

A man wearing a dark cap, a dark polo shirt, and shorts is sitting in a large, light-colored wicker chair. He is holding a glass of wine in his hands. The background is a dimly lit room with a wooden floor and a wall that has some text on it, including the word "EAST". The entire image has a green tint.

JAMES SCHRAMKO

How to Create an Effective Wealth Building Team

James Schramko and Charley Valher use financial professionals for their wealth-building. Here are the roles they hire, and why it's such a good idea.



Charley Valher

James: James Schramko here. Welcome back to JamesSchramko.com. This is episode 948. Today, we're continuing on the topic of wealth, with my good friend, Charley Valher. Welcome.

Charley: Thanks for having me again, James. I must say it's been nice to do the [other episodes](#) with you. I've had a number of people reach out and just say it's been really helpful. So clearly a topic hitting home for many.

James: Yeah, I've had a lot of people reach out too. I've said in previous episodes, if you want more of this, if you've got questions, please reach out, let me know. And I've had plenty of fantastic response to our previous episodes. We'll put links to those in the show notes up here on episode 948.

We've talked about basically [how to earn more](#) in your business. We've also talked about how once that's done, [you might want to invest](#) some of that somewhere else.

Because neither James nor Charley are wealth advisors...

Today, we're really going a little bit deeper into the topic of building an effective wealth team. And I like this topic a lot because I'm not a wealth advisor, I'm not a wealth planner. I don't think you are either, Charley.

Charley: Maybe one day, but definitely not at this point.

James: You know, I could see you being so interested in it that that might be a possibility. I do get a lot of my clients asking me about, what do I do with my own money, and what should they do with their money? And I say, Look, I'm not the person to tell you what to do with your own money, I want to be clear about that.

I can only tell people some of the things that I've done and some opinions or thoughts or things I've observed from clients. And this comes from working with a lot of people who actually do create an income. I'm fortunate to work with people who are generating hundreds of thousands, millions of dollars, out of their business.

And often, I see some trends or some observations. So we're going to be sharing some ideas back and forth. This is just an opinion discussion, based on our own experience. So why don't we crack into it?

Charley: Yeah, let's do it, James. And I just think it's so important here, it's like, today, we're going to be talking mostly about, like, building a wealth team, which I think is such a critical topic. And I'll just think that a really good way to open this one up is just to think about it and going, like I'm pretty busy with running my business. And I imagine most of the people that are listening to this, the business owners, are the same.

Why hire a wealth-building team?

I don't think there's a huge amount of people around that are going, Do you know what? I want to start a whole another business and learn how to be a financial planner, just so I can manage my own money, or all the other roles that come into it. So I think there's really good crossovers that come from business. But this whole team perspective, when it comes to building your wealth, is just one of the things that I don't think business owners necessarily appreciate or understand at that level yet.

James: Yeah, I think for me, it was something I observed when I was selling professionally, every day. It was, a lot of the time, I had experienced clients, they were doing fantastic things in business. But when it came to buying and selling or negotiating, they were no match for a professional. And that's the way I think of it. If someone's a professional investor, they're buying, selling, investing, they have access to data points, they've had years in the field, it makes sense that you might be able to hire these people to help you in areas that you're not so strong at.

Charley: Can I share a quick one on this, little story?

James: Please.

Charley: Alright, so when I got to a point when I was ready to invest some money, I'd made some money in business, and I said, Look, I want to put this to better use, I don't want it sitting in a bank account. I want to do something for my future with it. I decided that property's the thing I'm going to go after.

And I had said, You know what, I know a little bit about property. I was a plumber once upon a time, my dad was a builder, like, you know, I got these insights and things. And I did a little bit of research on realestate.com.au, which is like our housing sales aggregate in Australia versus the US has like, Zillow and stuff, I think, anyway.

Point being is like, you know, shortlisted a few properties and like, you know, come up with these ones I wanted to buy, and I had my reasons, I had my reasons. I didn't buy any of them. But then I thought by chance, do you know what? I know someone in this industry. I'm going to have a little chat, because they do this every day. And they're known as a buyer's agent.

And I sat down with this buyer's agent, and we were going through, like, on a share screen, and they were explaining their process of how they do it. And I just remember, like, sitting there in shock that none of the things I used to decide to buy a property, or if I was going to buy a property, or what they were using, like I wasn't even close.

They were considering all these things that I had no idea about. And it was a really big highlight to me of like, you don't know what you don't know. And just that, like I'd made the mistake of going, well, you know, look, I've run a semi-successful business at this point, I know how to do stuff. Like, surely, you know, I'll just be able to transition and know all of this stuff too.

And I was very, very, very awoken into that moment of going, there is an absolute value to having people that are doing it day in day out. Like, I wouldn't do my own brain surgery. Like, I would absolutely want to use the person who does brain surgery every day and has had a lot of success at it.

James: Yeah, I had a similar experience with a buyer's agent as well. They tell you insights straightaway. Like, if you show them something, often, they'll demolish it. No, no. You don't want that, because it's facing the wrong way, or it's going to have damp, or all the ones in that area have this particular problem, or they share some issue with council, or it's impossible to park, or you can't develop it or whatever. Like, they know straight away. And there was one place I was buying where they said to have two bedrooms with two bathrooms is really rare in that suburb. And I didn't know that.

Charley: Well, how would we?

James: Yeah, how would you, because I mean, there's a lot, there's tons of two bedrooms. And then when I looked at it, sure enough, almost all of them had one bathroom. It sort of made sense why you would have to pay more for the extra bathroom, because they're really rare, and not characteristic of that suburb.

