

REI NETWORK RK

Episode: 056

Partnering Up Made Me More Money With Less Effort

Hosted by: Gavin Timms

Guests: Michael Schwartz

Gavin: Hey, guys, welcome to the network podcast with me, Gavin Timms. Hey, guys, how are you doing? Welcome back to the Network podcast with me, Gavin Timms. Today I have another special guest is actually one of my coaching clients. I'm going to bring him over here in just a second. And if you're interested in getting help, guys, go to REInetwork.com/join. Not only are we getting results with Michael, but a lot of people in our group, we are killing it right now. And it's definitely worth having a conversation to see. Very affordable to get involved because people are ten times in on their investment. So make sure you go to REInetwork.com/join. Right here is let me bring him over, Michael. So, Michael, how are you?

Michael: I'm doing great, thank you.

Gavin: Good. I appreciate you getting on. I know I've drawn some people. I'm from the group and it's not what everyone's favorite thing to do. But I do appreciate it. And I think you can. The things that you can share on this episode is going to help a lot of people. And that's obviously our goal and what we really do so. Well, come on. Just tell us a little bit about you real quick, Michael. Where are you from? Where are you marketing? What do you watch your background in life and like.

Michael: Yeah, well, I'm from the New York New Jersey area and came down here to Augusta decades ago. And I'm a professor at the State University here. And I don't know about three or four years ago, I got interested in not just making more money. It's just sort of breaking out of that. So my business partner, who's here, Hans and I created a real estate business and so I have two full time jobs and we started this in late twenty, seventeen, early twenty eighteen. And we had it was hard for us. We took courses and implemented things and it didn't work. And it's when we discovered Joe McCall. I knew about a year ago that something clicked for us. It felt like a great fit. And we then began implementing our wholesale assignment business, the core of it right now to your model. And then we began getting contracts and we got deals. And then this year we began to build real momentum so that I guess over the past months we're averaging about three or four deals a month that are closed or closing. We have two more closings

come up. That's been about 11 of them up. And so we've made we're still making mistakes.

Gavin: But you make your mistakes while making money. Right. And great. It's fantastic. Over the last two or three months, you've got nine deals closed to more in closing, which is fantastic. And then the big thing is, is that you'll model in now something that I do in my business. Right. You know, I'm all about outsourcing right now. I'm all about how do I do none of it. I have someone else do it for me in terms of having great team members, the importance of a quality team, quality values and being able to really outsource. And we chatted earlier about you're in phase two. Kind of the way that I teach is phase one, two and three. Phase one is when you're learning and you're doing everything and you're kind of new, phase two is kind of in a hybrid where you're now starting to outsource and you're bringing in certain people into the team. And then obviously phase three is where you're heading when you're fully then working on the business and not in it. And that's kind of where you're headed. And you've done an amazing job. And again, it just goes to show the good thing is, is that you just follow direction. So it's good for me to be able to work with someone like you, because, again, your question, then you just do it right. And I think that's the big thing that I see why you're getting the results now that you won't get in. And I think a lot of it is courses can get you so far the information's there, but you have to be implemented in the right way. Right. You have a full time job and then trying to run appointments and do all these things. You can't get any traction. You can't get any momentum. And I think that's probably a good word for you is the momentum that you've got over the last several months. It's kind of been huge. No, absolutely.

Michael: Momentum is a key and consistency is a key. Yeah, I think that what's happened is it's not just listening and implementing. I think there can be an in people little blocks or obstacles about just doing it. So I think I had a little block around, say, hiring boots on the ground in an efficient way and just going for it. And now I have no hesitations about it. I mean, on our in the coaching community and running that we're part of that, which is actually done something to really charge us. It's really kind of facilitating the energy and the group learning from you and others that if someone says do this with a lockbox, we do with a lockbox. We don't question that if. Someone says, hire a boots on the ground. Go ahead and hire a researcher this way, which we're doing. We do it. We just do what has worked for other people and we implement it. And, of course, we adjust if we need to, but it is really following directions and not hesitating to go forward. Those seem to be two of the biggest factors for us.

Gavin: Yeah, absolutely. And I don't want to talk too much, but I do want to just talk a little bit about it. Obviously, the group of the new a group. Right, in terms of online, we're doing three to four live calls a week. I mean, give me and I've not ever asked you this. I've never asked you this, but what do you give your honest opinion? But what do you think

about it? I mean, it is I feel this game changing because I'm the one that's designed to do it. But so I'm biased. But what do you truly I mean, no one else is doing it.

