The Finance Ghost: Welcome to this episode of *The WellsFaber Podcast*. I'm your host, The Finance Ghost. I'm really looking forward to digging into this. The last few episodes we've been very focused on, firstly, the health side of the wealth and health equation, which has actually gotten me to make even more changes to my life, even though I'd made so many before doing these podcasts.

It's amazing. When you have a conversation with people, you kind of look at it and go, "Hmmm, maybe there's still some room to go."

We've had wonderful conversations with people about having to somewhat reinvent themselves and make some big changes in response to things happening in their lives.

Today we're going to do something completely different. Now we're going to put far more of a business lens on this. We're moving firmly into the wealth side of the health and wealth equation, which is obviously very important.

To do that today, we have a familiar voice - that is Kevin Dolley, Wealth Manager at WellsFaber. And we have a new voice on the podcast, that is Matt Beckett. He is the founder of n plus 1. Looking forward to chatting to both of you.

Kevin, let me say hello to you first, as our familiar face and familiar voice, and then we'll get Matt involved. So, Kevin, welcome!

Kevin Dolley: Thank you, Ghost. Good to be here again.

The Finance Ghost: It's great to be doing this with you.

Matt, welcome to what I understand is your first-ever podcast, right?

Matt Beckett: Yes, it is. Thank you. Thanks, Ghost. Thanks, Kevin. Really great to be here. I love what you guys are doing so far.

The Finance Ghost: Fantastic. Look, you've got to pop the podcast cherry at some point in the modern world, so I'm glad you've now done that. So, welcome.

Let's start with you. Let's get an overview of n plus 1 and some of the work that you do with founders. And then I'm keen to understand your involvement with the WellsFaber team and how you guys work together.

So, Matt, take us away on what n plus 1 is?

Matt Beckett: Excellent. Thank you. I'll try to give you the high level. What n plus 1 is, is effectively a venture studio with a mission to build effective mechanisms to invest in everyday founders at day one. That's a fairly long statement, but really it's about starting business.

I think many people in the business world, or all the founders or would-be founders, know that you don't really get investment (unless it's from your uncle, or your dad, or your mom) at the very early stage of starting a business.

We know there is a ton of talent in the country, we know there is a ton of opportunity, and we know that we're following a model that really isn't built for South Africa. So, we are trying to figure out how we get this new money and support into everyday founders and everyday businesses at the beginning of their journey.

The Finance Ghost: Yeah, so you're really getting to the heart of the problem there, because you're 100% right. Lack of funding is a major concern for entrepreneurs in South Africa, along with so many of the other problems that they have to deal with. I'm quite keen to dig into that with you.

Kevin, just as part of setting the scene there, what is your work with Matt, and why were you keen to bring him into this discussion, from a WellsFaber perspective?

Kevin Dolley: So, Matt and I met about five years ago when he moved down from Joburg, like a lot of people have done. We met on a bicycle, we became mates, and later on we started chatting about financial planning.

I obviously got very interested in Matt's business and what he does, and how I can introduce clients that are going through that phase, maybe resigning from their jobs and trying to start a business – how I can assist them along that journey.

Clients naturally come to their financial advisor for that type of advice. Not always, but if you have a long-standing relationship, you're one of the trusted ears that they're willing to share this information with, and they ask for your advice on what steps they should follow.

Partnering with someone like Matt really gives that level of expertise that clients trying to embark on this journey can actually tap into.

The Finance Ghost: I love that, it's that 'trusted advisor' concept. I actually remember reading the book *The Trusted Advisor* all those years ago when I was in corporate finance. It's about helping your clients actually know where to find the answers. That's what it comes down to. So, that makes a lot of sense to me.

Sometimes those answers are easy, sometimes they're harder, but it's amazing how often the questions are consistent, even if the answers are not.

Startups, and certainly South African businesses, face a lot of challenges. We know this. Financing is one of them. There's all the operational stuff. If there is one thing this country loves, it's regulation that is probably way beyond the level of economic growth actually available.

Tax stuff is not simple. The legal stuff is not simple. There are actually very few things in place to make things easier for founders. Obviously, these are headaches in a market that is already difficult to operate in.

South African startup entrepreneurs are a rare breed. They are super resilient, and it's something that I think we're known for internationally, actually.

Matt, if we look at a lot of the work that you do, and in terms of your expertise and where you spend your time. What are some of the things that tend to come up from these companies? What are they facing? What are the common questions and the common problems that you deal with?

Matt Beckett: I think maybe I cut myself short with the model we're trying to apply. Let me give you a little bit more on the 'what' we do and then jump into the problems.

