay and your destiny in far more elastic fashion than an employee.

You also have the ability to affect your business performance, long-term success, exit date and the terms of your exit and – crucially – the amount of money you realise from your business.

Your Business, in this sense, is your cash machine and can be highly influential in how/when you hit your financial freedom date.

We can now explore these financial factors.

Suggested actions #5

1. Have a review meeting to specifically adapt the 80/20 rule into your business – especially in the context of allocating your personal time.
2. Build in such meetings for this specific purpose on a regular basis.
3. Separately have a ledger which notes ideas about how you can develop more time to do the things that really matter to you.
4. Discuss with your key team and embrace their ideas into this working practice.
5. Delegate every last job you currently do which is either not contributing to the radical improvement of your Business or which you do not like/want/need to do– to someone else in your team or contract it out of the building.
6. Develop and retain a laser-beam focus towards your work and goals. Avoid diversification and expansion into unrelated areas, unless this is carefully risk-managed and is line with your overall plans.

Money matters

The flow of money into your Business, which is both the fuel for your Business and for your own personal requirements, is a subject which has many nuances to it. And one aspect more than any other is important – you can make a big difference to the here and now and to your future results by how you deal with the money side of things. In this section we explore some of the key actions you can take to make a big, positive difference to your life through money management.

Pay yourself first

The Power of Self-Discipline Leads to Cash Flow

Written by Robert Kiyosaki (Author of Rich Dad, Poor Dad) Tuesday, February 12, 2013

"It takes self-discipline to increase your cash flow by paying yourself first, to deal with people who want to take your money before you pay yourself and to negotiate deals, and to spend your personal time wisely by increasing your financial education and finding great deals and opportunities.

If you can master these self-discipline skills, you can be rich.

Use pressure to grow your self-discipline

Now, I can hear some of you objecting because you believe in paying your bills first. I am not saying don't pay your bills. All I'm saying is pay yourself first. Kim and I have been doing this for years and reaping the benefits. Were there times when we came up short and didn't have the money we needed to pay our bills? Yes.

When we occasionally came up short, we still paid ourselves first, however. The government and creditors would call and howl. I let them. I like it when they get rough. Why? Because they do me a favour. They inspire me to go out and create more money. They grow my self-discipline through pressure.

So, I pay myself first, invest the money, and let the creditors yell. I generally pay them right away and have excellent credit. We just don't cave into the pressure of liquidating or spending our savings to pay consumer debt. That isn't the financially intelligent thing to do. Instead, we grow our cash flow."

Being in business as an owner or entrepreneur provides you will an outstanding opportunity to dictate your own pay.

"They inspire me to go out and create more money" – what a wonderful statement. Surely Robert Kiyosaki is not the only person able to do this? Surely if we model his approach we can all do the same. Before looking at this further, we need to explore why paying yourself first is truly important.

We know from all the available evidence and all the best sources that wealth creation comes from a disciplined approach to savings.

Therefore, if you can dictate your own pay and control your own financial outcomes, you can use your business to create long-term wealth for yourself.

Everyone has the power to save, because everyone has control over their expenditure. You – as a business owner - just happen to have even more control over all aspects then those who are not in business on their own account.

People tend to spend, more or less, what they earn.

The paradox of this whole concept is beguiling. It can trick people's minds, it can take something which appears simple and make it seem incredibly complicated.

The idea is that if you have ten random people in a room, from different walks of life and different backgrounds, with different income levels and wealth positions and ask them what they spend, the answer will invariably be that they spend what they earn, more or less. The ten people between them will just about spend on average what they earn on average.

The expenditure is inherently linked to the income. This has been shown to be true across continents, across social classes and most economic structures, both ancient and modern.

Two neighbours living next to each other may earn different amounts, For example let us say, one earns £20,000 per year and one £40,000 per year. Their expenditures will be different. **This is because typically people will adjust their expenditure to their income level.**

It's that simple and obvious.

But hold on – let us think this through some more. Don't those neighbours live in the same world, do they not both need to breathe and eat, love and cherish, and want happiness and good health? Why is their income, which after all is a money thing invented by humans, dictating their expenditure? Which in turn influences what they do in life?

We are essentially victims of our circumstances in this respect and this is what the enlightened wealth creators have realised. We don't have to operate like this.

"Some of your members, my students, have asked me this: How can a man keep one-tenth of all he earns in his purse when all the coins he earns are not enough for his necessary expenses?" So, did Arkad address his students upon the second day "Yesterday how many of thee carried lean purses?"

"All of us," answered the class.

"Yet, thou do not all earn the same. Some earn much more than others. Some have much larger families to support. Yet, all purses were equally lean. Now I will tell thee an unusual truth about men and sons of men. It is this; that what each of us calls our 'necessary expenses' will always grow to equal our incomes unless we protest to the contrary.

"Confuse not the necessary expenses with thy desires. Each of you, together with your good families,

have more desires than your earnings can gratify. Therefore are thy earnings spent to gratify these desires insofar as they will go. Still thou retainest many ungratified desires."

From The Richest Man in Babylon by George S. Clason

There is rarely a budget that cannot be changed.

Finding the ways and means, plus the self-discipline to make this a priority is the cornerstone of wealth creation.

For the person in Business this can be accentuated by the business position. An employee only has to worry about their own position to generate lower expenditure in their household than their employed income.

The business man or woman has to think of their business as well.

There are two ways to deal with this. Spend less than you earn, or earn more to cover your outgoings and this has to include savings for the future wealth you are seeking to create.

The great advantage for the business person, someone who steers their own ship, is they can largely dictate their level of earnings and they will have far more scope to rearrange their affairs to earn more.

It is this aspect where we often see inadequate action. Probably due to a lack of knowledge.

