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EPISODE
137

Richard Wilson

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Best of success,

John J. Bowen Jr.

John Bowen
Co-founder, AES Nation

John Bowen: As entrepreneurs we're out there, "I'm going to make a huge difference." One of the biggest challenges is to make sure we make a difference in our own enlightened self-interest. We know if we deliver value to our customers, our clients, we're going to create value for ourselves, but we see over and over again, so many entrepreneurs making substantial mistakes that are extremely costly, that not only do damage to their business and to their clients, but to themselves. Unless you have a business that's profitable, sustainable, you're doing a disservice to your clients and your customers.

I have a really great friend, tremendous entrepreneur with us today, Richard Wilson. Richard is a bestselling author of a book, let me pull up the title so I have it exactly right, I've read it but too long ago Richard, The Single Family Office. We're going to talk about what is a family office. As entrepreneurs, we need to be thinking, even if we don't have the wealth yet for a single family office, to act like that, because some of the smartest decisions made. One of the reasons I asked Richard to come on and join us to share his insights is he is the founder of one of the largest family office associations. He's currently the CEO, and he's a fellow entrepreneur, he has his own business, Wilson Holding, and just tremendous insights he's going to be sharing with you. Because here at AES Nation, we're all about accelerating our mutual entrepreneurial success. I'm John Bowen, stay tuned and we'll be right back.

Richard Wilson, thank you very much for taking time out of your busy schedule and joining me today.

Richard Wilson: Thank you, John.

John: It's a real pleasure. We've known each other through mutual friends, we've had a couple conversations along the way, but this is the first time I've been able to share you with our audience. Richard, you're out there making a difference. There's certain people that I talk with, that sometimes I feel like a slacker. I've got a few businesses too, but I think you've got more going on than me here. You are definitely high energy, really helping a lot of fellow entrepreneurs, because that's where wealth comes from so often in the US. What I'd love to do though is before we dive in to all the lessons learned and you're going to share with our audience, is to go ahead and really have this whole concept of, how did you get here? I mean again, again most of us don't wake up at 5 and say, "I'm going to start a family office, I'm going to do this, I'm going to be an entrepreneur." How did this all come about?

Richard: Sure. Well, the 3-minute version is that I've been starting businesses my whole life. Through high school I started 5 businesses. I was calling people through the directory at my high school and trying to sell their parents some long distance telephone service through a network marketing company. I started and sold a small business in college, and in short, I eventually got bored and got into capital raising for hedge funds, fund of funds, and SMA Managers. What I found was that when I came across the topic of family offices, which are basically wealth management groups and organizations that serve people with 50,000,000, 100,000,000 or many times a billion dollars or more in capital, it's very specialized wealth management niche. What was interesting is there was 500 books written on wealth management, and nothing written on family offices. This was back in 2006, 2007. There were a few books back then, but literally not a single website that just was dedicated to help people like myself, learn more about the industry.

I just thought it was backwards that the most valuable part of the wealth management industry had nothing written on it. I started writing on it daily, just selfishly to learn more about the industry and kind of bring everything together. I was reading on Bloomberg, Financial Times, and elsewhere, and bought familyoffices.com and made it the first website to be focused on just giving away information on the space. As that took off and got thousands of hits a day, the whole business exploded from there. Long story short, we've created the first platform business focused on the family office industry. We have 7 different lines of products and services and a lot of media assets, and it's a lot of fun because it's something no one else was doing, but there was a great need for. That's, I think, what a lot of people are looking for, that hungry crowd, as John Carlton or Gary Calvert are famous for saying they're always looking for.

John: For those of you who don't know those 2 names, they're some of the most famous ... One's still living, he's in my CEO group, John Carlton, but Gary's passed away a while ago, but some of the most famous copywriters. I'm going to come back. One of the things those guys would both say is, we've got to make sure we're not using jargon, and family office, I grew up in the financial services industry, and it took me a while to figure out what a family office was. For our fellow entrepreneurs who aren't sure, why don't we break out what is a family office and who uses those? Then also if I have less than what it needs for a family office, why shouldn't I just turn off this podcast right away?