I think, just to answer the first part of the question, the questions that come up at a certain point are very repetitive. They're the same themes.

A lot of what we're dealing with is the problems that aren't yet the questions. That in the early-stages, founders are not yet sure of which hurdles they're looking out for. This will apply to everyone starting a business journey or starting a new career – you don't actually start out knowing which questions to ask.

Just a brief on what we're doing. We addressed why and where we're trying to build. How do we start new businesses? For me, the problem is very clear. It's a big problem, which is why playing in this or trying to address this – it's not charitable, it's impactful.

It's can we start new businesses and create economic wealth, create first-generation wealth and new jobs?

The 'how' is what I wanted to add. What we are looking at and what we've gained over the experience of working with - across the board - some really grassroots founders and businesses, up to businesses that are exiting startup and going into scale, we've come to the conclusion that you *must* apply skills and capital together.

If you really want to act at an early stage and provide the support for the right founders, you must have input. Now "skills" can be a broad word, be that business services, be that advice, be that partnership (I'm sure we'll get into some of that) – but you must have the effort and the money coming from the same place, with same incentives.

Because often those things don't come in at the same time. And that can just land up confusing the founder, or giving them an amazing direction and pool of support in one round and nowhere to go on the other. Obviously, the other side being we can also put a lot of money in and then let it float around and get surprised when the founder doesn't have his services in place and doesn't make great decisions.

That gives a bit of where and how we're doing it.

And then, if I'm right, touching back to your question, what are the biggest challenges we're facing in the early stage and with our partners?

Where we start - I've kind of got three areas that we will touch on in direct response there. The first is the accounts, but within that, the management reporting – seeing your books, seeing and understanding your numbers properly.

Yes, this translates into the compliance questions which come up very commonly. "Are you compliant? Are you on time? Are you falling into problems with SARS?" But before that – and I do say before, because it must come in this order – do you actually know what's happening in your business?

When you're a tiny founder, when you're just starting out… And again, to me this is not rude or derisive to any starting founder. This is the mission. You want to be able to work with guys who are great operators, but haven't dealt with income statements and EMP201s, let alone operational efficiencies and financial ratios.

When you're starting, you know the numbers because you're the one selling the burgers (there you go, I'm now committed – we're using burgers as our example for today, until someone challenges me on that).

So, you know you bought this many buns and this much mince, you sold this many burgers, and you understand it. But you're not really sure what you should be looking at, how you should be structuring your cost of sales, how you should be accounting for your own time in the business.

Then, as soon as you start growing, you lose track of this. All of a sudden, you're integrating one point of sale here and one supplier there, and if you don't come from this world, you will lose track. You won't know exactly what your numbers are, what you're looking at, and where things are going.

To me, building this, really getting that in a way that speaks to founders and helps them to understand their business is number one. Without that, you're not growing correctly. And with it, you really can make good decisions.

The second is that we can take that management reporting, accounting, strategic management, and we can take it through to, I believe, all non-operational elements of the business.

I say non-operational, where you've spoken about some operational challenges. Those operational challenges are different in burgers vs. creating school uniforms or farming.

Accounting, legal, brand and communications, digital and systems, and humans (or HR). They have the same levers. They look the same. Every business can talk about production, distribution, sales and compliance broadly the same.

I believe that we take the same challenges into all of these business services with which founders will surround themselves as they go. And most of these things, when you start out small, you hire an outsourced accountant, you hire an outsourced brand agency, it takes a lot of overheads. A lot of the time, those guys don't really get to understand your business. The good ones do, but the overhead, the time, the administration and the mental burden that you, as the founder, are taking on, dealing with this – updating forms, explaining, creating briefs – is this unspoken load that sits on founders' backs.

You're emailing with your brand guy here, you're meeting with your accountant there, you're WhatsApping with your lawyer here. And actually, you're spending as much time giving them info as they are giving you info.

You wonder why you only spent one hour this week figuring out (there you go, back to burgers) if you should grind your beef really fine or smash it up while you're grilling it. Then, all of a sudden, a year later, our burgers aren't amazing anymore. And is that a surprise?

So, to me, that's been the biggest challenge. I may go a bit too deep on it, because of how much it touches me personally. But as we've built up this studio, we've worked really hard with a few different partners – some cataclysmic failures, some really great relationships that we're building – in how we get to understand and streamline the services for these businesses.

In raising this here (where hopefully we have some potential new founders, young entrepreneurs listening), the point is not necessarily to sell that we're nailing it, but to raise that these things are a big learning curve.