There are three distinct steps a businessperson can take to affect their positions:

- Actions can be taken **within the business to adjust revenue, cash flow and profit** to provide greater earnings for the owner(s)
- There are myriad ways of 'paying oneself' the business person can **positively affect their tax payable and their net pay**, quite legally, to maximise the amount they keep, both short and long term
- Expenditure can be adjusted to enhance the amount of net pay **which is dedicated to wealth creation**

We recommend that each of these steps are taken and combined to produce positive short-term and long-term improvement in an individual's wealth. If necessary, find the best professional help to support this. Results can be astonishing in this respect. Two business people in roughly similar starting positions can have very different outcomes based on decisions and actions taken with respect to these three steps.

Wealth is created by saving

As a business owner, or person in business, there are two ways you are going to create wealth (you might also inherit wealth, but this is not wealth creation), through your earnings from the business or through the sale of your business. Of course, you may also do both.

Your earnings only allow you to create long-term wealth provided you save some of your earnings.

Disciplined savings, regularly saving a sum every month or year, coupled with growth on the amounts saved is the basis of all wealth creation.

The more you can save, the quicker, the better. However, your Business can also be your cash machine.

If you can create a truly valuable business, which has an independent aspect to it – so it can be built to operate without you – then you can expect a decent payday at some point in the future. Let us call this your extraction point.

There is a dynamic taking shape here between the different factors we are highlighting.

If you can revolutionise your business in the short-term to pay yourself first and a desired amount (which is more than it is today) you will have more money to put into wealth creation.

Doing this, provided you can also develop the turnkey element, will have the knock-on effect of making the business stronger, more valuable and will enhance the payment you will receive at your extraction point.

We describe this as the win/win element. The short-term boosts you get - also have longer-term value.

Two 45 year old's:

One starts saving now - £2,000 per month and increases this by 5% year, plus gets 5% per year net investment return on the amounts saved.

One waits for five years (their business pressures do not allow them the freedom to save) – then starts saving £1,000 per month, increases this by 5% per year, plus gets 5% per year net return.

Who has what at age 70?

First person
£2,014,904

Second person
£629,746

There is much to be said therefore for organising your business, your pay ('extraction of profit') so you maximise the amount of money you have today to generate longer-term savings.

Leveraging your tax benefits

Running or owning your own business provides you with the most wonderful opportunity to manage your affairs to maximise the tax system in your favour.

The tax code, which basically means the book of tax rules, is a long one. Many would argue far too long. It is convoluted and extreme, in the sense that there are so many different types of taxation, reliefs, allowances, rates and schemes. There are personal taxes and also corporate taxes.

Then there is tax and separately there is national insurance.

Ironically this complex and detailed system, which at times can even flummox the tax authorities, throws up **countless ways of organising your income and expenditure to pay completely different amounts in tax**.

Put another way – two broadly similar businesses and their owners could have radically different tax positions. Simply because of the way affairs are managed.

Paying less tax, legitimately, is a way of leveraging savings to your benefit.

Take a simple example – two business owners both receiving a gross amount of £60,000 per year through their businesses arrange their affairs in different ways, one pays a total tax amount of 15% each year, the other 30%. One 'nets out' after tax at £51,000, the other at £42,000.

The £9,000 difference is a big deal, because over 20 years this can accumulate to £250,000 or more in additional savings for the lower tax payer and his/her family.

There is simply no argument in favour of doing any other than finding ways to get from A to B, than doing so paying the least amount of tax.

Great tax savings methods

- Make sure you have the most tax efficient constitution, you can normally organise the business as a sole trader, partnership or limited liability company. Different constitutions can have radically different outcomes in terms of profit and pay, total taxes levied.

- Utilise all your allowances, there are so many it is not possible to list them all. You have allowances around personal pay (your personal tax allowances), pensions, and corporate tax and so on. Make sure you are utilising the lot.

- Likewise, use any family member's personal allowances, this needs to be done with care in terms of respecting and meeting the appropriate rules. But children for example have personal allowances and you may be able to provide them with a shareholding in the business so they can receive profits tax efficiently.

- Try to make everything a business expense wherever possible, to reduce your profits (which are taxable) and get your business to pay. A great example of this is one we referenced earlier where you can arrange (if you have a company) for your personal life assurance costs to be paid from the business. This will save tax/cost. **This is known as a Relevant Life Policy**.

- Use pensions and the contributions you or the business, on your behalf, can make to these. Pension contributions mean you can extract funds from your business, not only avoiding personal taxation but probably – in most cases – getting tax relief. **Note, two things: under the new pension freedom legislation it is much easier to extract money out of a pension in the future. Second – as a business owner – you have pension structures which can provide loans back to the business, for the pension to buy business assets or buy a commercial property. There are also "Family Pensions" and ways of joining up partners or shareholders pensions together to support business objectives.**

- Gear your extraction of profits to the lowest tax rates, the tax rates on personal income are different to the corporation tax rate.

Can you alter your pay?

"Entrepreneurs believe that profit is what matters most in a new enterprise. But profit is secondary. Cash flow matters most."

Peter Drucker

Although referencing a "new enterprise" Drucker's point is as true for any stage of a business's life.

Cash flow is the life blood. We would not suggest ignoring profit or any other aspect of your business, but if you can radically improve your cash flow then you can start to make sizable differences to your long-term position.

One of the tasks to examine is not just ensuring you pay yourself first, but also to increase your pay.

Improving cash flow will enable you to do this.

What do you currently pay yourself? Could it be more? The answer is almost inevitably going to be "yes".

There are few situations we have encountered where it is not possible to increase pay and normally by quite a lot.

This is another area where consistent questioning coupled with outside help (someone with a good eye who can make suggestions) will prove invaluable.

Questions almost always pre-empt positive change. Simply asking the question "why are you paid what you are paid?" followed by "how can you change this?" is a spur to **making decisions and actions which can produce the required outcomes.**

What is it that is stopping you from having more pay?