Richard: Sure. Well first of all, don't turn it off because what I'm going to do is share all of the strategies on how the billionaire clients we serve, and hundred million dollar clients we serve made their wealth, and are keeping and growing their wealth. I think those strategies and those models, the proprietary machines that they've built to build their wealth is the most exciting thing about what they do. Definitely stay with us for that, it's going to be ten percent on the finance industry here.

The definition of a family office is really a holistic whole balance sheet wealth management solution for a wealthy individual or a group of families and individuals. There's really only 2 major classifications of family offices. There's a single family office which is just for, you John, if you sold your business for $100,000,000, you might want a team serving only you that would be a single family office. A multi-family office is simply a wealth management firm that's focused on 20, 50 millionaires, centi-millionaires, or higher, and they might have 5 clients or 200 clients. They're trying to create a more holistic wealth management experience.

The whole reason the industry exists is that, if you did sell your business for a hundred million dollars, but you sold it the day after a tax law changed or you put the proceeds of that sale into the wrong type of legal structure in the wrong jurisdiction, that one mistake could cost you, let's say, 1% of your wealth. Let's say you had a 1%one percent increase in taxation on that $100,000,000 sale, well that million dollar fee, that million dollar cost you paid that was extra, could have paid for a full time team to serve only you on insurance, investments, risk management, charitable giving, tax optimization, multi-generational planning and giving. Really, if you make a small mistake and you're a billionaire, it could be a $3,000,000 mistake. If you're only worth $1,000,000, you could make a pretty big mistake and it's still not going to pay for anything more than the secretary with no high degree, no college degree. That's why the industry exists.

I think that the other reason it's really important people understand is that, if you run a publicly-traded company, or if you own 117 different commercial real estate assets as one of our clients does, you don't have time to remember what your CPA said in January and communicate that to your insurance agent in March, and then somehow tell your wealth manager you need to structure something a certain way because your state attorney said so. Typically your advisors are not speaking to each other. I think most of us here on the video will recognize that your advisors aren't speaking to each other very much at all. If they are, maybe it's 2 times a year, so how is a really busy person supposed to keep that all straight in their head? That's why the industry needs to be there, and there needs to be a quarterback for these ultra-wealthy, organizing their affairs and keeping track of all the moving parts.

John: Really Richard, thank you for the definition, it's a great one. I see in our industry so often that what happens is we, as entrepreneurs, we go to just somebody as a financial advisor that we grew with. Particularly as we accumulate wealth, there are different issues. The magnitude that you talked about of a sale, having it off 1%. You and I have seen times where it's a lot more than that, and it can easily fund the family office. As well as for those of us who don't have $100,000,000 or even $50,000,000, what we have is, we can learn from these fellow entrepreneurs who have built tremendous wealth, and then are preserving it.

I want to go to that, Richard. One of the things that, you and I have had a chance to visit on this, and I know this is something that you do in building your businesses and your fellow entrepreneurs that you see have the most wealth is, they're very selective on clients and customers that they actually work with. Talk about how you envision that and how our fellow entrepreneurs can really use that to accelerate their success even more.

Richard: Sure. I think many of the families have realized that they want to work with the best person in the niche. They realize that if we're all business people, then we're all looking for some long-term upside, it's not just about the hourly rate you pay somebody. Many times the families take the strategy of securing the best brain trust in their industry or the best 1 or 2 joint venture partners so they can roll up their industry and they're willing to provide profit incentives and revenue shares or profit shares with those people, and I think that can help you leapfrog competition.