They can be quite tiresome, and no one gets them right straight away. And also to understand, you don't need everything all at once in the business.

And the last piece, which is a very short one, is the things that actually are the soft elements, the human parts. There's the phrase somewhere, "You don't do business with businesses, you do business with people."

No matter what, you want to build something well, number one (actually, the number one priority, while it might not be the first thing) is your team and your systems. Are you hiring good people? Are you training good people?

And then, are you building ways that you do things? 'Systems' to me doesn't mean we have to employ a million different SaaS (software-as-a-service) subscriptions and build a fancy IT infrastructure. It is: "Do we have fixed ways, fixed operating procedures?"

When I'm day one in my business, do I create documents that remind me how I do my job day-to-day, so that, as I build people into these roles, we can expand properly?

The Finance Ghost: Loads of good stuff in there, Matt, which obviously speaks directly to life as a founder. I can confirm myself, five years deep in this thing now.

One is definitely the concept around understanding numbers. And you're absolutely right. Unless you come from some kind of accounting background, it's extremely hard for a business owner to actually understand the numbers properly.

They have a sense of the cash, but they don't necessarily know how to read the financials. Their accountants will often do the bare minimum to just comply. Generally speaking, you struggle to find better than that.

Compliance – yes, that's obviously the ticket to the game. But if you actually understand your numbers - and I've worked with small businesses before, it's amazing how you can just open their eyes to something by showing them stuff like margin mix and all sorts of concepts that, if you studied finance, are not complicated, and once you've seen them, are not complicated. But you just "don't know what you don't know" and that's where it helps to actually get someone involved.

Then speaking directly to stuff like the overheads, you're certainly speaking my language there. It is incredible how much time it sucks in a business to just do the stuff – it's like adulting in your normal life. All that stuff you have to remember to do for your household and your life and your kids, etcetera.

If you have a business, it's all of that, but the kid is the business, and it's a demanding kid in that particular case. So, there’s a lot to think about there. I can completely relate to all of that, honestly.

It's not easy to be an entrepreneur, because you pretty much have to do all of those things yourself and only over time do you start to then outsource it. So, it does make sense to get the right people involved.

And I think specifically, to try and find the right people for a small portion of their time, rather than getting the wrong people in as full-time employees, who then want to take leave and get sick and everything else.

That's certainly been my approach – to manage those overheads. You spoke directly to overheads there. Overheads are where things go wrong for you as a small business owner, and whatever you can do to optimise getting the right people in and managing your overheads is a good idea.

I’m pleased to say I've finally brought on someone full-time in the business who has been amazing, and it's an absolute game changer when it happens. But five years in. It's taken that long to get to the point where it actually makes sense to do that.

Anyway, let's move on from that to Kevin, because you must have been sitting there listening to all of that and waiting to jump in and just share your experiences, I guess, in terms of your own clients.

So, I'll open the floor to you, Kevin. Talk to us about what jumped out for you there, where does that really resonate in terms of your clients, and what sort of conversations does it lead to?

Kevin Dolley: I think the things that Matt chatted about there, to summarise it in my simple terms - you as a founder who wants to start a business, have a passion about something, or you have expertise in some field. That's what you want to do. That's what gets you excited to actually start this business. In my mind, you should be focusing the bulk of your time on that.

And yes, most of the time, you don't have the financial background, you don't understand all of those accounting and compliance things. But that is the whole beauty of partnering with someone like Matt - because he's done that a million times, he understands that world.

So, you don't have to focus your time on it. You can focus your time on making the best burgers in the world, because that's what you're passionate about and that's what you want to do.

Having someone in your business like Matt can help you navigate that and identify the areas, without you having to worry about it. And to step in and say, "Look, I think we need to outsource this," or "Hold on, I can manage that for you." That's the beauty of it.

Whereas if you go into this thing by yourself, all your time and energy go into the running of the business. And sometimes you lose sight of why you're actually doing it and what actually drew you to it in the beginning.

Obviously, where the financial advisor comes in – and that's my role - depending on where you entered the journey with the client, with the founder, it's important to lay a strong foundation, from a financial-planning background. It ensures that if and when things do go wrong, you've taken into account these things. That you have pre-empted it.

There are a lot of things that your financial advisor needs to understand when you're starting a business, to try and guide you, to try and lay that foundation.

A lot of those questions would be around: Are you starting this on your own? Do you have a partner? What do the shareholder agreements look like, if you do partner with someone?

Succession planning – often we only feel that succession planning needs to happen later on in the journey, when you're getting closer to retirement or exiting, and that sort of thing. But anything can happen at any point in time.