So I found that the buyer's agent has been helpful. I'm actually going to count now, I've had one, two, three, four times I've used a buyer's agent. My last four property purchases, four out of the last five, buyer's agent. So that tells you something about my own opinion about using a professional, and I'm someone who's bought and sold for a living. But I haven't bought and sold properties for a living.

And there's a big difference between properties and automobiles or other things. And they're big transactions too, right? The cost of getting the transaction wrong could be savage. None the least that you miss out, which is probably a really common problem for people when they're stuck in a buying situation, that you will miss out because you're trying to lowball or under bid, and you just don't understand the market.

Or that you're an unsophisticated buyer, and you pay too much. I know for a fact, the buyer's agent helped me save quite a lot on, I'd say, on three of them, I saved quite a lot. On one of them, I made the purchase possible where I wouldn't have been able to buy it otherwise, because we were able to read the market better.

And they get intel. They've got sources, they can go and speak to other people, they can speak to the previous person who listed a property that didn't sell, why didn't it sell? What's the owner thinking? What's going on in the marketplace that you can't really access as an individual? So the cost of property transactions, because they're big ticket, is huge, if you get it wrong.

The payoffs in numbers of engaging a pro

Charley: Well, you're only betting, you know, your future finances on it, James, no biggie. [laughs]

James: Well it's, you know, they're typically millions of dollars, you know, certainly hundreds of thousands, but they add up to millions of dollars. And for most people, even if they're doing quite well financially, right, let's say someone's a baller, and they're making a million dollars a year out of their business, and they're paying their tax of quite a lot, after that, you know, that's still a few years' worth of income minus living expenses where you could make up that difference on a million-dollar transaction. If you pay an extra \$200,000 or \$300,000 or \$400,000 on a multimillion-dollar property, that could take you a few years to pay back, a few years of effort.

Charley: I wholeheartedly agree. I think it's massive here, and particularly on the property front, James, which is where we're talking right now, which there's obviously other things people can get into. But even if you were going into, let's say buying shares or something like that, the use of a professional is definitely in the same category. They know things about companies, they know what to look for in different ways than you and I perhaps would look at.

Now when it comes to property in particular, though, like, you've highlighted something really interesting, is the scale of the transaction, but also, just also how hard it is to undo. So if you make a mistake here, like, we're not talking about, oh, maybe you lose 100 bucks. We're talking about the idea that you might lose a year, a couple of \$100,000, like it's massive in what can go wrong with the property.

I'd also really highlight here that when it comes to property, it's like, I've spoken to my buyer's agent and mortgage broker multiple times, and this is, I'll say, secondhand information, but I see no reason why they would necessarily share this unwillingly. I've been told on numerous occasions that most of the work they do with new clients is actually undoing previous mistakes.

Beware the barbecue tip

It's fixing loans that have been set up poorly or done in a way that is against their efforts. It's selling properties that they need to get rid of, because they're never going to perform, because for whatever reason, they thought it was going to. Like, often it's these barbecue tips that they've taken on board from other people's ideas and acted without using professionals, that the whole first engagement is just fixing up the mistakes.

James: The barbecue tip being something someone shared with them at a barbecue, over lunch?

Charley: Yes. So Grant, who I do the Business & Investing podcast with, one of his ones, which I know you won't mind me sharing this, but he went to, like, dinner and they were talking about, they had this insider information for these people that found a goldmine, like, they knew that there was these core samples that were going to be drilled, and that if they got in on this stock, like they were all going to kill it. This is like 100 bagger, 100x returns. And they never found gold is the short end of the story.

But they'd all loaded up on this particular stock or share, because they'd heard this, you know, tip at a barbecue. And I think you could relate this into the idea of how many people in recent times just bought crypto because someone they knew, they got this tip about this new coin, or maybe something was going to explode.

But if you really look to it, it's like, they were just taking the word of someone else. They weren't necessarily using professionals. It's just, like, this secondhand information that flows around, which has people like, take more, we'll call it emotional actions, not necessarily things found that a professional would do.

James: Well, I think in such an unregulated industry, there's a whole breed of people who pump and dump, like they talk it up in groups and raise the price. And then they pull the rug from it. There were certain threads and forums online that were banned at some point for that particular activity. But there's just human greed, right? It's greed gland, getting squeezed, and people reacting the way that you expect they would.

When you were talking about these professionals getting people out of their past problems, that gave me some flashbacks to my automotive days, because just about everyone who has a trade-in has got no equity in it. Usually the payout figure is worth more than what the value of the vehicle is. And I used to have to try and fix it for them. And that was where they made a poor decision, or they got the terms wrong.

And I imagine with investments, it's similar, and especially when you're talking about financial brokers or business brokers, where they want to massage figures or whatever to make a deal happen, but it shouldn't happen. It was probably where the global financial meltdown happened back in, what is it, 2008 or 2009, where a lot of subprime lending was going on, where people were doing no doc loans and stuff. They should never have had the ability to get lending for the purchases they made.

How a good professional can protect you

So yeah, if you have a professional, a good professional, I think we should probably get into how you might just determine between what a good professional and bad professional is. It could really help. And the cost of getting it wrong, it could go beyond just financial loss.

I mean, it could be reputation, or you could break the law in some cases. There's always schemes. There's tax schemes at the end of financial year that get trotted out, that appeal to the greed gland. There are often shady things you can partake in that just seemed too good to be true and usually are, especially a lot of those defi lending things that turned out to collapse, or ones that were pegged to the stable coin and stuff, just completely got decimated.



So yeah, I think if there's one thing that I would say to someone else to look out for when it comes to wealth creation, is to watch out for that greed gland. It'll get you if you're not careful, you need the discipline. And I think often a professional is going to protect you from your own greed gland. And that's what I found. With a buyer's agent, they're often going to work out what your limits are and factor you into reality.