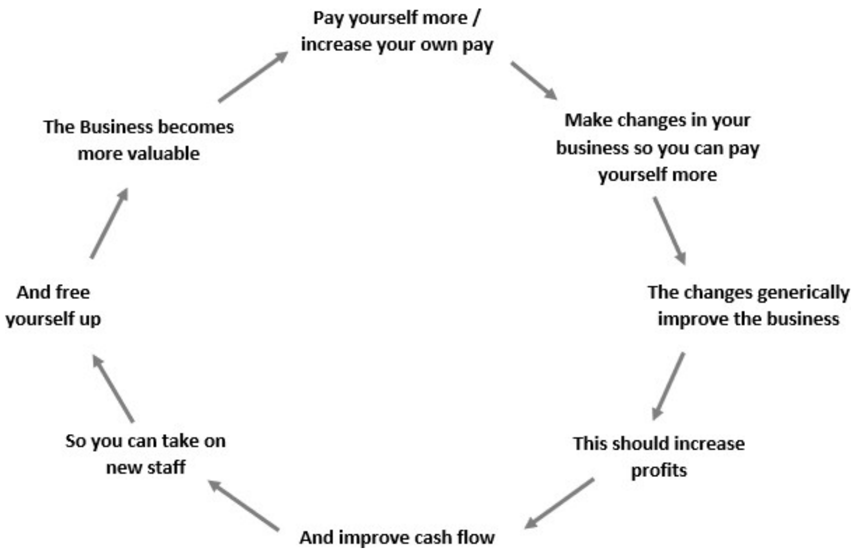
This is not about money for money's sake, it is about **linking your business results to your long-term wealth creation**, so that you can be free and do all the things you want to do.

The circular benefits of improvement in one area knocks onto another.

If you can increase your own pay, you will need to make changes in your business. It is quite likely these changes will foster a better business (because to pay yourself more, the business will need to become leaner or more productive or more profitable, plus will almost certainly have to have improved cash flow).

A better business will become more valuable and therefore it should become more attractive to a future buyer.

To pay yourself more, you may have to reorganise, to free up more of your time to do more of the productive work which produces the greatest returns (the 80/20 rule). This means you may have to employ new people or better people, who will then help the business to grow more.



Ensuring you have more than enough

As stated, the idea is simple: your objective is to ensure you always have enough money to pay your bills and to lead the life you want.

The precise requirement will alter at different life stages. Earlier, during the so-called working years, you will want to pay yourself (the amount you desire), to cover bills, to have freedom of choice and to have enough money to make significant savings towards the future.

You will also need to pay for all the insurances required to make sure you and your family are properly covered against misfortune.

At some later date – possibly the so-called retirement years – this will shift and you will want to convert some of your wealth into income.

There is never going to be a day when you want to be short!

There are two big action points which will support you in meeting this objective:

1. **Assess your position using a cash flow modelling approach**. We have covered this in detail earlier. This will enable you to plot your pathway and make appropriate decisions now and set your business and personal financial plans accordingly. You can then review this regularly in the future and make further adjustments 'as you go'.

2. **Work to a structured wealth management programme**, especially in the context of your savings/investments. If you were to adopt our suggested approach outlined to this point we believe you would be very well set to meet your goals. However, one risk, which we have only briefly touched

upon, is that your savings and wealth are poorly managed. This is avoidable if you work to a disciplined wealth programme with your financial plan. What does this mean? You should save and invest your funds using **proven investment structures and strategies**. It is remarkable that amongst all things written, said and promoted about investing – and how to invest – there is very little mentioned about strategy. The evidence about which is the most successful strategy to pursue is overwhelming. We will not go into detail here, except to reference that research paper after research paper and evidence from the market itself always shows that **pursuing an asset allocation strategy produces the optimal returns**. Yet many investors choose to adopt other strategies. If you are saving and investing then the prize available to you should you make the optimal return, over time, is a big one. As you will optimise the amount you accrue. You should ensure you are utilising the best wealth management and investment programmes.

Your legacy

An added value of making sure you have enough money for the rest of your life is that you will almost certainly leave a legacy.

We find many people have developed very strong views on this subject over the past years. For the majority of people we work with, leaving a legacy is an important and highly meaningful part of their future goals.

One aspect of legacy planning, sometimes called estate planning, is the growing desire to protect the bloodline.

Conventionally estate planning was driven by tax considerations and the need to save or avoid Inheritance Tax (IHT). However today it seems that the bigger concern – for most – is the need to keep wealth 'in the family'.

This must be linked to trends and modern norms with respect to marriages and divorce.

A simple question is this – "are you happy for any of your wealth, after you pass it on, to end up with an **ex son-in-law or daughter-in-law?**" or worse, "with the ex-in-law's new spouse and their children?" These questions, in our experience, have highly consistent responses – which basically amount to "No way!" in well over 90% of cases.

This is what legacy planning is all about. Making provision to leave wealth so it will stay in the bloodline. In doing this if you can also save or reduce IHT then this becomes a win/win. But rarely today is the IHT saving the starting point. It is the bloodline planning, which is the key. Financial Planning is incomplete unless it is viewed as incorporating legacy requirements; your financial pathway, your decisions and actions will need to embrace these requirements as much as any other.

Mr Bloggs' Estate

No Legacy Protection

Joint Assets

Assets pass unprotected to Mrs Bloggs

Children face the risk of receiving none of their parents' legacy

Mrs Bloggs

Mrs Bloggs dies leaving estate to new husband

Or later gets divorced with the legacy at risk of becoming part of the divorce settlement

Suggested actions #6

1. "Pay Yourself First" – examine ways you can increase the amount you pay yourself from the Business, exploring business changes and improvements, making use of all favourable tax schemes and ensuring the business is paying you the desired amount.
2. Check out all possible statutory tax schemes and tax reliefs.
3. Look at the amount you are saving (your "wealth creation amount") every month and work out how this can be increased NOW.
4. Review, again, your goals, in light of all of the above and ensure the actions you are taking in respect of your increased pay, improved tax benefits and your regular savings are in line with your goals.
5. Look to review and question your current strategy and ensure you are using the most efficient and proven investment and wealth management strategies to manage your affairs.
6. Determine your legacy requirements and check that you are aligning these into your wealth management programme.