Michael: It's A plus. I've been telling people it is just it's I can't even explain exactly what it's done. But it's it's not just the advice. It's being part of the calls for lack of a word or precision. It transmits a kind of energy into our firm and clarifies micronutrients like how to scale. And it's not that simple. Actually, there are you'll talk you'll just kind of go on a riff about something and you'll actually be talking about these nuance moves that have to be made to scale correctly. And it's not so fortunate and it's not something you could list. It's all on a train. And can you put to close even the follow up that you guided us through that we're implementing now is not it can't just be done in a video. And there's also a community intelligence that's going on here. I mean, there are people who are approaching and this is what I really want to say. One of the many things that I appreciate is that you're saying there isn't just one way to be successful. So it's not a random thing, but it's not a fundamentalist. It's their options. You have to style it for your market style or for your personality. But there's still things to follow. And that kind of balance is just amazing. And I'm very grateful for it. It's changed everything yesterday and now.

Gavin: I appreciate it. And thank you for sharing that because I try and get feedback because that's what I thrive on, whether it be good or bad. And what needs feedback all I'll feed feedback on the right track. What do I need to do? I do feel like the model now is game changing because the results of people talking. I just did a podcast with with Terry. They've done and they've got eighty five hundred thousand in closing. That's insane. That's nice. You know what I mean. That's great. And if they could do it well of course then you're doing it and all the people are doing it. It's the knock on effect of saying, look, we've got to think bigger, we've got to build like phase one is doing a deal. Phase one is going to go and get a contract. Phase one is getting one check. Right. But we need to go through the phase of actually building a business that serves you, your family in the way you want it to be done. And that's the we have different again, when we talk on these calls, everyone's the same. Are you a personal issue on the ground? I'm going down for direct mail, right. If you have business partners and partners on the ground, you've got this and this. You have to watch your marketing costs because it can't. You again, have someone else in the group that was turning seventeen fifty thousand a year, making one hundred thousand one hundred thousand of that himself. It's not good enough is enough to get this balance right. And so I appreciate that. And so thank you for sharing that. And you said something that was actually huge and it speaks to me, speaks my language, because I 100 percent agree with you. You've actually now started outsourcing and partnering with people on the disposition in your business and you're making more money on money and obviously have more time because you're not doing it. Yes, we can work on the business for the first time. So talk about what's going

on. What are you doing? You don't need to name anyone, but just tell us, like, I don't want to betray trust. But yeah.

Michael: So the basic is that when we started hitting stride number of months ago, I was the disposition manager and we had a buyers list, but we were also reaching out to people and build relationships. And so we had two to five people I could talk to, which really limited what people would pay. So we were able to move the properties, but not for as much as we might have. And I had to spend a lot of time working. And so without getting into the specifics, we feed on the last of so six closings and they had access to something. And I saw their email and their process and I went, What? These guys are great. And we JV on them on every disposition and all our wholesaling in this market. That's the agreement. And we also bring them if they. Want to take a property for themselves, fine. We will we'll talk about it and work it out. So we're because I also do some flipping and some other things. And so that's part of it, too. We're fine with that. And what's happened is, is that, first of all, we're in conversation with them. They know this market like you couldn't believe it. They know every street. So we're learning a ton and we've gone up 40 percent in our profits, even though we're scoring the assignments. And some of them are tricky and they've had some tricks up their sleeve. So I'm learning a lot from them and with them. So now I have time. Now I'm building these other non-vocal markets and we're implementing other exit strategies. It wouldn't happen if I hadn't done this, would not have happened in your your direction to outsource.

Gavin: Because you have your time. People don't realize that when we talk about three or four offers, it all makes sense. In an ideal world, you have to implement article yesterday with a potential client that might be joining. And he's has never done The Daily Show for different strategies. So you have to master one. You've got to get results. And the thing is, especially in a market like yours and I remember you messaging me and I said, stick with wholesaling and get it down. And then it will allow you, when you outsource, to focus on the creative to where you want to go. And it's a stepping stone in the right direction to be able to build on that. And you're exactly right. You've tookt something that's got 40 percent now. You're making 40 percent of the overall profit more, and you've just completed and handed off a disposition that was you were spending hours and hours and hours a day on that. You eliminate it and you make more money. So it's a it's a brilliant move for you to then take that time, to then refocus on the next phase, the next thing that you need to work.

