

Dr Phil's 'millionaire maker' says explore prospects

US chat show host Dr Phil's money expert and 'millionaire maker' Loral Langemeier thinks entrepreneurs should stop whining about tough economic conditions and start exploring better prospects.

What are common mistakes made by new entrepreneurs?

I saw people making \$500,000 drop to \$250,000 and less and less. They thought they needed to work harder, but were doing the wrong thing. That was a huge American mistake during the downturn.

Many entrepreneurs do not market their businesses enough. They may have perfected their trade but lack sufficient marketing causing poor sales growth – or it may already be a great business but they do not know how to enter the market.

Some neither consider how customers want to pay nor have a proper internet presence. These people will miss out on online sales. Nowadays even small nanny services or cattle grazing companies have their own websites.

Still others try to do everything themselves. Not only is there not enough time to do it but they are not so good at it either. A lot of entrepreneurs also spend too long getting everything perfectly set. The trick is to do more of what you are skilled at.

There is a lot of blame and whining in this challenging economy, but success or failure has a lot to do with a person's mindset.

Any advice for up and coming entrepreneurs?

They need to get input from people who are more successful. I made my first \$1 million at the age of 24 by seeking advice from others who were much smarter and more successful than I was.

They should not wait to start up the business. If they are not sure they can look at what other people are doing in that line of work. More often than not, somebody is already doing what you want to do and you can learn from this.

What is your take on cash reserves and debt finance?

Hoarding behaviour is holding people back from growing their businesses. In times like these you need to spend appropriately on marketing and implement proper sales processes. Some people do not invest their money and that is negative because you do not gain interest by having money sit in a savings account.

I teach people to form partnerships. A few people can pool together their credit,



Loral Langemeier

cash and private funds for an investment property.

A lot of Americans are now using private funding, but I have not seen funds pooling together as much in Australia as the US and Canada. There is a lack of understanding and awareness of it but it only requires an appreciation of how it is done to protect the money and repay it.

There are more private (non-traded) companies where fund-pooling takes place. Buying ventures in a group creates a safer return instead of doing something individually. The benefit of owning privately is that you can better control cash flow.

What's the most common setback for bank credit?

Our business plans get bank loans because the credit officers like our cash flow, business plan, staff and low-risk nature of the applicant. The majority of rejections are partly due to business plans not being done very well.

What about seeking advice from a financial adviser?

Most financial planners are very conservative. They are not millionaires and

do not know how to invest in the market. However, I have a handful of financial planners and they do well – and are millionaires. Ideal advisers should have prior experience running companies and know how to raise capital.

What's the best part about working for Dr Phil?

Dr Phil gives me quite a lot of challenges to solve. We once had a financially struggling family with four kids under the age of six about to lose their home. Within nine days I helped them generate enough money to keep their home.

I have coached thousands of people to set up and run their own companies. They are real businesses where people learn to raise capital and generate money. I also coach teenagers aged from 13 to 19 free of charge. If they can get it they will hold their parents more financially accountable. Although it can be hard, I love my work and that is why I do what I do.

Loral Langemeier will visit the Mercure Hotel in Brisbane on February 9.