Your team

It is unlikely you will build a Business all on your own, inevitably you will work with other people and be responsible for a team, both internally and externally. The quality and performance of the team you work alongside will have serious impact on what occurs. This section highlights the actions you can take to make your team sparkle, be exceptionally productive and work to enhance your Business to new levels.

Assembling the best people to work for you

"Coming together is a beginning. Keeping together is progress. Working together is success."
Henry Ford

As soon as a business has more than one, it becomes true that the likely success of the business will be down to the quality of the people, the so-called 'staff' or 'team'. If one argues that cash flow is the most important factor, or the customer, or the product or the service, then the reality of what is occurring is lost.

However important customers, products, cash flow or any other aspect are, these do not exist on their own, independent of decisions taken by the owners, management and personnel within the team itself.

Take cash flow as an example, which is the lifeblood of the business.

Get the cash flow wrong and the business may well fail. But there is no cash flow problem or success except where a decision has been taken from someone within the business.

If a service is supplied, where the cost of providing the service is incurred before the fee for the service is received (a likely situation to create cash flow problems) that decision would have been taken by a person within the business.

Whatever strand of the business is examined it will always lead back to a person or persons and to decisions or actions taken by them.

Simple logic and a straight-line connection leads to an equation: the better the people in the team = the better the business.

Getting the best team in place will be the kernel to many positive outcomes.

Get Help!

Hiring the best people is arguably one of the most important decisions you will ever take. Who to bring into the business and then, how to motivate, manage and reward them.

We are not recruitment experts, but we have experience of helping businesses where we have seen the good and the bad of great recruitment and have experience of teams in our own business.

Here are the top tips we have, based on observing the impact of hiring decisions:

1. Hiring is so important, it should be something you spend a lot of time perfecting. Take time out to consider and plan the hiring process.
2. Likewise make sure you hire the right person or outside help, not the easiest or closest option, or the first one to appear.
3. In today's world, social media allows for fantastic opportunities to hire without the need for hundreds of CVs, countless interviews or recruitment agents. Explore how you can develop hiring across social media.
4. In hiring or working with anyone new, ensure they understand your purpose, vision and the full extent of your business plan. Check that they properly buy into this and share your values.
5. Pay and reward generously, especially seeking out ways to reward people who help you build (as opposed to coming in to do a job).
6. Look for people who will not need much in the way of management, whatever the job, project or task, seek out smart people who will deliver without controlled management.
7. That being said, ensure you have constant training and development programmes in place for your team,

so that it is not only you improving day by day, but your team as well.

8. Look for strong and positive ***attitude*** factors, ***not aptitude*** factors. Finding people with positive attitude is far more likely to work and far less likely to produce problems down the line.
9. Be very wary of interview answers and CVs, many people can be accomplished at presenting so that they can provide you what you want in the 'looking' and interview stages. They can mask underlying factors which may put you off. Likewise references cannot always be truly relied upon. Find ways of properly testing someone in practical ways where the mask cannot be applied.

For a further set of thoughts, here is great article giving the views on hiring from 30 top business leaders: **https://www.entrepreneur.com/article/234096**

Your team will make more difference than you will

One of the great aims of any business person should be **to construct their business so that it can work without them** – or that someone else can come in and operate the business, in the owner's absence, seamlessly.

This is the "turnkey" approach.

This concept was brilliantly dissected by Michael Gerber in his bestselling book: "The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It".

Gerber identified a central problem in most small businesses, the so-called myth of the entrepreneur (hence the title 'e-myth'). The problem is that the entrepreneur is most commonly taking on every role in the business, including some or all of the technical work, the entrepreneurial aspects and the managerial functions. Apart from the fact that many small business owners struggle to do all three, for reasons of experience or competency, there is the added problem of ***time***.

Sooner or later businesses start to fail, because of this.

The owner gets tired, stressed and demotivated, possibly runs out of cash and goes under. Or gives up or just exists.

The Turnkey Revolution is designed to tackle this.

Gerber introduces and suggests that the owner or owners focus instead on the process of creating a business **in the form of and similar to a franchise**, even if that is not the ultimate goal of the entrepreneur.

When doing this, it becomes easy to systematically turn certain parts of the business over to someone else and gradually become solely an owner.

Business owners should therefore focus upon systems and processes, revolutionising these as if they were building a franchise model. They should get the right – and best - people in the right place, with a clear structure and job description for each and every one. And then let those people work with independence.

This is a crucial way to make a business function better, motivate the team members, free up the owner for more productive tasks and will make the business eminently more profitable and valuable.

In this respect aiming to make your team members more valuable to the business than you are, is a significant goal.

Asking employees to engage in the business, asking their opinion on key decisions, asking them what they want from the business, seeking ideas, giving them the freedom to act unilaterally, will provide a higher level of engagement.

Protecting your Team

Assuming you have key people or are developing people to become important cogs, then it is important to make sure the business is protected against the loss of a key person.

If you reward, motivate and incentivise your people well, you will provide protection against them leaving. They will be less likely to do so.

You should protect against them becoming ill or worse, dying. The loss to a business of a key person becoming off work for a long period of time or dying will be very high. Therefore, your business should insure against this and introduce key person insurances wherever possible.

In this case should something untoward happen, a payment will be received by the business in compensation.

Getting help – your team includes those people you work with outside the Business

"When the Great Recession hit, we, like the rest of America and the world, lost our way. We listened to all the doomsayers, and watched as our business fell apart and our lives and family suffered. We, like everyone else it seemed, accepted excuses for the loss. After all, it wasn't our fault the economy failed, the weather was bad or the government screwed things up. And if it wasn't our fault, then we couldn't fix it—or so we told ourselves.

"Then, one day in late December, we woke up. Angelo and I had previously used a consulting firm in the earlier years of the company to teach us some of the basics of business, to give us the tools we needed to run the company by the numbers—not just by our feelings. Back then we had realized that while we knew painting inside and out, the business of the business was something different and we needed to learn it. That helped us back then, so why not do it again? It was a bit of an ego issue— admitting we needed help— and yet, just as we tell our clients, when you want a job done right, bring in the professionals. And so we did again.