When you don't have many resources, you have to provide the equity or the profit sharing, but if you do it on a per project basis, I've seen a lot of families use that strategy. I've also seen families use a strategy that any entrepreneur could use, and that is to, when you define your sandbox where you're going to eat, to identify who control the relationship and media channels in that area, and make them into your partners. Your influence kind of blankets the industry, and you either get first look at a new client or first introduction to a new lead or massive exposure through those different hubs. I think that the best strategy I see families use quite often is pre-empting the competition by going after the smartest people in the industry and keeping them on their side.

John: Got it. It's really identifying the influencers early on. I see this over and over too. I mean, we just did a big study with Dan Sullivan and Joe Polish, Dan Sullivan of Strategic Coach, Joe Polish of Genius Network Mastermind group. What we did is, we surveyed 3,500 entrepreneurs, and one of the things that was very high correlation of success was those who were good at networking with influencers, the movers and shakers in whatever industry they were in. This is something that we see over and over again. I would encourage everyone ... I look at it often times that you can create these strategic partnerships, sometimes joint ventures. The opportunity to do that is just huge and it can be pre-emptive.

One of the things though, Richard, that you've found too, and I share this a lot in the different businesses is this whole concept of niche marketing, kind of that 360 niche marketing. Tell us about that, how are you seeing these most successful entrepreneurs with the family offices, so they've created tremendous wealth, how are they actually doing this?

Richard: Right. I think that's a great point. That leads directly into, it's next to the past point of once you identify the influencers, identify the most highly expert people in your niche industry, then you can become one of the influencers yourself, and it's by collecting all those resources that you can do it. A great example of doing this would be, when we first got in the family office industry in the first 3 years, I wrote a book through Wiley called The Family Office Book. Actually I think the better book is the more recently written book, The Single Family Office. In both cases, what I did was I looked at the industry and said, "I know this much. I'm 80% confident that I'm on the ball, but I want to make sure that I'm not missing something, missing a new trend, and I want to build new relationships with people who are hard to get on the phone."

What I did was tell them, "I'm writing this book. I've written 200 pages so far. I'm interviewing 30 family office executives. I'd like to interview you." I'd interview them and put their names and interviews in the book and gave them exposure through my media medium, and it cost me nothing to do, but I got access to over $20,000,000,000 plus family offices. All of a sudden, I was one of the more well-connected people in the industry and it made sure that when somebody got that book, whether it's The Single Family Office book or the older one that it's going to be really valuable because nobody else has taken the time to interview 30 experts and put it in a book.

I think that's something that any entrepreneur can do is no matter what area you're in, if you have 3 types of customers and 1 type is the most profitable, I don't care if it's only an audience of 20 publicly-traded company CEOs, it's going to be worth the time to interview those 20 and write a book even if it's just to win over 2 or 3 of those publicly-traded companies. It could be a game changer for your business. Really I think that's a template that anybody can use. There's probably 8 hours of content that we talked about on niche thought leadership market, but I think that's just a really simple blueprint. Something I learned from mentor Brian Tracy which I'm sure many of you are familiar with, he's an avid reader and writer and it served him very well, sharing, just being very prolific in his career.

John: I could still remember, I've met Brian in more recent years but listening to his cassette tapes in my commute along the way are extremely valuable. I do want to go and just reiterate this too. I write an awful lot of books. Richard, I knew of you, one of the first things I did is, we hadn't really met, is we had a conversation and I asked you to come on to the podcast. The reason it's much like doing the interview is that you talked about in the book. I don't care whether you're doing a podcast, whether you're doing audio/video, whether you're doing a book, we teach this to our coaching clients on the financial advisor side. I got to tell you, this is a game changer. It's so hard to connect with everybody. We're all busy doing it, doing it, doing it. But I mean, how many people turned you down? These successful family office executives that you called, how many didn't follow through? I mean, we always get some, but what percentage do you think?