And then they go off to make a purchase and protect you from the emotional rollercoaster that could happen if you get in the wrong room at the wrong time, and your greed gland gets pushed or suddenly you're in a one-upping competition at an auction and now you feel like the inner lizard caveman wants you to make sure that everyone in the room knows you are the man by overpaying for that property at auction or something. They can protect you from making a financial mistake.

Charley: Yeah, absolutely on that one. And isn't the auction the ultimate environment for the greed gland? Like, you watch people blow through their limits all the time. And you just hear story after story.

James: Except when I'm selling something at auction, it seems to me that it's the other way, where the agent has bullsh*tted about the potential value of the property. The prime person comes to list the property, and then they send the junior from the office to do the opens, and they don't drive competition or demand. And the auction comes, and there's not the right bidders in the room competing for it.

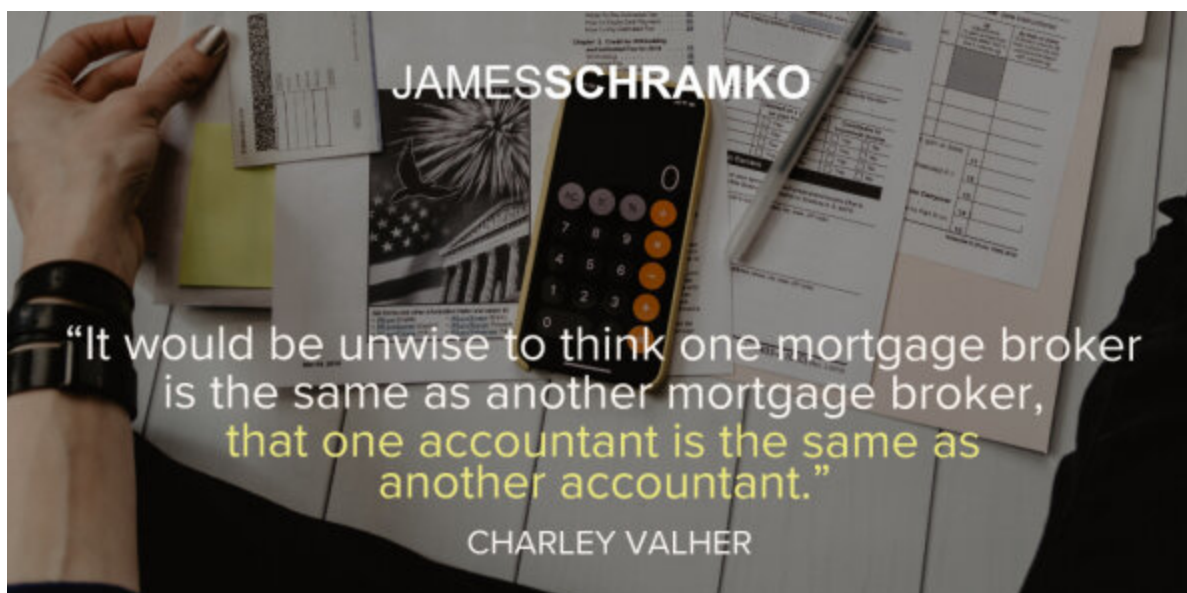
That's actually happened to me twice. I've had bad experiences selling at auction, as a consumer. I have tried to avoid buying at auction. That's where the property buyer's agent has helped me grab a couple of properties before they go to auction, but they read the market. They say, You know what, if this goes to auction, you're going to get some maniac overbidding, because the market's too hot. We need to take it off the market straightaway.

And sometimes, we'll go with an offer, get in there nice and early. And then, this has happened to me multiple times when I'm buying, where basically it's going to happen today. And multiple times it's gone into a Dutch auction, where they take the highest price with a signed offer. And they pretend that they're going to open the offers and then take the highest point, and then it goes into overdrive. And then it turns into an unofficial auction for hours. And it's frustrating, but highly predictable, especially in this market with this regulation.

Charley: Yeah, it's huge. I think one of the things we should really cover into here, because we could go back and forth on like, the power of professionals here massively. But to your point, and I know you get this question commonly, and I've been getting it a ton from people on the podcast, is like, Okay, well, what do you do with your money?

Who do you want on your team?

And I say, I use professionals. Then the second question comes up, Well, who do you use and what do they do? And what roles do they play? And like, it becomes really fascinating, because now it becomes this whole second thing, and I think it'd be awesome to unpack it on this episode, James. I think someone could dig into.



First thing I really want to highlight on this one is that professionals in the wealth space, in this example, here, are much like professionals in business. It's like, they're not commodities, they're all different. And I think it would be unwise to think one mortgage broker is the same as another mortgage broker, that one accountant is the same as another accountant. That a buyer's agent is the same as another buyer's agent. Like, quality really matters.

And I would almost highlight it that the idea of, it's the difference between having an A player on your team, like that great person on your team in your business, versus having like, a B or C level quality team or person on your team, like you wouldn't want to have a C-grade employee in your business, you definitely don't want a C-grade employee on your wealth team.

James: And often, they're going up against other professionals. So for example, my buyer's agent could be up against your buyer's agent for the same property. And I hope that never happens for the sake of your buyer's agent. Mine's pretty good. I'm messing with you. But it can happen, right? If you're going to choose one, you don't want the substandard one who's going to get demolished, same with my accountant would have to go up against maybe a tax audit or something.