"Those first days and weeks in February were challenging. The GPS team guided us down some difficult roads of self-discovery. They helped us come to terms with the fact that if we wanted a different future,

then it was up to us to start acting differently, to change our behaviour, to adapt to the changing times and to stop accepting excuses from ourselves and from our staff. In the process, the GPS team gave us some great tools and helped us fix some of our broken tools, but, more importantly, our consultant got us back in touch with who we are. Henry taught us how to transform our 'common sense' into 'business sense.' He taught us to stop reacting to issues and instead respond to changing situations, to have a plan, follow through on that plan and respond appropriately when things don't go as planned. He gave us metrics—a way to look at our business with numbers, rather than through the lenses of feelings or emotions. Yet, at the same time, he helped us harness our emotions to drive our passion and build the company and our employees."

From an article: Thesis Painting: an American Success Story

There are two common reasons why outside help is not used by a business or not used properly or often enough.

One is because the business owner does not recognise the value of help. This can be through factors such as pride. The other is down to money, the costs of getting expertise and help for the business is seen as prohibitive or poor value.

Quality help or support can, and should be, ***invaluable***.

There are powerful reasons why seeking outside help will produce big results:

It is rare for any business to have all the skills and knowledge in-house to deliver all the requirements of the business.

Questions are a key aspect of making decisions. Having an outside view can produce different questions, which can lead to better decisions.

For an owner who has many, if not all, of the pressures of the business falling onto them, having support can be exceedingly beneficial.

Outside help can spot problems or solutions that someone inside may be missing.

Likewise, **the right help** can bring new ideas, and possibly experience of building a business.

Exactly what help to get, when and for how long is dependent on the requirements, plus the specific business circumstances. But help should always be sought for the reasons outlined.

As with the internal team elements this should be the best help you can possibly access. Quality will always pay in this regard. Too many businesses work with inadequate advisers or outside helpers.

You should employ the same rigorous standards when seeking outside team members as you do seeking employees.

There are few businesses that would not be better off working with a business coach (of the highest quality) and utilising the very best financial advisers, accountants and technical support.

Suggested actions #7

1. Review your hiring policy and strategy. Find any which way you can to improve this.
2. Review and, wherever possible, improve your trading and development programmes for team members.
3. Constantly share your vision with all your team members. Involve them in decisions, especially ones that engender changes.
4. Find ways of rewarding the team better. Introduce improved rewards on a regular basis.
5. Make sure you (and the Business) are protected from losing a team member.
6. Look very carefully at whether the team is more important than you are, consider whether your Business is truly turnkey and if it isn't, start putting in measures to make it so.
7. Consider the outside help you are currently using – is this the best individual or firm in that area of expertise? Only work with the best, get rid of any that do not come up to the mark.

Making your business valuable

In this section we wish to create a direct connection between the future value of your Business, the wealth this will create for you and how this can transform your retirement position. We will explain why retirement today and, in particular the future will be very different to the retirement of past generations. As with all other sections our objective is to show how this major issue, both at a society and individual level, can be tackled by decisions taken within and about your Business.

Wakey, wakey!

This isn't directed at you but the world around us, in general.

Waking up to what is going on is an apt methaphor. Because it seems we are sleepwalking as a modern society into a BIG PROBLEM.

The science and mathematics of "retirement" and the various related factors are not properly understood. Sadly, this may apply to many experts as well as the general population.

To simplify and summarise:

Modern retirement is very different to the retirement of past generations.

A typical retiree 20 years ago would have had a reasonable expectation of State pension support, plus in many cases a likelihood of a guaranteed company pension.

Their life expectancy would have been lower and their threat from long-term care costs less.

When anyone retires they will have a series of risks to consider:

Longevity risk – living a long time, involves a risk of running out of money.

Inflation risk – income in retirement, if not inflation-linked, can get pulverised. High inflation decimates (very quickly) buying power.

Investment risk – if an individual relies on savings or investments to help with their needs in retirement, if this money remains invested, investment risk becomes a factor.

Care costs –with costs of £50,000 per year or more for even modest care needs, this is a huge risk.

What is interesting is to look at these risks and to realise that they are all **a factor of <u>longevity risk</u>.**

If you retire at 65 and live to 68, inflation risks don't matter, investment risk doesn't matter and you won't have to pay for care.

However, if you retire at 65 and live to 105, inflation is now a big threat, so are investment risks and likewise you may well need 10 years of care, paying £50,000 per year or more.

So all risks lead back to longevity risk.

The longevity risk has increased in recent times, quite dramatically.

But other things have also happened:

The guaranteed pension support, which existed for previous generations, has fallen off a cliff.

Imagine you are in a highly attractive blue-chip, guaranteed final salary pension, which is inflation linked. Look at those risks again – longevity risk, no problem, your employer's pension will pay out as long as you live. Inflation risk, no problem you have an index linked pension. Investment risk, no problem, there is no investment element. Yes, care costs might pose a problem, but you can probably navigate this by some simple measures.

So past generations didn't have the same risks or level of risk.

However, it doesn't stop there!

Since the shift in generational retirement pattern has changed, **most of the key market conditions have been favourable to the retiree**. Low inflation, burgeoning and steady asset (investment) returns have been the order of the day. House prices have been steady, allowing people to downsize.

At the very time the trend in retiring has changed, all those things that could seriously jeopardise the modern retirees' plans **have behaved themselves**.

This is very unlikely to continue into the future, it is simply not the nature of economies and markets to behave themselves!

Expect bad market conditions, poor investment returns for multi-year periods, and higher periods of inflation and so on. Plus unexpected shocks. The experts may predict otherwise, but the experts are often ***very wrong***.

Markets and prices fluctuate and governments, ultimately, cannot control these for long sustained periods.

How does all of this relate to you and your Business?

Firstly, when we talk about retirement we are not necessarily describing actual retirement, but more the later stages and years in an individual's life. This may or may not include a cessation of all work.