You've spent so much time and effort building this business, which has a value, and like Matt said, it's first–generational wealth that you're trying to build. You want to pass that down to your family.

So, a financial advisor will help you put those mechanisms in place to make sure that, if something does happen to you, there is value passed down, and to start having those conversations early enough to start thinking about succession.

There are other factors to consider. If you don't have a will, for example, what happens to your shareholding when you pass? How are you married, if you are married? Are you married in community of property, or ANC? How do these affect what happens to the shares in your business when you're no longer around?

Founders don't think about these things, and technically, they shouldn't have to worry about these things. They're focusing on growing a business. But having the advisor just remind them about these things allows for a proper foundation to be put into place and to have those conversations.

The other advantage, in my opinion, is that advisors generally have (if you've been around for long enough) a big pool of clients who have been through building their own businesses in similar industries. People that you can connect to this founder, even if it's just a coffee to have a chat and to share ideas.

There are so many people out there who are willing to part with that knowledge and help other businesses grow, but you've got to reach out. So, through a network that a financial advisor can give you, you can enable that.

Matt is trying to solve for this in various ways, and he's experimented quite a bit with it. And this is part of how we started our journey as well – to try and build up a network of professionals (in accounting, legal, financial planning) to be able to assist the founders.

He's been doing a lot of work on that and we've partnered in that sense, and I've helped some of his founders to get things in place. But the financial advisor themselves, just by the nature of our business, we've partnered with accountants, tax consultants and so on because we need to do that for our clients anyway. Fiduciary specialists, when there are trusts and things.

We have a network as well that we can tap into, and all of that can support the founder in all of these functions.

The Finance Ghost: Kevin, lots of great stuff coming through there. I think it makes a world of sense to combine business value creation with wealth management at the end of the day, because the work that Matt is doing with these clients is helping them create the legacy wealth that you need to plan for down the line. That makes a lot of sense.

I think it also just helps to get that external perspective and that kind of ‘helicopter view’ on your business and someone to actually come in and say, "This is interesting. This is what you do. Have you thought about this? I can introduce you to that person."

It's like the architect designing the house that you'll then spend your time furnishing.

The other thing that I think you mentioned there, which is a concept that is very close to my heart and people who don't run businesses don't always understand this, because they earn salaries and hence their earnings are capped.

They'll often form a habit where it's like, "Okay, if I do this myself, I save money, and I don't have another way to monetise my time. I'm just giving up some free time, but I don't have an alternative use for it that generates money. So hence, I'm going to choose to save money."

But when you work for yourself and inevitably (well, not inevitably) things go well and you have more demand for your time than supply, then you've got to be very careful. You've got to get good at paying other people to do things you don't want to do.

It's all good and well to spend an hour saving a hundred bucks, but if that hour costs you two grand, then you've actually gone backwards while patting yourself on the back for being very clever for saving R100.

So, that's a big adjustment for entrepreneurs, and it applies to everything in their business. There is some stuff you should be doing, your core thing (actually making sure the burger menu is perfect), and there is a lot of stuff you definitely shouldn't be doing.

It took a lot of trial and error and pain for me to get out of that mindset, especially in the first couple of years as a business owner. To go from salary to business owner and to learn that actually you've got to be strict with your time. Just working yourself to death is not smart unless you're working on exactly the right stuff. All you're doing is burning yourself out and making it much harder for you to be really good at the thing you need to be good at, which is the burgers.

Matt, to bring it back to you. I know you've got some background in coaching, actually, which is quite interesting because I naturally did a little LinkedIn stalk. I'm keen to tap into some of that. Mentoring and coaching – that's part of what you would offer, I would imagine, to these founders.

People hear the word ‘coaching’, and sometimes they go, "Ooh, what does that mean?" It's weird because they do that in a business sense, but if you say to them, "Rassie and the Springboks," then there is no negative connotation with coaching whatsoever. It's like, “The man's a genius, look at what he's achieved.” But you say to people, "Business coaching," and they go, "Ooh, what's that thing?"

It's quite strange. We should actually treat it the same. We should treat your business as a professional sport, where it actually may make a huge difference to you to get the right coach. And you shouldn't be shy to experiment with that – change your coach if it's not working, like any sports star would do.

Let's talk a little bit around some of the coaching and mentoring stuff that I'm sure you get involved in, and how you walk the road with these founders to give them that support.

Matt Beckett: Thanks! Glad you checked out some of the history, and that's super relevant. Nice to raise something I personally forget a bit – the history.

My career started out in cycling performance coaching. When I was a youngster, that was the dream. We were going to go race Tour de France, all of that. Grew up with some of the guys who really exceeded, and it put a different lens on everything for me.