And I want my accountant to be good. I want them to be thorough, and I want them to be completely, you know, T's crossed, and I's dotted and fully legal, and compliant. And I want to make sure that every decision that has been made has been made correctly. Same with your bookkeeping, you want to make sure your records are accurate, etcetera. So maybe it's worth nominating what kind of people we would have on the team, like what are the categories?

Who's keeping score?

Charley: Yeah, so these would be the roles I would say are critical on the wealth team. So number one is a bookkeeper. Now, I just think of this as the person who's getting the data and keeping score. So I think it's imperative you have a really good bookkeeper that can not only do your business books, but can also do your wealth books. So as you are accumulating wealth, you would want to keep a track of it in the same way you would with your books monthly in a business.

As critical in wealth as in business....

The second one is an accountant. And just like we have an accountant in business, guess what? Absolutely want to have one on your wealth team as well. They play a very, very critical role. And in some cases, not all, but your accountant for your wealth may actually be different than the accountant for your business. I think that's really important to highlight. Do not pretend or think that just because you've got a good business accountant, automatically makes them qualified to be a good accountant for your wealth. They may not be having the experience or be suited to that at all.

James: Yeah, I think you mentioned that on a previous episode where you might have a tax specialist accountant, a tax accountant, or someone who specializes in overseas entities or ways to structure things in a way that's going to be better off in a position for sale, etc. So it might be beyond the scope of a general accountant.

Charley: Yeah, absolutely. And you highlighted it. There's business accountants out there that specialize in getting your books ready to sell your business. That doesn't at all make them have any experience in building immense amounts of wealth from, let's say, property.

James: There are some accountants who are pretty much just like, attached to a financial planning arm and their main thing is to steer you into end of financial year tax schemes.

Charley: Absolutely. Happens. Definitely happens.

James: Dealt with one. One of mine got arrested and charged, I think for a naughty transaction. And I knew this guy was too sharp at the time, and I moved away from them many, many years prior to that happening because it was a bad vibe.

Charley: Well, your gut instinct, or your just intuition was likely correct there, James. It's funny, they've got a smell, the shady ones, like you can just, there's something about them.

The person who plans things out

Anyway, the next one I'll go into, as you said earlier, is financial planner. Now this is one where, I mean bookkeeper and accountant, I think, make logical sense to business owners because you have them in business, you kind of understand their roles a little bit, anyway.

When it comes to financial planning, like, this is where the first of the roles you probably don't have in your business comes into play. So where a financial planner can be particularly helpful is like, insurance, estate planning. And then also, actually speaking into financial products, like potentially manage funds or shares or other investments. So they play a really wide role. And they also touch on superannuation, in Australia, also.

James: Is this the one you would call a financial advisor?

Charley: I think that is another terminology they would go on. Yes, definitely.

James: This is the one I get asked for the most, you know? And this is the one I'm the most scared to make any recommendations, just because, maybe I get a different experience to someone else. I've had really bad experiences with financial planners/advisors, I'm super skeptical. If they're such geniuses with money, why do they need me or any other clients? Can't they just take a loan and turn it into bazillions?

There's two financial planners that I've found, or advisors, that I thought were quite useful, out of trying a few. And even that one's main message is that you should still take a lot of responsibility for your own financial wellbeing, which is what we're talking about here. We're saying, be responsible for getting a professional and for interviewing them correctly, and for your own outcomes, because you can't just blame it on them.

I've had other bad ones steer me into bad schemes, burn through share funds and destroy some crypto assets. So like, if you're not careful, they will just take everything you've got. And that's the bad ones.

Charley: Is the best way to think about that is like, don't have blind faith?

James: You can't have blind faith. But like, to your point about you don't know what you don't know, you still can't really sometimes assess how good they are or not. And obviously, they'll make you sign away that you could lose all your money and that you take responsibility, like they're still going to have lots of waivers and disclaimers, and whatever.

So most of my bad ones were decades ago. The only more recent one was just playing with a bit too much fire. But I was very clever in this case, because I just put a tiny amount of capital to test it. And my capital is just neutral. I didn't lose money. But I saw it go up a lot and then come back, which is, you know, my gut instinct was, I think I should sell now. And they said no, hang on, it's going to be fine. But it didn't. And I don't think it will be fine. I think it's just, it's finished now.

But for the people who I want to put money with, I'm really going to have to speak to them quite a lot. I'm going to have to talk to their customers. I will see proof that they're getting results. And I have to try and understand the topic more so than just blind faith. And in this case, when they make recommendations, I go and speak to the organization they're making recommendations about, I'll check the records of the organization. I look for reviews on the organization.

I will put some small amount and wait a long time to see what that organization does before I get too deep into it. Otherwise, I'm going to just skill myself up and trust myself more than most other people. This one here is the hairiest one of all, the ones that you're going to mention probably.

Charley: I would agree with that. And I would also say their industry has done a terrible job.

James: Oh, there's some bandits. Absolute bandits. As in every single industry. It's just that, it's not hard to find someone who's been burned by a financial planner or advisor. Now, I think in your case, with your podcast and your media, you've got the fantastic ability to work behind the scenes with these people, to talk to their customers, the case studies, to see their marketing results and longevity of who they've been dealing with for a long time, and the results they get for customers. So I'm sure on your podcast, when you have guests or whatever, you've got a much better filtering mechanism than Joe Public.

Charley: I would say I have a unique advantage in like, even how much I've gone into this space, the amount of time I've actually spent learning about wealth and money...

James: It might be why you're in that space, to say, Hey, here's a spotlight on the ones that are better than the others.

