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Active advice





Life *after* Eagle Boys

Twenty years after founding the successful Eagle Boys Pizza franchise, Tom Potter was ready to move on to the next phase of his life. But he soon discovered that making money and managing it were two very separate skills. That's when he decided to enlist the help of Godfrey Pembroke financial advice specialist Jason Misso, of MISSO Wealth Management.

When it comes to success stories, Tom Potter's is one of Australia's most inspiring. After leaving school at 15, then finding himself jobless at 23, Tom went on to grow Australia's largest privately owned pizza company and effectively retire at 43. How did he do it?

After opening the first Eagle Boys Pizza store in Albury, NSW in 1987, Tom saw a gap in the regional high-volume pizza delivery market which he quickly addressed by opening three regional stores in Albury, Wagga and Dubbo. The business then grew to become a successful franchise with the opening of a substantial number of new stores — earning Tom the Australian Financial Review's Young Business Person of the Year award in 1993.

Keen to build on his practical knowledge, Tom then attended Harvard Business School as a mature age student, and was selected to give the valedictorian speech at his graduation.

But after more than 20 years building the business, Tom decided that it was time to sell out of it and move on.

From business owner to wealth manager

The sale of the business meant a radical change in Tom's financial circumstances.

"Eagle Boys as a company was a greenfields investment company — the money was constantly put back into the business, so I never really had a lot of cash," he admitted.

"I'd only ever had one investment, and had reinvested for 20 years. When you haven't had much cash and suddenly you do, it's a whole new world."

Tom quickly realised that he would need a strategy for making the money last. Although he had had some negative experiences with financial advisers in the past, his business experience meant he understood the benefit that specialist advice could bring.

"After working 21 years to make this wealth, you don't want to lose it through stupidity," he said.

"Going to university in the US gave me a much better idea of money management and wealth creation as an art in itself — and not necessarily something that people could manage by themselves."

Bringing it all together

It was around this time that Tom was introduced to MISSO Wealth Management adviser Jason Misso by a trusted business associate. According to Jason, it was a critical time in Tom's life.

"Tom's wealth was all in the business when I met him," said Jason.

"But he was at a stage where he was about to sell the business and convert it to cash."

"Tom is very good at the big picture and understanding the here and now. So he needs someone who is watching the detail and providing advice on decisions."

Jason also noted that Tom was very focused on the business — to the point that most of his life was about work.

"He wanted to take some time off to rest, rejuvenate and refocus, which came ahead of the financial," Jason explained.

"What he needed to know was that the money was going to be looked after, so he didn't need to go back to work, and could continue to focus on the things that were important to him."

A vital part of Jason's role was in helping Tom gain a full understanding of the wealth management process.

"At that point, Tom hadn't really been exposed to personal financial management and reporting, and having someone translate and articulate things like cash flow, investments, tax, estate planning, bank structures and insurance. He was being fed information from different sources, but no one was talking about how these things came together to help him achieve what he wanted to achieve.

"Other specialists he had consulted weren't taking a holistic approach, so the left and right hand weren't talking. We were able to bring those things together, working with other specialists as well as his bank to make sure he was getting good deals, and not getting distracted with the offers that came by every other week."

Tom was impressed that Jason went out of his way to make sure he understood what was going on.

"Initially, I found that the level of reporting was very technical and didn't give me a clear picture of what was going on. So I told Jason that if we were to work together, I would need a single document that tells us how we're tracking that I could easily understand. That's how it's been for around eight years now, and it's been good."

A disciplined approach

According to Jason, one of Tom's greatest challenges was changing his approach from an entrepreneurial, risk taking one, to taking a more strategic, long-term view.

"Tom is a hard-working, very successful entrepreneur who is used to being in control and having the final say," said Jason.

"This creates challenges in the advisory sense. When you have been taking this approach for decades, you can't take the expectations of returns of private business and apply them to how you manage wealth over the long term."

Jason helped Tom place some structure around how he made investment decisions, to ensure they were all in line with his long-term strategy and goals.

“Entrepreneurs are natural risk takers, and it can be hard for them to accept returns will be lower than their own business — but it can be very easy to undo years of hard work and destroy capital, by doing things that seem like a good idea at the time.

“Tom is very good at the big picture and understanding the here and now. So he needs someone who is watching the detail and providing advice on decisions.”

Tom agrees that the most important aspect of Jason’s advice was the disciplined framework he put around his financial decisions.

“My background means I love taking risks. That was a habit that he needed to help me control.

“In the early days there was a substantial amount of discussion and debate: what are you trying to achieve, and what amount do you want to put into new businesses, blue chip or property?”

“We literally set up rules for what we wanted to achieve.”

Enjoying life

While Tom is still involved in business — as chairman of the new Burger Urge group of franchise stores, director on a number of private companies, and sharing his business wisdom through corporate speaking engagements — he’s also finding time to enjoy himself on the golf course with friends.

His experience with Jason has changed his view on the value of financial advice.

“I’ve had advisers who were happy to take your money and invest it — and if you lose money, too bad,” he said.

“With Jason, it’s about having a complete wealth management plan, with a set fee for ongoing advice and services.

“When you have a strategy and a set of rules to stick to, you sleep well at night.”