The Finance Ghost: So, when Kevin said he met you on a bike, what Kevin meant was he met you at a coffee stop on a cycling route, because previously you'd missioned past him at a million kms an hour on his favourite route. This is what I'm hearing. [laughing]

Matt Beckett: Actually, back then, Kevin was pretty quick as well. Now we're both in a state of semi-retirement from cycling. Because we're both slightly hypocrites. To the point that we both nodded our heads out, at you saying, "Don't burn yourself out, don't overwork," and currently, I see Kevin cycled one hour last week, and that's about forty-five minutes more than I did.

So, I'm maintaining health, but not fitness at the moment. There is an important minimum threshold.

The Finance Ghost: LinkedIn stalking is one thing, but Strava stalking is something completely different. [laughing]

Matt Beckett: Strava gives you truth, man. If we're not getting out and healthy, we're in trouble [laughing].

So, my life started out in performance coaching. I then went on a whole long entrepreneurial journey, which has been great, that's what got me here.

I started as an entrepreneur, not as a technically trained accountant or whatever that may be, which is the opposite way to a lot of guys who got to the same place. And we'll always frame those questions, those concerns, the perspective or the empathy for a founder, differently.

Then, through my career, I added some of what I saw as the technical elements of business, looking at this idea that these founders could be supported differently and be "not doing the things", to paraphrase yours.

You don't have to go and learn cash management, plus brand management, plus legal. You have to understand the direction you're taking; you have to understand that the people you get in place are doing the right things, and then be able to guide some of the big decisions or big directions.

This loops to the coaching. That's always been an interest, and I believed, when I started this idea of venture building and venture partnership, that a lot of it was going to be about the technical elements.

Is your financial model good? That, to me, I think we all probably know that's easier - spreadsheets do what you tell them to. I can make you a model for the next hundred years if we want to. It's definitely going to be inaccurate once you get past a few years, but we can do that.

But really, the thing about business, the thing about developing in life – and I really *love* a good sports analogy – is day-to-day improvement, day-to-day consistency, accountability and having someone. That's really where a lot of the coach – the "Rassie" – is not just about the technical. It's about the human.

And I've spent so much of the last two years actually in that space.

Do we provide a sounding board? Coach doesn't need to be better than you at the game. Rassie's not necessarily better (well, he's definitely not better than Malcolm Marx at tackling). But we can frame. We can see from external and we can provide a sounding board.

Then you have a bit of accountability. Because as soon as you're sharing it with someone else, you inherently stick to some of the decisions. And then there is just an element of sharing some of the mental load.

There's the key takeaway: don't do sports without a coach; don't do business without a coach or a partner, whatever the exact term is that you put on that. I also really believe it is valuable to even go into the terms and say that coaching is essentially a one-way relationship. It's not an equal relationship.

Even where you have a co-founder or a spouse who is amazing. Having someone who is dedicated, when you have a session, to talk about your business, your problems. It's not a coffee where we're also hearing about my problems. That can be the real magic in coaching.

I now add one piece to that - that I've to my own detriment or my own learnings (because that is what life and business is, is just about putting together a lot of learnings and actually listening to them), I was under-indexing on coaching.

I was doing a lot of coaching and not receiving a lot for a lot of my career, once I got to a certain level of being able to apply some coaching. When I went through my cycling career, I'd studied sports science, so I did my own programmes, and I wondered why I burnt out.

Starting in business as well. I had peers, chats, and I never engaged strongly enough with the very, *very* many willing humans out there who are willing to coach, mentor or guide.

And everyone. There is not a single person listening to this podcast who doesn't have someone who will coach, mentor, guide.

If you say, "Hey, Uncle Pete, can we actually have, once a month, a coffee where I talk to you about my challenges with my team or my challenges with the finances of my business?"

It goes a very long way. So, I now have those things in place, which I didn't, before.

The Finance Ghost: Yeah, very nice. I'm kind of deciding what the next era looks like for me. Because it's been five years to get this business to this point, and that's been done through blood, sweat and tears on a lot of technical stuff. Now that I can start to outsource just some of it, I've kind of figured out which pieces of it I can start to outsource.

In theory, that should unlock more time. The first thing I'm going to do with that time is try not to work 70 to 80 hours a week, every week of my life, because that would be kind of exciting.

But once I've brought that back down to earth (probably around 60 hours), then I'll try to find a few hours a week for just bringing in some more human elements. Because I think that's what's been missing from a lot of what I've been doing, which might be coaching, it might be something similar, which is interesting. So, we'll see what happens there.