Michael: And that's what we're doing. We're going to implement these options and we're going to implement seller financing and then some other we're going to implement other other exit strategies to maximize our list and to diversify the kind of list we're drawing upon to market. So, I mean, sky's the limit. I mean, we don't want to go too fast ahead of our skis, but that's what the group is here for.

Gavin: Absolutely. I will tell you, as long as every move that you make, if it's building you is good, you never want to make a lateral move. Meaning something else is to create something else in the same state. Right. We just see all the time people is out and falls out because I want to lease option. Cool. But I need you to do four dollars a month plus X amount lease options I don't need to do to sell and to lease options because you making a lateral move, it doesn't make any sense. Right. So making sure that we build on that. So that's really important. So obviously outsourcing, building the right team. Let's talk about this. I'm very big on every call. Pretty much it. I always give my team credit and say I'm only as good as my team, which is the complete it isn't me. I have the ability to put the things in place to make things happen, but it's them now, like any business, they all of the ones that are making happen that do in the day to day things. I'm only as good as if I lose them until I'm back in the seat, I'm back in the saddle and I'm going at it like I was years ago when it started. Right. So talk about that. Talk about what are you doing with your muscles and how are you talking with your team? What does it seem like?

Michael: Oh, great. Well, first, my partner, Hans, we've been doing this from the beginning together, and we're really good complements as co-owners. I kind of want to press forward and he knows how to ground it. So it's a real synergy there. And I'm really not picking it up. And he's also doing the acquisitions and he's really good acquisitions. And so and then then we've built a team around us and yeah, we praise them all the time and we have to cold callers and they are crushing it all the time and they go out of the way to do extra things and we're taking care of them and then we're bringing a third one in who left and is coming back. And she is going to take care of the entire follow up system. So we've got the front line of marketing are cold calling and that we'll have this follow up. And then it took us five people to find a brilliant admin VA. And he's also a genius at texting through batch leads. And I mean, between the cold calling the bath leads, we have more leave so we can handle and yeah. And and yeah, we meet every week. Constant communication through Skype and chat and email is owing is good exchanges and the sincere thanks to them. I mean it's really sincere, they're amazing, kind people. So we feel great. We don't want to lose. We we value them as people, not just those people, they're wonderful people. We want to make sure they're OK and everything with them. And yeah, I mean, they're. They're the reason we're here.

Gavin: I call them the front line on the front line and they bring in hundreds of thousands of dollars a year for me in my business, and they will for you and your business. And that the generator's right. So that just as without them, again, nothing else works. This is a process. This is like linework. Right? Everything has to face like a jigsaw puzzle has fit for it to work. If there's something off, it brings us to the key there on the front line. And it comes down in the process into hands on the phone, into this to go again. And now what you learn in is when you've got this machine is one of the things that you did struggle with, but you've now identified is make sure that you're feeding the machine,

feeding the records, feeding the list to keep and leads out, because if you're slow on that again, your lead flow will drop and you will it will start to go down because you don't have less prepared to keep feed it as a problem.

Michael: Yeah, we identified that. Yeah, definitely. We were cruising with our lists and then I was thinking with other lists to pull and I decided to explore the government lists that people aren't accessing so much anymore and we're pretty successful getting them. But little slow and I was slow in getting them up, I think. And we're just a little behind the curve. So what happened is we had a really bad list. I mean, just terrible. And we didn't have something to pivot to fast enough. And we will it is a it is a momentum game. We will see we're seeing a little bit of a gap in contracts because of that right now. Yeah. It's literally is a delayed effect. And it's it's it's discernable. And so we've now we got a list ready to go every direction and the second one doesn't work. We'll switch it right out and go with another one. And so we learn that lesson.

Gavin: I normally see normally three months you'll be affected. It's like when people say, I'm so busy, I'm maternal. My mom, you're not affected next week or the week after the week after that. In three months, when you go again, that's when you'll be like, what's happening? Mamak twins go in now because of that gap. Three months later, that's when you heard. And and then you start making calls and going all over. Martin, what's going on? What's changing? And you don't pick up the it's not what you're doing today is what you miss doing, because that pipeline is too much of a gap. So you come to a screeching halt. We make the same mistake again. I talk about it. We did the same. We overwhelmed with leads us. Martinel said, right, stop this. Let's do that. We ran with it and it got all upside down and backwards. And then next thing I thought had saved it. And then we had a loan where we go and it was massive and made the team go, what's going on? I said, look, this was from what we did in December. Just give it a few weeks and we'll be back and go. And just when you can't do anything about it, we just got to ride the wave when it happened again, you learn and you go, it won't happen again. So so that's that's really good.