How to pick your financial professionals

Charley: Maybe. I'll talk about a big insight I had. Let's go back to like, old Charley. Like, my first experience with financial professionals wasn't good. And the way I would approach it is like, I'd almost like, look for the local ones in my area, I'd go have a meeting with them. And then based on that meeting, I would discern if I was going to engage their services or not. And to be honest, it didn't go very well, as I mentioned.

But the big like, penny drop or aha moment I had, which made a huge difference is like, why don't I start thinking about this from the same way I would recruit an employee into my business? And when I took that level of like, well, that approach and methodology to it, funnily enough, we started to get a much better result.

And I'll go to even to some of the points you mentioned before, but to be more specific here is like, first thing I do when I was looking for financial professional now is actually ask the people in my network that have done really well, who do you use? Like, if you're perceivably doing well, who are the professionals that have helped you the most? Like, I'd love an introduction.

The second thing is, is when I talk to that professional, like, I want to know that the professional is doing well. Don't get me wrong, right? You know, I'd never hire a massively obese personal trainer, I would never work with a financial professional that's like, flat out broke and been bankrupt a few times. Like, it's very important to do that.

The third thing is, do they have their accreditations? Like, I want to make sure they actually have the licenses and things in place that they're giving advice on. Now, I'm not necessarily sure how good that education is. But at least if they've gone through the process of getting it, that's a really good thing.

James: At least there's like, a modicum of financial recourse or some level of screening. And, you know, there's some pretty big news in Australia from someone who wasn't properly accredited, who was fleecing people.

Charley: And that does happen. But this was the magic question for me. When I sit down with a professional, I want to say, For people like me, alright, so for bidders in this circumstance, how have you helped them? Show me what that looks like for people like me? I want to know someone that's specific in my situation, what results have you gotten them? And then I'd like to speak with them. I'd like you to put forward someone like that so I can verify these results.

When I started asking that question, first up, soon as you ask someone that, like, if they go to run, fantastic, natural selection has worked. Right? The point of that question is to eliminate any poor quality advisors. But the second component is that suddenly I started getting better communication from them as well. And I got a better understanding of like, how they could actually help me specifically.

So for anyone that is looking to work with professionals, I think that's a really high-quality question to ask. I think it's a very unique way of working with a financial professional, which you can verify this with them. No one asked them that question. Like, they very rarely get people investigating at that level. And when you do, you'll find the right people for you.

It's not the interview skills

James: Yeah, I like how you tied that back to hiring, because the old, you know, hiring people off an interview is really just hiring people for their interviewing skills. When you look at past performance, or you speak to people they've worked with, or clients they've helped or whatever, then you get the actual runs on the board performance, which is better. And if you can do it through referrals or whatever, that's better.

I think that's why people ask me all the time, who do I deal with or whatever? What do I do? Because, you know, they trust me. But I want to say of all the roles, that's the one I would trust the least without seeing runs on the board, because that's probably a higher potential for damage compared to some of the other roles. There's a couple more roles we should have mentioned probably.

Charley: Well, if you were going to hire someone in senior management, right, in a company, you just clearly take hire in that role more seriously than someone who's going to, I don't know, like, clean the office at the end of the day.

James: Yeah, I think that's an 80:20 one, isn't it? The financial advisors, there's a lot more downside to getting that wrong than getting the wrong bookkeeper, probably.

Charley: Yeah, I would agree with that. So that's why it's like, you might want to take an extra level of care on that.

The critical role of a broker

I'll jump on to the next one, though, on this team plan, though, is like, I'm going to call it a finance broker. You'll often hear of them as mortgage brokers as well, but I've called it finance, because you can get finance in a whole bunch of things, not just property, but shares, your home loan itself. If you're going to buy a business, you can get finance, but there's a variety of ways to use a good broker.

And I'll share a little story with this one. I recently got my borrowing power assessed. So this is where they collect all your details, and then your broker will go out to the, I suppose, we'll call it the marketplace of loans, and help you understand, you know, what you can get. Now, I kid you not, with one bank, they had come back and said that, Hey, look, we're only willing to lend you, I think it was about \$400,000. And with another, they were willing to lend me \$2.8 million. Like, that was how wide a difference it was between the banks.

Now, the critical role that a mortgage broker, really, or even just a broker in general plays, is understanding the kind of landscape of finance and which lenders are going to be better to your situation, or what you're going to be able to get with one versus the other, or what terms are more favorable versus less favorable.

And to think that I would be able to go to the banks and be able to navigate all those intricacies, especially as a business owner, because some banks dislike business owners more than others, it just makes it so critical to have this on the team so that you can understand that in a really powerful way.

James: Yeah, I think, you know, mortgage lenders or banks, they're definitely going to have different criteria, especially when there's a credit squeeze or risk of defaults, they're going to be pretty hard on it. Here's a fun fact, this is my topic on finance broker. You know I used to own financebroker.com.

Charley: Great domain.

James: It was a good one. And I sold it after having it for a long time. I sold it actually last year. But I bought it in probably about 2009. So I had it for a long time. But they don't really call that overseas, I think they call them mortgage lenders or whatever else. I've had the same guy for decades, he's great. He always finds good deals, he knows exactly what the different places are looking for and doesn't waste time on too many options.

Because he's putting through so many deals, he's answering that Charley question, like, what lender is going to be the right lender for the type of person with my type of portfolio and my type of business? And it's always been seamless and a great experience. So I think it's fantastic. It's way better than trying to deal directly with a lending institution, because you generally don't pay any extra anyway. They will get paid, and they'll disclose their commission.

But it's good to have someone who's incentivized to find the right deal for you. And they want to make it good enough that you're not going to churn and go somewhere else, because that kills their trailing income if they get one. So with all the rate rises that have been happening in Australia, at least, I checked on my properties, and my rates are still really competitive, like we got a good scenario going.