Definitely not sure what the future holds on that for me, but it's good to hear you’re having such a great time doing that kind of work with people, and it's such an important role to play.

And I guess it comes through even when you're talking about something like understanding their accounting. It might be a chat about the accounting, but actually, there is a coaching element to it, without a doubt, which is around imparting knowledge. Creating the goals. Those elements do come through.

And I think it's interesting that your background is not in any one particular technical vertical. I think that probably makes you way better at what you're currently doing, because when you come at something with technical expertise, then inevitably that's your lens, right?

So, you come at it as a chartered accountant who understands the financial numbers. That's your life, so you're going to look at it like that, and you're going to be really good at the financial stuff, but you might not necessarily be amazing at helping someone understand who to speak to about marketing, or digital, or outsourcing, or whatever the case might be.

So, it's quite good to come in with that overarching understanding. Then you know where there is a gap, and you need to plug a technical expert into it.

Speaking of technical experts. Kevin, there is a good technical point here that we should talk about, which is around structuring some of the stuff like health insurance, retirement savings, all of that kind of thing.

Again, don't try to become an expert. I'm scared of that stuff because it is actually so technical. It's so specialised. There is no reason for the burger-making entrepreneur to go and try to become an expert in which health insurance plan to use. It's just a horrible use of your time.

Go and get an expert who knows how to do it and who’ll just charge you a fair price for getting involved in that.

Kevin, let's maybe talk about that a little bit. For business owners, especially as they start to hire people and they need to incentivise them properly. What do they need to think about around, as I say, stuff like medical aid, retirement savings, and those sorts of perks?

Kevin Dolley: Before I answer the question directly, I think it's important that when we start talking about hiring people and hiring the correct people, having your values as a founder align with your business and also the people that you hire is very important. I think it creates a really good synergy.

People who can share in your ambition, who want the business to grow as you do and have the same sort of grit and determination that you have. Because starting a business like this, you need that.

Speaking to that, you're hiring really good people who you're going to form a relationship with over time. They're not just going to be employees; they're going to be a little bit closer to you.

And some of the businesses Matt's been involved with – there is a bigger social element as well. You're trying to improve the lives of people, you're trying to solve an issue in South Africa, where we have quite a high unemployment rate. You're trying to employ people, but also just, in general, make people's lives better.

Some of the services that I can provide would assist you in doing that. One of them is health insurance. We know that our public health system is under a lot of strain. Having some access to private healthcare, in an affordable way, is a really important solution that the industry has tried to solve, and I think they're doing a really good job at it.

So, there are quite a few health insurance products out there. It's not medical aid specifically, because those are very expensive and just sort of unachievable from a cost point of view, but there are health insurances that are fairly affordable and give basic private healthcare.

And that's a real value-add, as a founder, giving some benefit to your staff. It can also help with staff retention, obviously. It can help with absenteeism, just as an example. Some of these health insurance benefits deliver chronic medication to your place of work.

Often, people have to take a whole day's leave just to go stand in a state clinic queue to get their chronic meds once a month, and that's unproductive for the business. So, having a solution like this in place can really add value.

But I think what's important is that, for each founder who's going to have a different demographic with regards to their staff, it's important to engage with them, and that's something I would always encourage. Engage with the staff, find out what's important to them.

We might think that retirement savings are vital, let's try to solve for that issue. But for them, it may be a distant thing that's not really a priority right now. They need a better life today, and not just in 20 years' time. Maybe retirement savings is a secondary - maybe health insurance is more important, or maybe having funeral cover in place is a priority.

Having some sort of short-term savings that they can access within five years – some sort of a savings mechanism where five years' service in the business and you get a nice bonus paid out, and you can build a house, or you can do something meaningful with it – I think that adds real value.

But to have these conversations with your staff is what's important. To understand what's a priority for them - there are a lot of employee benefits that I can bring to the table to speak to that.

And then also, with regards to the founders and the shareholders and how they partner, there are certain risk protection covers that might be necessary.

Let's say, for example, the founder stands surety for a loan in his personal capacity with a bank or with any other funder. There may be a condition where a life policy is required to cover that debt.

Those are the types of solutions we can put into place, as financial advisors partnering with founders.

The Finance Ghost: Kevin, I think the overarching takeaway there is just meet people where they are. Just listen to your staff and understand what actually matters to them, and then take that into account in what you're structuring. I think that's extremely sensible advice.

And then obviously get into the technicalities and get the right person in place. I can't stress that enough.