Richard: I'd probably reached out around 100 family offices and that probably secured about half the interviews. That's probably about 15 out of 100 reached out, but then I also had built up this LinkedIn group and email list, and we had probably fifty people offered to do the interview, but I wanted to wiggle it down to the real family offices, the billion dollar plus groups. We got it done through those 2 ways. I think the real trick for me to make it motivating long term is that you identify a niche market like single family offices or billionaire families or if you're in IT world, maybe it's some new niche within that that only publicly-traded companies need and integrated holistic IT solution. It's a million dollar package you could sell, for example.

If you identify that one niche, it doesn't matter how many years it takes to be number 1 in that niche, but it will be worth it if you could ever achieve that status. Then you'll do whatever it takes and that includes getting the category killer domain name. We spent a $140,000 to buy privateequity.com last year. Doing that, writing the book, even if it takes you 700 hours, doing a podcast, a newsletter, LinkedIn group, Facebook group, and figuring out on Google how to get a PowerPoint to rank for that keyword on SlideShare. Get your Twitter account to rank and use other websites.

A big trick for this is if you want to do very well in a niche and let's say the niche is single family offices, then you just write a book with that exact title and it's going to auto rank your Amazon on Google long term, in almost every case, because Amazon is embed with Google and they want all their book titles to rank very highly. If you want to be known as the Miami family office, if you want to be known as the publicly-traded company IT consultant, if that was the term that people are using to find a consultant, then you have to find how to write a book with that title and just give them massive amount of value within that book and build your whole marketing funnel through that niche sandbox area. Because what happens is that the largest embedded competitors have 20 lines of products and services and not focused only on that high-end solution, they're not focused only on what's most profitable. That's your advantage is you can be agile and laser-focused on the most valuable client and carve out that little spot for yourself through all these marketing strategies.

John: We do a lot of research on this Richard and people think you need to be an authority. An authority to ask is somebody who can deliver a great experience, it's an expert in that area. But the second part is they have to be a celebrity as well because what happens is that they, at that point, you'll have to rise above the crowd, and the messages you're sharing, I'm going to just say, these are so powerful. It's so inexpensive having more to do all this stuff and you can really be ubiquitous within that narrow niche if you use the things that we're talking about. Let's talk about focus because you talked about focusing on industry long term strategic thinking, the private equity side that some of these entrepreneurs are doing. Tell us how that really is applicable to fellow entrepreneurs.

Richard: Sure. I think that this topic is so important because in most industries, if you're in the auto dealership industry, most people who have been in the auto dealership business for 20 years or 30 years, they haven't studied Dean Jackson and John Carlton and Brian Tracy. They're not also an expert in marketing. They might listen to their Chief Marketing Officer some days of the week, but it's not the same brain. The huge power, in my mind, is when you combine excellent marketing or at least B+ marketing with true expertise in your industry.

Once you get that, then that's the magical combination because most people only have 1 of the 2. They're really good at marketing or they're really good at their auto dealership business.

That intersection is where all the values created and gets to encourage us to start. Effectively 10 years ago, I knew almost nothing about family offices, and now I can say with confidence that we are number 1 most visited website in the industry, number 1 best-selling book, top 3 conference business. We're really well-followed in this space, like definitely a top 10 personal name recognition globally, and that's from starting from nothing and 0 dollars in the bank account. I just encourage everybody to do it.

The other excuse I hear everybody is that, "I'm not actual writer. I'm really bad at writing." When I was taking some class on the psychology of influence at Harvard, I submitted a final paper to my TA who was from Czechoslovakia and her first language was Czech, and when I got my paper back from her, it was just filled with red marks. Her first question to me was, "Is English your first language?" because she found my writing was so horrible. That was after I'd already written 1 book, and since then, I've written 9 more books. No matter how bad your writing is, you can go to Upwork and get a $20 an hour editor or $10 an hour book editor. You can find someone to help you make your writing better. There's no excuse.