But it's always good to be able to just call up and say, Is there something we should be doing? Or they call you and say, It's time to change something. So it's good to have that team member. I agree on that.

The guy who buys for you

And the next team member we talked about is a buyer's agent, or a property buyer. That was a new revelation for me, and something I hadn't considered before.

And I think the thing that would have put me off before was the fee. It seems like a big fee. It's going to pay, usually a percentage or like at least \$10,000 or more on a property purchase if you want someone to buy property for you. But I kind of got into it by accident, because the property that I really wanted to buy was being auctioned when I was overseas.

So it kind of made it an easy decision. I'm like, I need to engage someone to be at that auction for me. As it turned out, he said, Don't let it go to auction. Do not let it go to auction. You need to buy it now. And then the next one, he said, Let it run to auction, and let them all sit there twiddling their thumbs and let it pass in and then we'll buy it.

And when it passed in, he was just sitting there when everyone left, he was sitting there with the auctioneer and said, Sir, should we talk now? And I think we saved \$180,000 or something on that one. So my 10 grand or whatever it costs was well spent. So would you spend 10,000 to save 180,000?

Charley: I'd spend more. So like, to give everyone a range, it's like, buyer's agents, so this is someone who acquires property. Now, this could be the same in business as someone who actually buys a business for you, by people will actually go out and actively search those. So there's different buyer's agents, but in the context here, we'll say property-focused.

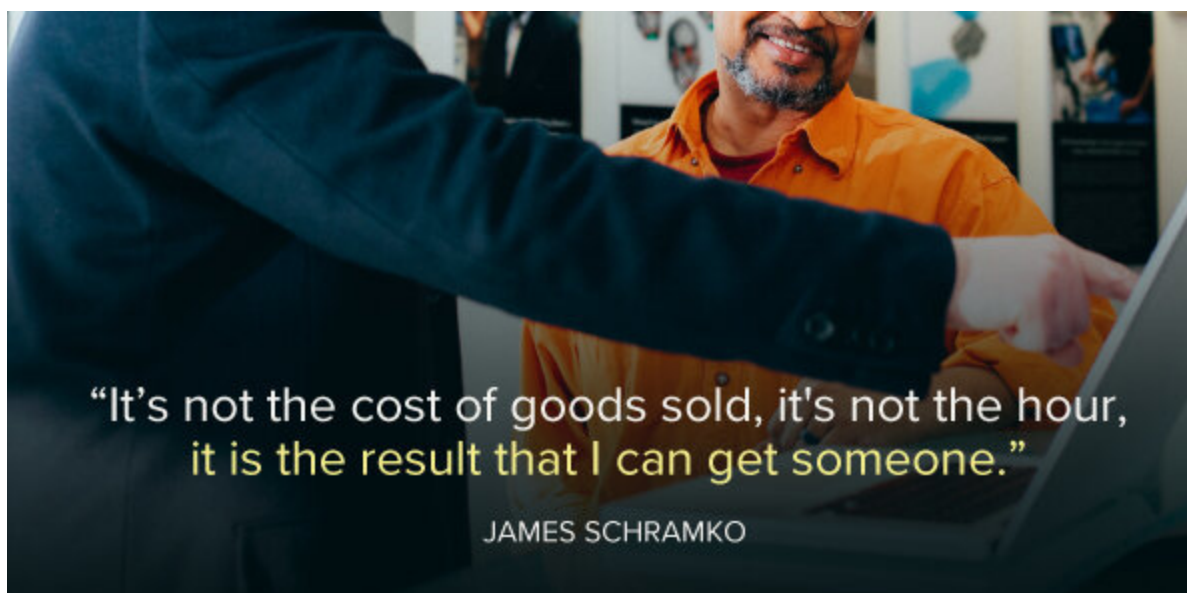
I think they're worth their weight in gold. And to give people a range, like it's normal in industry rate to be between \$10,000 and \$20,000 for a good buyer's agent, it is. And your example there, James, is critical on that. Like, that's the value they bring, those critical relationships and insights. Now myself, I've used a buyer's agent, I think about 10 times now, probably a little bit more.

I'm a bit of a property guy, that's my flavor and what I like to do. But in every circumstance, like the first time I used a buyer's agent, there was a little bit of like, this is a lot of money to be paying for this. And then after the experience and having some experiences like yours, I'm like, this is an insurance policy, this is to make sure that we don't do something stupid. And I would say easily, I'm going to say almost 10 times over, I would have saved what I've spent with a buyer's agent in making sure that we got the right thing.

James: For me, it really crystallized something that's critical in business, as a business owner. And that is, so many people are tied to an amount of money per hour. And if you were to say, Okay, look, let's say you spend 10 grand with a buyer's agent, \$10,000. And you think, well, they're just making a couple of phone calls. Like, they're probably making, I don't know, \$3,000 to \$5,000 an hour, it might seem, and you think that's a lot of money.

But then, if you measured on the result, how much they save you, or how much they can actually make you end up with the property and everyone else misses out, which has happened a few times for me, that is hard to put down to an hourly rate. So as a business owner, maybe we should be thinking about what kind of results we get for our customer and what kind of outcomes they can get for the amount they spend, and not how long it takes us to do it. I know there's nothing to do with wealth creation.

Charley: No, but there totally is.



“It’s not the cost of goods sold, it’s not the hour,
it is the result that I can get someone.”

JAMES SCHRAMKO

James: But it might help you with the way that you charge. It's just, for me, when I purchased the buyer's agent, it was such a good example of results-based outcomes, that I took it back to my work. And I thought, this is a very important lesson for me that it's not the cost of goods sold, it's not the hour, it is the result that I can get someone.