Essentially those years when you will need to be producing income from non-working sources (bear in mind when you stop working may not be totally under your control).

In order to generate income in retirement you will probably need a sum to cover the longevity risk (remember if you can cover this risk fully, you will cover all other risks by extension) **which is mind-boggling in comparison to the amount past generations needed**.

Based on late 2017 figures, safe income rates etc. to cover £50,000 per year and to have this income indexed will probably require a sum of £1.5 - £2.0 million.

There are many assumptions in that bold sentence above, individual circumstances will vary considerably, but the point, hopefully, is made: the sums required today to get ***a certainty*** of income and to manage the longevity risk is **BIG**. Much, much bigger on average than your parents or grandparents' generation would have faced.

However much we encourage you to revolutionise your business to pay yourself first, and pay yourself more and by consequence save more, you will probably not get from A to B simply by doing this.

Your Business needs to help you.

By becoming valuable, so you can make your share ownership of your Business valuable, in order that at the right moment, it can be cashed in, in some form or another, to give you the money you need to meet that financial freedom figure.

We would encourage you to look on your Business as part of your long-term retirement planning, possibly viewing it as the cash machine that can provide the very high figure you will need to achieve to be financially free.

This places an emphasis on having **an exit strategy** in place – however far in the future you may think this will be.

The simple act of forming an exit strategy and then developing a plan around this towards exiting, will help focus you on the steps required:

- To hit your target sum
- To think of the changes you need to make, to ensure the business becomes more valuable
- To consider, well in advance, who you might want to take on your Business and what they will be looking for
- To develop the Business so it can operate without you

Considering, plotting and forming an exit strategy and plan of action that follows is another exercise which has multi-benefits, including ones that have to do with exiting!

By getting the business prepared for an exit and simply taking time out to do this should produce a series of thoughts and actions, including short-term ones, which will make the business stronger regardless of the exit potential. It creates another win/win aspect.

This is likely to be an exercise which will benefit from outside, expert help.

In the past it was far more common for retirees to have guaranteed pension positions. As a business owner you will probably not have this advantage. But those past retirees, more often than not, would not have had their own businesses. This is where your advantage lies, your ability to control outcomes, to write your own retirement cheque, to make the most of generous tax reliefs and to have far greater flexibility how you manage the future pathway.

Suggested actions #8

1. Look very hard at, and understand, your "Number" – the amount of money which you will need to cope with retirement and the longevity risk you face.
2. Work out how much it is likely your Business will need to contribute towards this.
3. Accordingly, develop an exit strategy, from this construct an exit plan. Use expert help if required.
4. Make sure this plan is in a written document, one that aligns with your general business plan and your personal financial plan.

Tying it all together

Throughout each section and within the previous pages we have attempted to pursue an idea that your Business life and, indeed, the Business itself is not a stand-alone department of what you do, nor is it isolated from your personal goals, ambitions, wellbeing and family life. In fact, the exact opposite is true, it all connects. In this final part we look at this connecting principle in more detail.

Small, but consistent and sustained changes will make great differences in future outcomes

There is one area we have not considered in the chapters above, which we wish to mention.

It is the power of compounding.

It may be difficult, at times, to explain how important change actually is in our lives.

If you can foster ***real and powerful*** changes and ***sustain them*** results can be dramatic. But those results may not be immediately obvious or particularly impressive in the short term.

Imagine – for one moment – we can describe where you and your Business are today as 1.0. Whatever that may mean!

Now imagine you stay exactly 'as is' for the next ten years (no change in anything). Where will you be in 10 years? Still at 1.0.

If you can change – i.e. improve - things by 10% every year, where will you be in a year? You will have gone from 1.0 to 1.1. And in 10 years from 1.0 to 2.59.

If you improve things from 1.0 to 1.2, where will you be in a year? At 1.2. Which is not that much more than 1.1. But in 10 years? You will have reached 6.19.

Let us look at 1.5. After a year you will have gone from 1.0 to 1.5. Which is not that much more than the increase in respect of 1.1 or 1.2 – but look at the 10 year figure. It is 57.66.

There are two points here: one is that small increases in the rate and pace of change are seismic in their nature in the longer-term. But you don't see much difference in the shorter –term.

That is why as a Business Owner each and every positive change you can make to your Business in the shorter-term will start to transform the longer-term. You don't need to do anything major in the short-term, over and above focus on a series of small changes which, once made, will start to enjoy the wonder of compounding in their effects.

Apply this to anything and everything around you – the time you spend on productive elements, can you change by 1.5 rather than by 1.1?

The number of customers you have?

The profit per customer?

Your business revenue?
Your overall profits?
The productivity of your team?
The amount you are saving?
Your tax efficiency?
The balance between work and play?
How much time you spend with your loved ones?
The number of holidays you have?

The 1.0/1.1/1.2/1.5 numeric approach may not always be totally relevant or easily translated into some of these areas questioned above, but the general point will always apply. The impact of small gains or improvements consistently sustained will add up to big differences in everything longer-term and will have a major impact on your life and business.

One of the core key points we wish to have successfully made in this Book is that there is probably room for improvement in what you are doing. This is stated with maximum respect and is going to be true for any type of business, at any stage and current level of 'success'.

The key is identifying – in each case – what those improvements are.

It is then about questioning the means to make improvement. And do this regularly, because improvement is unlikely to be a straight line process.

We have stressed the need for certain types of meeting, whereby key aspects of the change programme are constantly reviewed.

These meetings are ones that should be regular.

They should be accompanied by consistency in the written plans the business has in place.

These plans should be fluid and should also be adjusted as time progresses (and results known).

The meeting and the plans should be constructed with help, from within and without. A problem shared really is a problem halved, in this respect!

All of the above should lead to clear decisions and actions. These decisions and actions should be constantly reviewed in their own right.

Finally, each and every aspect should be complementary between the business and the personal.

As a Business Owner you have personal requirements separate from your Business. Your Business has requirements separate from your personal ones.