John: Let me comment on that Richard because I always talk about the difference between being an author and a writer. I don't know whether you do this or not. I am very prolific. I do 4 eBooks usually a year. About every 18 months, a full book. I have a whole team of writers because I found the value of what we're talking about here. They're my ideas, I'm doing the research much like you, and then working with my team to have it written up. I can still see my ninth grade English teacher Mrs. Arby, she would be shocked how many books I have out there. Some of them have sold extremely well. The best one about 100,000 which in this kind of industry, that's a big deal.

Richard: Yeah.

John: You don't have to be good. I mean, Richard, you have a face made for TV, I have a face made for radio, and I'm still doing the video podcast. This is where, what people want is information, you've got to differentiate yourself. It's so critical to do that.

Richard: Yeah. I would say that also keeping everything casual and authentic and genuine, and you just focus on adding value. Most of my videos, I'm recording in Cayman Islands or Red Square in Moscow terrace in Midtown Manhattan, I could see all the buildings around me. I'm not a girl in a bikini that's going to keep somebody's attention too long to try to be in a cool location like in Switzerland in the mountains or something. I think that that's a good fit for people. I recorded 253 videos, actually, if people want to check it out at CEOTraining.com. There's nothing at all for sale. It's just 253 videos on how I built my business. I think it'll all be relevant to anybody listening to this podcast. I hope that will be a $1,000 or $10,000 resource for some of your listeners.

I would say the simple strategy that all of you listeners could use is that if you're having trouble getting started, just think about your hour-long lunch break, and if you just take 30 minutes of that hour and you just write a little blog post, let's say 2 paragraphs per lunch break is all you need, let's say 400 or 500 words per business day, then by the end of the year, you're going to have a booklet. In between, what you do is just write a blog post. You combine 10 of those into a whitepaper, maybe every 2 to 3 months. Then, every 2 quarters or 3 quarters, you can have a good segment of the book complete. All those rolls up.

You just write in a rhythm like Stephen King and all the great writers do, then it'll just come naturally and you get really good. What happens is that if you start from a place of even complete ignorance, say only focus on this niche industry, by writing this a little bit every day and reading and researching, you'll become a local expert within a year or 2 or regional expert in 2 or 3 years. What we've done is become a global expert on this niche. Over a period of 5 to 7 years is really when we establish that global presence. I would just encourage people to follow that strategy because it works and it costs nothing to do. It's just your time and channeling your energy on one area.

John: We both could name and awful lot of billionaires who have done that, who have become very high profile, who are articulate in sharing. I can tell you, I've met many of them, they have a whole team behind them helping them. It's not just slamming it out on a blank screen. Because you're working with so many successful individuals Richard, I want to go a little bit in the financial side and talk about some of the mistakes that people are making.

One of the things, I'm in Silicon Valley, you're in the gateway to the rest of the world down in Miami, and we see a lot of entrepreneurs. They struggle with the capital issues. So many of the entrepreneurs who are watching or listening to this podcast or interview, they're successful already and they're often times being approached for capital. They're not start-ups and they're struggling, they're getting traction or they've got a lot of traction, and trying to figure out when is the right time to have capital, an influx.

Richard: Right. I would say hopefully never, unless you're willing to sell or maybe if you acquire a big competitor. I just never planned on using other people's money and putting other people's money at risk. We've built all our businesses to reinvest capital and form partnerships to create new equity. I think that a lot of entrepreneurs take capital too early and I think that investors get burned and companies get ruined by doing so. I would just encourage people to build something from the ground up, get it profitable, beat the pavement, go door to door, cold call, get meetings, work your way into boardrooms if you're doing interview for a book or getting lot of PR or just defining your sandbox so well that you attract people to you.

Of the 71 billionaire families that I know, 68 of them cold called me because of the resources that we have out there in the industry, and I think that is the way to do it. I was on the phone with the top 3 private bank just recently, and they said that their number 1 problem was getting the right database of family offices. I think one mistake is ruining a company by injecting capital too early, and investors losing money by investing to a company that hasn't proven itself profitable yet. If the business model doesn't make money being ran on a shoestring budget, then I just wouldn't suggest the family to invest in it. You might say there's exceptions within pharmaceuticals or biotech or high tech, but those aren't the areas that most of clients make their money or keep investing their money.