Matt, to bring it back to you. Just listening to Kevin's answer there, other than the nuts and bolts around structuring, anything you want to add to that in terms of a successful strategy to attract and actually retain employees?

You see this all the time with the founders that you work with. What would you say tends to work really well?

Matt Beckett: Thanks. Really echoing a lot, that's where Kevin and I have worked really well in one or two instances, and we're trying to roll out some more in the same direction.

Well, I'll start with culture, and then give most of the emphasis to the finances, and exactly what you've spoken to.

All of these businesses. It feels like lofty, Instagram-motivational-post or textbook advice for founders that seems like it's less relevant, but really: is there a good culture in the business?

This is not just about the mission and the values of the business. Do people like rocking up to work every day? Are they rewarded when they do well, and do they have space to learn when there are errors, so that they're enabled to try things, to learn things, to own new pieces of the business?

Or is there shouting? Are there disciplinary hearings for little things, for unnecessary things? There's no rocket science in that. You know when you're creating room for someone to grow, and you know when you're not. I think that's just bigger than anything else.

The difference is that's specifically in retention. One of the challenges is that doesn't necessarily play a part in attracting, on either way. So, if you're the employee, you don't know if the culture is good when you're coming in. And if you're the founder, it's hard to communicate culture when you are attracting. But as you go and as you build those things, they really do become impactful.

Then the next is the same idea. How do you make it good for the people? How do you change a bit of their lives? Especially when we are talking about a large tract of the country that really is fighting to make ends meet.

Where is the little difference, where some medical, some savings, just changes their prospects, their feeling of trust and engagement from the business, and actually their lives?

As Kevin mentioned now, you're not spending one month every day at the clinic. So, we've done that really well on one or two occasions. And we have seen that these small bits change how people feel when they've got some medical insurance, when they see that their employers really are paying attention.

Where those two connect to me is in growth opportunities and building long-term relationships with your team. One day, maybe I can say we've got a fixed recipe for this, but you still will continually have surprises – on both ends.

You'll have guys who blow the lights out, and people who let you down. That you thought they could do something, and they can't or they don't fit. There is always a question: do you invest and continue to train, or is this not the right fit?

But, continuously, the guys who have really shot the lights out for me are those who have started relatively low. It's a nature of some of the businesses we're in that there is that opportunity. I've got two in mind here.

One person started as a back–of–house runner in one of the kitchens that we're involved in, and one of the guys started as a junior foreman on a building project and then grew in a farm business that we're involved in and has taken it every step.

He's been given the opportunity to grow, given some of the investment around actually just moving savings, moving the medical. When those two connect, you really get a culture where guys can see they have a space at the business, and they care and keep showing up for it.

The Finance Ghost: Yeah, some great stuff to think about there, I love it. Kevin, let's bring it back to you as we start to close off on this podcast.

We know South Africa is not an easy place to start - or run a business, for that matter. If you could leave the listeners with just one piece of advice around financial planning in the context of smaller businesses - I don't want to say 'small businesses' because even as they start to get bigger, there is a lot to think about, particularly when they get more staff. Then it actually becomes even *more* important, around the financial planning.

So, if there was just one thing you'd like listeners to take from this, what would that be?

Kevin Dolley: Have a discussion with your financial advisor right at the beginning, when this idea pops into your head that you want to start a business. Have that conversation immediately, before you do anything.

Let's say you're starting a business and you haven't even resigned from your employer yet. Let's say that was your path. You're resigning from your corporate job, and you're starting a business.

Have that conversation right away, before you even resign, because there are things to consider along the way. You might have a pension fund. A lot of people will just pull that money out, pay a ton of tax and then pump that money into their business. That's not always the right decision.

So, the point is: have that conversation with your financial advisor as early as possible in the journey and be as financially frugal and disciplined as you possibly can be. Sometimes that needs a bit of guidance and a bit of a plan.

If you're going to start this journey, especially in South Africa, there are risks everywhere, and we've had some spectacular stories of failures and learnings, which is great. But to make the journey easier and your chances of success higher, try to be as low on expenses and debt as you possibly can be. Cut back, if need be.

Matt and I were talking about this earlier. If you're driving a fancy car because you've been sitting in a corporate job, scale down. Sell that car, buy a cheaper car, cut your expenses. Take a bit of financial pressure off of yourself, so that when you embark on this journey, and you have a few lean months, you're not going to feel it as much.

Make sure that you have a nest egg. We like to refer to it as an emergency fund, but have cash. Have liquid cash available. In this journey, you're going to have a year or two where your income is nowhere near what it used to be.