If I can help someone, I just did a call before us, Charley, where this person is making a couple of \$100,000 a year. And I did a diagnostic for him. And I've just listened to what he's got going on and what he's trying to do. I've given him 10 bullet points that will get him to a million dollars a year, by the end of this year, I have no doubt.

And I was just thinking, that time that we spent together was probably an hour is worth \$800,000 to this guy a year, in a very short term. So I could charge a lot for that call. Not based on the one hour, but based on the results. Anyway, that was just my big takeaway. Buyer's agents will seem expensive, but could be really one of the greatest things. It's also a very uncommon team player, I've found, most people don't know about this or use a buyer's agent.

Charley: I think it's a relatively newer role, as well. But I would also highlight here, as you've mentioned, the idea of your buyer's agent having access to relationships with real estate agents. So just imagine this, if you're a buyer's agent, and you're buying property from a real estate agent numerous, he's going to be biased in the relationship with you, because he wants you to keep bringing buyers in, right? They've got this thing going on.

So if the buyer's agent and the real estate have a bit of a relationship, they're getting access to deals before other people are. And that is general practice in the industry, is my understanding.

James: Also, there's massive grapevine, and it was the same in the car industry. People don't realize what actually goes on, but they communicate with each other. If you drive into a car dealer with a Nissan Patrol to sell, and you get it valued, there's only three or four places that are going to buy that car. So every dealer that you go and visit after that, they're going to keep calling up the same person, and they're going, Oh, they're here. They're there. Now everyone knows where this buyer is, and that they're out there. And it's game on.

Like, same with the real estate industry. Again, if you get a good buyer's agent, and they have those relationships, they're going to find out more about what's going on in the transaction, what you could find out as a public, they're going to find out the real motivation of the seller. Who else has made an offer, for how much? What would it take for this transaction to go ahead? Who else is buying? Who else has got an agent? There's so much info that can come from it.

Charley: Yeah, well, that's what you're buying, is access to that leverage. It's not just the person's time. That's what comes into it, which I think is so, so cool.

When it's about selling a business

So there's our team, our squad, and I should recap them really quickly here, just to make sure we go for it.

James: I think there's one more.

Charley: So I have business broker on the list as well here, which I was going to segue into as a later one, but we'll bring it in now.

James: Sorry, mate.

Charley: All good. Well, people should know, we do put a little bit of prep into these episodes to make sure we don't miss any points. So business broker is one where I think for many business owners, them selling their business is a part of their wealth creation strategy. So they're sitting there and going, Well, at some point, I want to sell this.

I think it's imperative too, before you even think about, you know, listing the business, so probably many years before you actually are ready for the sale, is engaging with a business broker, and asking them the critical questions around who the buyers might be, what things need to look like, so it is sellable, what's going on in the world for this to be a great acquisition for someone, is a critical person to have on the wealth team.

James: Yeah, I agree. It's like, again, it's going to be a big sale event, hopefully. And it's something I've taken advantage of, selling my businesses. I did speak to a number of business brokers and interviewed them on this podcast. So we can link to those episodes where there's, you know, [how to buy a business](#), [how to sell a business](#), they're all sort of related.

I really learned as much as I could about this. So I sort of took on the responsibility for that. And in the case of where I sold my business, because of the strategic sale that it was, I wasn't able to use a broker for that particular sale. But I've seen many clients use brokers. And it makes a lot of sense, if you don't have the same situation that I had, which almost no one would have. One was a really rare one, where the biggest customer is buying all the stuff. It was an odd situation.

Charley: I think a great example of this is, let's say you're running a marketing agency, and you go, Do you know what, I want to be able to sell this one day. If you speak to a broker, and he's got an insight that he goes, Do you know what, agencies that have really strong recurring income, we sell for much more than the ones that do the more one-time stuff.

So if most of your revenue is coming from one-time website builds right now, or one-time branding projects, if in the next couple of years, you're able to get 50 percent to recurring by offering those types of packages, we think we can get you two or three times more, like that one insight could be the difference between retiring very comfortably, and then retiring, let's call it, less comfortably.

James: Yeah, I agree. And they also might have access to other list of buyers, which is one of the big appeals, and they know the preferences of the buyers. They might know of groups who want to do roll ups and so forth and structure things in a way you can't get access to as an individual seller.

Charley: That's a great point. If someone's doing roll ups and they know about it, it might actually bring up your timeline, you might need to get your skates on and actually sell earlier to get a much better deal than anticipated.

James: Yep, because you still might have to do an earn out period or get shares in the new entity. But it might be preferential to having to sort of keep building for the next few years on the maybe selling for a higher price.

Charley: Agreed.

James: Cool.

Do they work with other business owners?

Charley: Alright. I got one more point I wanted to throw in on this one, James, which I've saved for here, because I think it's really critical. All the professionals we've listed above, what makes this really, really unique on the wealth team is that all of these people work with people who are, we're going to say are employees or PAYGs, and also work with business owners.

So this is really unique and I think a lens business owners don't often consider. So for example, I'm just going to use the financial planner role as an example, just as an example. Just keep in mind that with the financial planner, he's going to be working alongside people who are employed, maybe they work at a corporate in a big city, and also businesses.



Now why I say that so importantly here is that when you're picking your professional team, right, when you're getting your wealth team around you, you wouldn't want to be the only business owner they work with. Like, the circumstances that business owners find themselves in and the needs they have are different to employees or people that work in corporates.

So I would really highlight one of the critical questions to ask all the people on your wealth team is just make sure they are working with business owners like yourself. They really are getting results for business owners, because the game and what that professional will have to do is going to be slightly different. If they don't have the experience, it could be a complete mess.