There's exceptions to every generalization you can make but I think the capital would be never or as late as possible. It would have to be a game changing M&A acquisition of one of your top competitors. I think it'd be really worth considering that. I would instead encourage people to be generous with incentivizing people who control their niche industry and giving them equity that best based on performance, based on growing to a certain level, and look at how you can incentivize the people who could really drive your whole business.

Instead of taking capital in, what do you really need? Do you need distribution? Do you need access? Do you need credibility? There's probably things that you can barter for directly and skip the whole part where you're taking on capital, which of the way is an investor getting burned in the process. I think that is really important. I also encourage people to think differently about strategic assets they have as a business. There's a strategy called a leverage resource strategy that a lot of families use.

The best example of it is a family in the Middle East who bought a surveying airplane for less than a million dollars, In the mineral rights industry and mining and energy, you can get a 3D seismic survey done that can cost you $100,000, $500,000 to get the survey done. The family, instead of going out and charging each client $200,000 I said, "Let's buy the equipment. Maybe we'll charge the client the price of our gas, so in hard cost, the pilot and the fuel's paid for and we'll charge them $20,000 if we know they're serious about doing it, but then we get 7% of all the minerals extracted from that piece of land." In that way, they made one acquisition of the airplane surveying equipment, they get to leverage that into all those different equity stakes.

Next example of buying an asset once when you don't have many resources and leveraging it into many different opportunities, that's why we bought privateequity.com because it opens a lot of doorways, gets us a lot of deal flow. It's also why we are trying to provide as much value as possible in the family office industry because we're relatively small business in a scheme of things, and we see other families using the strategy that if you can be the gateway or the gatekeeper or the tollbooth that everybody has to get through within a niche or industry, it's going to either allow you to sell directly to those people coming to your tollbooth or it's going to allow you to set up revenue shared, joint venture, pretty much equity stakes.

The last example I'd give of that is a contract we just signed a few weeks ago with a publicly-traded company. They do $450,000,000 a year in revenue. I don't want to say publicly if it's TV or radio or magazines, but they have 117 different media assets in their platform. It's national, they're number 1 publicly-traded, very credible, and they want to diversity their revenue. They don't want to just be charging for advertising, so what we're doing is finding people who want access to their media and we're negotiating equity stakes and creating new joint venture brands that leverage that media platform to get them out of 100% advertising business and into leveraging a strategic asset in multiple equity stakes.

That's something that we've used, starting from absolutely nothing and scraping our way up, but it's also something we're helping this family use that controls a publicly-traded business. That's a very real strategy and if you listened to a lot of old Jay Abraham tapes, he'll talk about selling some Icy Hot type goop over the radio and giving a dollar at the radio station for every little box of goop sold. He talked about the strategy, so I would give him credit. He's an inspiration in identifying and picking those out as well.

John: I want to point out too, the other thing is as we liquidate our businesses, we've got a capital, I've sold a number of businesses along the way too. What happens as entrepreneurs, and I want to warn everyone of this is you start thinking you've got the magic touch and you start putting it in where I love the idea of not raising capital. I've raised capital for businesses along the way, I've done venture-backed, I've done angel, I've done different ... We actually have one business we were in public. There is a big price to pay. You can do well. If you don't need it, don't do it. On the other hand, if we've got all these money, we really get tempted to see these other companies. I mean, what has been your experience with your family office clients?