You will need to consider both separately, but also bring them together in many ways in your respective plans for each. You need to check that they are working in tandem.

We started with a scorecard.

The purpose of which is to help you identify where things can be improved in your situation, which will be unique to you.

As a guide towards where you need to focus your attention and the steps you need to take in your 'world' the scorecard can be invaluable as a starting point.

Summary of suggested action points

1. Identify **and write down your purpose**. Share this with all and sundry, **publish it.**

2. Assess **the risks within your business**, especially those that may derail you from your big ambitions.

3. Question those big ambitions, compare them to your purpose. Work backwards to assess what could stop you from achieving them and how you can limit the risks involved.

4. **List out your current plans which deal with the risks** – especially the life insurance, health cover and other structured insurance plans.

5. List your goals.

6. Look at your **business plan, your personal financial plan** and see if the plans are in line with your goals.

7. Organise, if you have not done so before, to have a **personal cash flow forecast** arranged.

8. Assess if you need to make fresh decisions about new or different actions that you should take to adjust your planning to your goals.

9. Review your position with the question – what is one thing I can do now to <u>radically</u> alter –for the better - my long-term position?
10. Then follow this with "What would someone change if they were buying my business tomorrow?"
11. **Have a review meeting to specifically adapt the 80/20 rule into your business** – especially in the context of allocating your personal time.
12. Build in such meetings for this specific purpose on a regular basis.
13. Have a ledger which notes ideas about how you can develop more time to do the things that really matter to you.
14. Discuss with your key team and embrace their ideas into this working practice.
15. **Delegate every last job** you currently do which is either not contributing to the radical improvement of your Business or which you do not like/want/need to do.
16. Develop and retain a laser-beam focus towards your work and goals.
17. **<u>"Pay Yourself First" – examine ways you can increase the amount you pay yourself from the Business, exploring business changes and improvements, making use of all favourable tax schemes and ensuring the business is paying you the desired amount.</u>**

18. Check out **all possible statutory tax schemes and tax reliefs**.
19. Look at the amount you are saving (your "wealth creation amount") every month **and work out how this can be increased NOW.**
20. Review, again, your goals, in light of all of the above and ensure the actions you are taking in respect of your increased pay, improved tax benefits and your regular savings are in line with your goals.
21. Look to review and question your current strategy and ensure you are **using the most efficient and proven investment and wealth management strategies** to manage your affairs.
22. **Determine your legacy requirements and check that you are aligning these into your wealth management programme.**
23. Review your hiring policy and strategy. Find any which way you can to improve this.
24. Review and, wherever possible, improve your trading and development programmes for team members.
25. Constantly share your vision with all your team members. Involve them in decisions, especially ones that engender changes.
26. Find ways of rewarding the team better. Introduce improved rewards on a regular basis.

27. Make sure you (and the Business) are protected from losing a team member.
28. **Consider whether your Business is truly turnkey and if it isn't, start putting in measures to make it so.**
29. Consider the outside help you are currently using – is this the best individual or firm in that area of expertise? **Only work with the best**, get rid of any that do not come up to the mark.
30. **Look very hard at, and understand, your "Number" – the amount of money which you will need to cope with retirement and <u>the longevity risk you face.</u>**
31. Work out how much it is likely your Business will need to contribute towards this.
32. Accordingly, **develop an exit strategy**, from this construct an exit plan. Use expert help if required.
33. Make sure this plan is in a written document, one that aligns with your general business plan and your personal financial plan.

The written plans and documents you should have in place for you and your business

1. Your statement of purpose, whether this is a mission statement or some other document type incorporating your main purpose, the values you wish to employ and your goals.
2. A business plan including financial projections, forecasts and targets.
3. A personal financial plan, including your personal financial cash flow.
4. A Risk Register.
5. An exit strategy.

Suggested reading

- “Black Box Thinking” – Matthew Syed
- “Rich Dad, Poor Dad” – Robert Kiyosaki
- “The 4-Hour Work Week: Escape the 9-5, Live Anywhere and Join the New Rich” – Timothy Ferriss
- “The Richest Man in Babylon” - George S. Clason
- “Think and Grow Rich”- Napoleon Hill
- “Awaken The Giant Within: How to Take Immediate Control of Your Mental, Emotional, Physical and Financial Life” – Anthony Robbins
- “The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It” - Michael E. Gerber
- “The 7 Habits of Highly Effective People” - Stephen R. Covey

- “Steve Jobs” - Walter Isaacson
- “Traction” - Gino Wickman
- “Book Yourself Solid” – Michael Port
- “How to Run Your Business So You Can Leave It in Style” – John H. Brown
- “Thinking, Fast and Slow” - Daniel Kahneman
- “Outliers: The Story of Success” - Malcolm Gladwell
- “The Fred Factor: Every Person's Guide to Making the Ordinary Extraordinary!” - Mark Sanborn
- “Eat That Frog! 21 Great Ways to Stop Procrastinating and Get More Done in Less Time” - Brian Tracy

About Penguin Wealth

Our Mission Statement:

The (Financial) Journey Never Ends……One Life. Live it Well.

Plan - What's Your Number?

Life is precious, living it well does not come from having lots of money, it comes from contentment, family, friendships, giving and giving back, good health and achieving success (which is defined in different terms for different people). Money or wealth is simply the means to the end.

We build a Plan, individual to you, linking your goals, your values and your finances together.

Perform - One Life, Live it Well

Implementing and Maintaining the Plan is vital. This includes taking on the responsibility of looking after your requirements day in, day out.

For someone in business this frees up your time to focus on your business, for those of you with family, it allows you to enjoy time with your family, for those wanting to pursue ambitions and passions, you can be free to spend your time on what you love doing.

Protect - We are the 2nd most important professional you will need

We help you cover all eventualities by protecting you from life's curve balls – keeping you on track to fulfil your goals and dreams, no matter what happens.

Your planning is only complete when you have ensured that the unexpected is catered for.