And I suppose a relatable example of that I would use here is like, I'm quite strong at paid ads, for example. Like, I know my way around Facebook ads. If I had to take on an SEO project, though, I've got no idea. Could I wing it? Maybe. But the idea being that if it was just that little bit off, I mean, they're both digital marketing, but if it's the difference in that way, the results I would get at SEO versus someone who does SEO all the time, will be greatly different there. So finding that like-for-like example, people have got a proven track record with people like you, I think, is imperative.

James: Yeah, and it'd be easier for someone, just like a furniture store saying, Oh, Charley, could you help us with our digital marketing? They might not know the difference between SEO or paid marketing, you know? They might just want to show up on the first page of Google. They might not even know that there is a paid section or a free section.

They wouldn't have the deep level of ability to check your wares, you know, if you were to say, Yes, I can do that, no trouble. You might be doing a crappy job. But if they spoke to a few of your clients, and asked them how you were able to help them, they'd get a pretty quick handle on that. So it's a great question to ask, if they have similar clients to you.

Why you want people talking to each other

Charley: Yeah, and I will throw in another one here. James, if you were hiring an employee in your business, would you forbid them from talking to the other employees in your business?

James: Well, as it turns out, my other employees would be the ones hiring them and speaking to them as a group, and I would want them to talk to the people in my team, to get a feel for what it's like working for me and in our business, because I'm a huge advocate for transparency and for fit. If they don't like my team members or my team members don't like the candidate, it's not going to happen.

Charley: So same thing applies here. This was something I'd noticed, particularly in the last few years. Once I brought this team together, one of the things I did poorly initially was I'd kind of, I kept my accountant away from my buyer's agent. Not intentionally, just like, I was like, Well, why do these guys need to talk?

Only when I started having the people on my wealth team work together and communicate and align on the common goals I was trying to hit, it unlocked something, like it really did. So I'll say that's a tip, it's a highly recommended suggestion, is that once you form your wealth team is make sure that you're bringing them together to be aligned.

James: We didn't mention there, but there might be opportunities where you need a lawyer, as well. But I've found my lawyer will speak to my accountant, which is wonderful. You know, when I was selling my business, they might want to talk about the way that it could be structured or paid for or which entity etc., etc., stuff that I would be starting to be the person in the middle of Chinese whispers. It's great when they can just chat.

Charley: I bet they almost speak in other language, your lawyer and accountant, on certain things. It's one of those things, isn't it?

James: It is. So it's good when your team can talk to each other. Certainly our accountant and bookkeeper, they're like a hand-in-glove fit that you would always want to have. My accountant spoke to the person who I'm comfortable doing some financial planning, and got close to the, you know, is doing some sort of shadow moves to me, which gives me even more confidence. They were not miles off track.

So yeah, and also, of course, your finance broker or mortgage lender is going to want to speak to the accountant to get financial records and statements or even, in for small businesses, it's quite common that they'll need a letter from the accountant saying that you earned this or can afford that or etc. So it's good when you have that into play. I like it. It's a good one, Charley.

Charley: And just like you kind of mentioned, there's like your wealth team and my wealth team are going to be different. And I would think that in many cases, like we've listed out kind of like the major roles. You know, every company has a CEO. But the reality is not every company has a graphic designer.

And I would keep in mind, depending on what path someone goes through their wealth, it's like you would expect those teams to be different, but I just hope the principles of thinking about who you need and where just transition across from business, because it is such a powerful concept.

James: Yeah, and it made me think, you know, once you've got a team and I've got a team, it'd be easy for us to compare notes on who's doing well on our team and what we like, and might be able to change out some players if there was an improvement that could be made.

Charley: Maybe get them to cage fight. [laughs]

James: [laughs] Fight to the death. I don't know. It wouldn't be family-friendly content. So, Charley, thanks for this - building an effective wealth team. At least, we've really outlined a few things. Firstly, that you and I are not the ones giving advice, that we go to people who are good at what they do.

In summary....

We've outlined the different types of people you might have in your wealth team, there might be others. But this is certainly the go-tos for us. Why it's worth getting right and invest in the right players. We've given a range of what it might cost for some of these roles that are less familiar. You've talked about what you might ask them, how you might vet them, and integrate with them.

So hopefully, this is helpful. And I'd love to get feedback from you, our listener, on episode 948, if you've enjoyed this. I've been chatting with [Charley Valher](#). Charley runs a blog and a newsletter on this topic. Charley, you want to just let us know where we can go and find out about that?

Charley: Yeah, so for the business owners out there that are interested in building wealth, I've got a podcast called [businessandinvesting.com](#). The name kind of comes from, my belief is that you can't just have everything in your business. Being full stack means taking those profits and wins from business and turning it into some wealth outside of it.

Podcast is Business & Investing, you can find it on all the platforms, YouTube, Apple, Spotify. And then we've also actually got a resource on our website, which is like, more into these teams topic, or it has all these roles listed out, and what they actually do, and who they work with. And you can grab that on [businessandinvesting.com](#).

James: There you go. If you join the newsletter or whatever, and you get the opportunity, let Charley know that you heard him here on this podcast, and we'll invite Charley back. If you've got a specific topic you want us to cover, or we've raised another question that you'd like us to answer, just send me an email, and I'll ask Charley to come back and share with us. Thank you so much.

A glass jar filled with various coins, including US quarters and pennies, sits on a wooden surface. A small, vibrant green plant with several leaves is growing out of the top of the jar. The background is a soft, out-of-focus light green.

JAMES SCHRAMKO

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