Richard: I would my experience is that most of them don't want to write a check for less than $20,000,000 and they're looking for companies that are not embryonic in the ocean, but that actually started to grow some legs and they're crawling on the beach and like walking. They don't want the ones who are just like gasping for air. They want to find a business that's doing 10, 20, 30, $100,000,000 in revenue. We actually just sent an announcement out today to one of our LinkedIn groups. We got us one family that we represent and run their family office, they acquired a $450,000,000 asset earlier this year and we're still sitting on $150,000,000 in cash, so we're aggressively looking for $100,000,000 plus opportunity for us to invest our capitals. I would say that they focus on the very high end, while the wealthiest of families, they can't ... With $500,000,000, you can't do $1,000,000 investments, you'd go nuts.

I think the other thing is that the focus is usually on 1 or 2 or 3 industries. I was interviewed by Bloomberg last week about Queen Elizabeth's portfolio and what maybe conservative returns she should be able to achieve in her portfolio. It was interesting because the reporter is really asking for a Wall Street type answer of what's the percent she should get every year? But the reality is most multi-hundred million dollar families aren't thinking ... They might get pressured into thinking this by their private bank, but they generally are not thinking with a mind-set, "I want to achieve 6% a year." What they're thinking is, "Based on 1 or 2 or 3 industries, I want to roll up as much as I can at that industry, vertically integrate or create platform business or have a niche monopoly or use that leverage resource strategy, and they want to create new wealth based on their information and resource and relationship advantages they have from their initial wealth creation, and leverage all of that in an industry over 10, 15, 20 years."

One of our clients is sitting on $35,000,000 with nothing on it. Someone say, "That's not being ideal use," but they're strategically waiting to have the right conversations with publicly-traded development companies and developers that we can work with in a small way on one of their projects, and beyond the investor side to get to know them, and then long term, do something much greater. When you think about large families and what they do, I think they're focused on unique strategies within just a couple industries.

The other thing I would point out that's similar with CEO, that's done a good job at niche marketing and making himself a celebrity, opened their little sandbox which is equal to a billionaire is that if you can be recognized and be top of line and be one of the most well-known people in your industry through either selling big business or writing most books on your niche and adding those real value, et cetera, then you're going to get deals that others don't see. Opportunities could be a joint venture opportunity, it could be a client contract. A recent family hired us. It's a 6-figure contract the first year and then leading to a 7-figure per year contract. They hired us 6 weeks after their first finding of my book. Never read the book, but hired me based on the expertise of the content we had given.

I think that that is something that both families and CEOs can have the advantage of and really what you're doing is in private equity, they have something called the J-Curve where when you first make an investment, you're negative. You might have invested $10,000,000 and then you climb out of that through a payback period, you might get your $10,000,000 back over 5 or 10 years. You don't hear of that on Shark Tank, unless they're one who fall on revenue royalty because he's afraid he's never going to get his money back and it's going to be a nothing burger in his words. He wants it structured so he gets his money back. The advantage of both billionaires and wealth efficient CEOs have is you skip part of the J-Curve. You don't have to invest as much because you just get a joint venture partner that has that resource you need and you skip the part where you invest $10,000,000 and you find the one or two partners that can make it happen that much faster, and the billionaires in your space will want to work with you.

John: I'm going to say that, Richard, in my experience, I wrote 1 book, I sold only 5,000 copies but that caused an individual to call me and bought our business for $25,000,000. It was the best book I ever wrote, although it wasn't written well. It was one of the early ones. We talked about authority, very important. Let's go to the next segment which is the book of the day. Richard, I want to go right to your book. Why don't you tell us what's in The Single Family Office and why some of the entrepreneurs who are with us today would find it valuable?

Richard: Sure. Anyone who's an Amazon Prime addict, this is what we cover.

John: I flashed it on the screen here from Amazon too.

Richard: Right. We really don't make any money, that's why I'm aggressive on promoting it. It's 99 cents on Kindle, it's a $7 paper-back and I spent 700 hours writing the book. It includes 30 interviews with single family offices. I recorded 40 videos all over the world and 12 different countries. Put those 40 videos into the book for free. It was a really a $1,000 training program that we decided giving away just for the price of printing it and pushing it through Kindle basically. What we try to do is just say, "Okay, we know that the single family office industry is not going away. There had never been a book written before with the word single family office in the name of it, so we're going to write the best book possible and make the hurdle so high that anyone who reads it is going to get massive value and wants to stay in touch and see how we could do business together.