Plan – Perform – Protect

Mapping out the future to meet your widest life goals is all about taking the right steps *now*, making sure your plan is managed through the years that follow and that all your plans have an inbuilt protection for you, your family and your business. It is about integration and the best support, at all stages, from the best specialists.

We help you achieve all of the above via a mixture of:

- Financial Forecasting (cashflow for your personal life)
- Saving Tax
- Maximising returns on capital
- Managing all your risks for and with you
- Reviewing your plans and goals
- Working alongside your other professionals
- Supporting your Family Unit

About the Authors

Craig Palfrey – Certified Financial Planner

Craig is a Certified Financial Planner, a Chartered Wealth Manager and the Managing Partner of Penguin.

On a personal note, Craig has always lived in Cardiff and considers himself lucky to be blessed with 2 children, 3 step children and 4 grandchildren.

Craig believes in the One Life, Live it Well philosophy of Penguin and that is why he shares as much time as he can with his family, and takes 8-12 weeks holiday a year whilst managing the Penguin Businesses.

Craig started in Financial Services in 2000 and considers himself extremely fortunate that he's found his vocation. Hard work and constant study has resulted in Craig reaching Certified Financial Planner Status, a level of qualification that only 1% of the world's Financial Services Community reach. Craig was recently voted as the top Financial Planner in Cardiff by VouchedFor.co.uk – an independent website where clients can review their Financial Planner.

Craig is also a member of the Million Dollar Round Table. Membership is recognised internationally as the standard of excellence in the Life Insurance and Financial Services business.

Craig is an international speaker after taking the stage at the 2015 & 2017 Million Dollar Round Table conference in New Orleans. Craig really enjoys presenting at seminars as he is passionate about sharing the benefits of good Financial Planning. This is evidenced further by Craig authoring a book featured on Amazon - 'The Wealth Secret: Create, Build and Protect your future the Penguin way'.

Oliver Pughe – Financial Planner

Olly grew up with a passion for golf and played for Wales and Great Britain at both boy and youth level. He 'fell into' financial planning at the tender age of 22 with his first job located in London. In 2009, after the birth of his daughter Isabella, he and his wife Nia moved back to South Wales. He joined Penguin as a partner on September 8th, 2011 on the same day his son James was born and is proud to be a part of Penguin.

Olly considers working as a Financial Planner a privilege. He particularly enjoys working with business owners helping them identify their personal 'Number' and taking them on their financial journey to their Financial

Freedom date and beyond. This is evidenced by Olly co-authoring a book featured on Amazon - 'The Wealth Secret: Create, Build and Protect your future the Penguin way'.

In his spare time, Olly can occasionally be found at Royal Porthcawl Golf Club trying but failing to relive his former golfing prowess.

Gavin Baos – Financial Planner

Gavin was born and bred in Cardiff and has been part of the Penguin Team since Jan 2012, and a Partner since 2015.

Family is a major part of his life. He is married to Stacey (the Original Gavin and Stacey) and they are blessed with their Son – Morgan.

Gavin lives our belief of 'One Life, Live it Well' by spending as much time as possible not just with his immediate family, but also with his friends. He is always planning trips away with his family well in advance in order to strike the right balance for his lifestyle.

As well as his Family and Penguin, Gavin has a love of rugby and playing golf (badly).

Gavin started his career in financial services as a Financial Adviser within the Co-operative Group. Prior to this, he worked within the corporate world of BT within the operations and financial sector.

Gavin states that 'adding value' to his clients stems from building and maintaining client relationships. He particularly enjoys supporting business clients through their personal and business journeys from the initial stages right through to the exit.

He is a firm believer that good Financial Planning will help to enhance a client's life.

Mike Carberry – Financial Planner

Mike joined the team in January 2013, having been involved in Financial Services for over 30 years.

Mike specialises in the Group Employee Benefits market, providing advice and information and implementing Group Personal Pension Schemes, Group Life Benefits, Group Private Medical Insurance and Group Income Replacement Plans. In 2015, he was awarded the Winner of Financial Adviser (subsidiary of The Financial Times) - Group Life and Pensions Award UK.

Mike prides himself on the face to face approach which is not always available in Financial Services.

Testimonials

"As a busy business professional setting up my own company I don't have much time to wade through the tombs sized business books. What I love about this book is the way the author explains at the beginning of each chapter what to expect from the content contained within. You can then make a quick decision whether the chapter is relevant to your current position or not. Dipping in and out of the book over time.

The book is well written, with great examples from the real business world. The practical actions listed at the end of each chapter also add much value; helping you focus on what practically needs to be done to move the business forward.

My advice... read the book, action the practical tips and move onto more important aspects of growing your business."

N. Rylett, founder of The Nicola Rylett Group (NRG)

"Learning how to control your finances as a business owner is a must. The Business Secret covers vital areas of growing a successful firm such as minimising tax, best strategies for investment and how best to protect your firm from loss whether personal or fiscal."

L. Evans, Client of Penguin

PENGUIN

The Business Secret

"The Business Secret covers vital areas of growing a successful firm such as minimising tax, best strategies for investment and how best to protect your firm from loss whether personal or fiscal."

L. Evans, Client of Penguin

The idea of running your own show is wonderful: you get to be your own boss, free of restrictions, free to map out your future, set your own pay, create something magnificent, do something you love.

But is the day to day reality somewhat different to the dream? Can the freedom become a bind? Do the finances start to stress? Do the goals start to fade? Do other people come along and disrupt your journey?

What about if you find there's too much to do and not enough time? Or you struggle to balance out your personal needs and finances with those of the business? Or you start doing jobs in the business you weren't meant to do, but nobody else is doing them?

Then the pleasure of owning your business becomes frustrating, if not an outright pain. The problem is you, your family and your business are a complicated mix of tasks and requirements.

Drawing on a series of powerful ideas The Business Secret explains how to deal with this. Linking together the financial needs and goals of both the business and the individual owner, the Book outlines how you can achieve the dream scenario of personal freedom by having your own business.

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