Have that safety net, have that cushion, because it takes a bit of – or a *lot* of the financial pressure off of you, and you can focus on your business instead of being completely stressed out because you're not making ends meet.

So, that's kind of my message: try and be as financially sound in this journey as you possibly can be, because it'll take a lot of stress out of it. It's unnecessary stress that you don't really need on this journey, if at all possible.

Obviously, everyone's got different situations and backgrounds and levels of expenses, but yeah, if that's a takeout message, that's what I'd like to impart.

The Finance Ghost: Yeah, I like it. I must say, I can echo that view. The good times will come if you do the right stuff. Don't rush them and then create pressure for yourself and potentially throw away everything just because you don't have patience.

Kevin's just much nicer than me and he puts it so nicely, whereas I've been in these trenches and seen how people make these mistakes, and you could almost pull your hair out. "What are you doing? You don't need this overhead right now in your life!"

But anyway.

Matt, let's end off with you. Fair amount of positivity in the local economy. Interest rates have come down. It feels like things are actually getting better.

It feels like it's the best it's been in memory for me, really. I finished varsity in 2010, so I've only ever known difficult markets and post-global financial crisis and “lost decade” in South Africa and Covid and all these other excellent hurdles along the way.

It's starting to feel, at the moment, like things are getting better. Is that being echoed by your views and your clients' views?

Final question for the show is just: how are you feeling? Give us a temperature check – on your sentiment, but also the businesses you work with.

Matt Beckett: Awesome, thank you. The quick answer to that is we're feeling good. I think we are all probably of similar ages and, in reality, we've lived most of our professional careers - I'm 40 years old now - and I've lived most of my adult life in some form of, whether we call it recession or hard times, we haven't had this growth path and clear skies ahead of us.

Whether it's fully clear skies, whether there are political changes or not, we are, I believe, firmly moving in some really nice directions. So, I feel like we're going the right way. I feel like there will be some more great capacity for investment into new ventures, into new opportunities.

Which means those looking to start those will have places they can look, and those doing them, the consumer economy is growing. There are more people earning better, and there are people supporting these small businesses.

And now, I want to jump with a very quick shout-out to three of the businesses because they speak to very specific, different opportunities.

I have an amazing founder in Kabokweni, the township outside of Nelspruit, called Siphiwe, who is selling school uniforms. This is absolute growth that could not have happened even two or three years ago.

We've been with him for a little over a year, and in this year, he's onboarded 13 new schools of about a thousand kids each, who are now formalising their school uniforms. Two or three years ago, these township and Model C schools and government schools – that just wasn't even a thing. You rock up how you rock up.

It's such a great thing that this market is growing. And I think that goes right across a lot of informal-becoming-formal markets.

And I have a catering business here in Cape Town that is just consumer - nothing fancy. There are just more people spending some good money, going out to meetings, being in offices, and we're spending money on lunches. They see this. We're in the Waterfront – it is full every day. There are tourists, there are locals. There are businesses growing.

The last is a business in Dullstroom – the last of the shout-outs now – is Ohlwini, working in some amazing new farming. Just straightforward farming, supporting first-generation founders and the accessibility of tech. So, that's why I wanted these three different ones.

They each have three different things they're looking at. The accessibility of tech, and what it is enabling. Again, this, even a year ago, wasn't there. We now have easy management systems for farms tracking their produce, for teams running their tasks.

Between those three things – some new markets, consumer economy growing because there's actual good sentiment, and available tech – I'm sure with many more ingredients, I think we're in a very good climate to do some cool stuff.

The Finance Ghost: Certainly sounds like there is a lot to get excited about as we head into a new year. We're going to leave it there. Matt, Kevin, thank you so much for your time.

For listeners who want to find you. Matt, it's n plus 1, np1.co.za, and of course, that's Matt Beckett on LinkedIn. You will find him there – I know this because I LinkedIn stalked him myself.

Kevin, that's an easy one, wellsfaber.com. Check him out. And of course, the team from WellsFaber. You are listening to *The WellsFaber Podcast*, so chances are very good you know where the WellsFaber website is.

To the listeners, good luck to those of you who do own your own businesses. And for those who are maybe thinking of starting one, double luck. It's a very exciting thing to do. Mildly terrifying, but can be hugely rewarding.

I think the overarching lesson today is: don't be scared to get some help. So, Kevin, Matt, thank you so much for your time. It really has been a great discussion.

Matt Beckett: Thank you very much, guys. Awesome stuff, great to have the opportunity to chat, and well done.

Kevin Dolley: Brilliant, thanks so much, Ghost. Thanks for hosting us. It's been a great chat and take care.

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