That's been our strategy. I think whether you care about learning about single family offices or not, it's almost free to grab a copy and just see how we positioned ourselves in marketing lines and you can employ that within the IT industry or the auto dealerships or in whatever niche you might be in as a CEO. I think that could be useful in that regard and you also get to learn about how some of these billionaires and centi-millionaires have built their wealth and created it in the first place.

John: Yeah. I think one of the important parts too is entrepreneurs, we focus on our business. We don't necessarily build our personal wealth as effectively and this is just so many lessons that could be learned and could be very valuable there. Let's go to the next segment which is resources. Richard, I've got this really nice picture of this castle. It's got a lot of water problem in the basement. The water running through the familyoffices.com, your website there. Tell us what's there.

Richard: Sure. Really, that's basically the number 1 association on the industry called the Family Office Club. We built familyoffices.com based on writing 1,000 articles on the industry and giving away 100 videos. We do monthly webinars. We do quarterly conferences. Basically I try to think of our industry like Coca-Cola thinks in distributing their drinks. Anywhere you go, a hotel, a movie theatre, Costco, a gas station, an amusement park, you can buy Coca-Cola. Anywhere you go in the family office industry and you want to find helpful information or you have a question or you need a resource, we want to be providing that help and be there with the video, with the podcast on family offices with the newsletter, with the conference. Really, that's the platform business on family offices I referred to earlier. It's really through being aggressively generous that we've been able to generate the new business relationships, and I think that's the theme we've been talking about this day.

John: I think many of you will be curious to see what Richard's doing but also learning from the financial side, but even more importantly, probably to help you grow your business. I'm in the last segment here which is key takeaways, I've been taking a lot of notes. This has been just really valuable. Let me just go through the big 5 that I've got. Number 1, attract the top clients, and work with the top people in your industry. There's just so many magical things that happen with that I see over and over. Second, this whole concept of niche marketing, the 360, where we can own ... We don't have to own the world, but we can own a narrow niche in today's world and really command success. Focusing on the industry is number 3.

Then, what I want to do is just a cautionary tale. Richard, I feel pretty ... We're in the financial services industry, you'd think we'd want to provide capital. I mean, there are time you need capital, but don't take capital unless you need it and definitely don't take it early, and make sure you have advisors who aren't incentivized to get you capital type thing. Then, when you're selling your business, you want to ... There's so many decisions you can make that can create value where ... I might bring on some investment bankers, some good friends who we've done a lot of transactions together in a future podcast. Be careful, invest like your family office. Even if you don't have the $100,000,000, you want to build that capital. It's all about building your business. Knock from our business, it's built for quality of life. Once you've sold your business, you want to maintain that quality of life.

Richard this has been great. I want to encourage everybody to go to AES Nation. We've got all the show notes, all the links that we talked about, and we have the transcript. There's so many great insights here. You're going to find it all at AESNation.com. Remember, nothing happens unless you execute. Your clients, your future clients and all those future strategic partners that Richard talked about, they're all waiting on you, don't let them down. Wish you the best of success.

A Second Opinion on Your Finances

A Complimentary Service from Financial Advisor Select for the Members of AES Nation

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Like many members of AESNation, I'm a serial entrepreneur. In addition to co-founding AESNation, I'm the founder and CEO of Financial Advisor Select, a firm dedicated to helping successful people make informed financial decisions by introducing them to top financial advisors.

If you're like many successful entrepreneurs, you and your family already have a relationship with a financial advisor. You may even work with several financial advisors. If you are completely satisfied with these relationships and confident that your finances are on track toward helping you achieve all that is most important to you, we congratulate you.

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John J. Bowen Jr.

John Bowen
Founder and CEO
Financial Advisor Select