Michael: Really. The way I would frame it is you have to have stopgaps. You have to have you have to anticipate from learning where things might bottleneck and or fall away and you have to have immediate pivot's, which is a good word. I think you have to pivot very fast and not be afraid.

Gavin: Absolutely. You go to you, you have you backstop list, you go to list and to go to list that you just couldn't perform, just get it in right. You have go to list and then and you'll know it when you grow again. When you get into that final phase of really staying on the business, you then going to start developing leaders. You're going to then start going, OK, this person's going to reveal the list for me. This person's going to do for me. My visits round runs all the market in terms of the list, he tells me, hey, we're running

low. Hey, what? We're about to hit the time. We need to prep this. So we're having them communication. So I might not have my eyes on it all the time, but somebody else does. And again, we're in that constant communication.

Michael: Yeah, I think we're not going in that direction. Our admin is fantastic. And I mean, he's even up for he's even excited about taking on the marketing for lease options. He's watched some videos and he's just like, yeah, let's do this. So, yeah, I think we're in a high position, but some of that's beginning to happen. Yes, definitely. Yeah.

Gavin: Yeah. So and I'm excited to see what you do with the creative side. We're actually working right now, something that I've always been against. But what we're testing is we're actually training a VA right now. It's solely going after creative finance, which have always been against because it takes more training to do what we've been bringing general leads in. And then you on the on the exit strategy will determine which way to go. But we have someone going through. I owed us dead leads or cold leads. It's better would go in. The creative finance, making sure that they're using the right terminology, but not too deep, that they don't have to explain too many things. So what test did not? So once I have that dialed in, I'll be sharing that as. Well, that's a great idea to say. Hey, this is this is what we're doing. This is how it's working. So we're actually tailoring more of the conversation from the initial four line people to tailor current finance, which is going to be huge if we can if we can get it done and then it's going OK. So we'll see. We'll see within another month or so to really find out. So I'm excited about that. But I'll keep you posted.

Michael: That's great.

Gavin: Obviously tomorrow, as I'm recording this on Wednesdays, we do Creative Finance Day. So obviously we have that tomorrow as we talk everything from soup to finance, anything creative and wise and deals that you've got. If you have any deals that you want us to contain, this might work. We will look at it live and kind of give you any feedback as well. So I'm excited about that. Cool. Cool. So I guess a couple of things to tie up here. We've talked about outsourcing, building a quality team. We talk about consistency in marketing following a natural blueprint that works. Right. That is exactly the same. What you're doing is exactly what I do in my business, which is really good. But what would you say if someone's struggling, someone's ready to get started. Someone's someone's in the trenches of can't get momentum. What would you say? What words of encouragement or advice would you would you be telling them if you could have a say when you were in that position? I guess, what would you tell yourself?

Michael: Be very honest about what you're doing and be very honest about where there might be small successes and where it's not working, and then find the right mentoring to bring you along. And I can say that you and Joe have been just perfect for us. And part of it is

being systematic is quickly having an orientation to build systems slowly silo by silo, piece by piece, but not to spend the rest of your life in a mom and pop struggle, sleep out of it, but not to just keep thinking I got to do everything or who I'm working with has to do everything. I think that those would be some of the things we learned.

Gavin: And that's really good. That's great. I mean, you know, it's I think we talk about egos. I don't know what it is. We feel that we need to be able to do everything and we don't. Right. We need to know. I think as an entrepreneur, it's not about go it alone. It's about doing things and putting things in place that are going to get you the results. I think that's the biggest game changer thing for you is understanding, because when you start, you think you need to know everything and you need to know basics. Right. You need to know these people in my team even now that know the CRM better than me. And I'll just get them. If I need to do it, they'll come in and do it right. But I understand what I want it to do. I need it to do these things that I need you to go make do it right. So I understand what I need. I'm I don't know every single step and every single function. What do I need to fix? Is not my strength, right? My strength is a visionary, is an influence is to be able to go. This is what I need. Just like your involvement in the follow up. Right. Which is going to be a game, another game changer when that's implemented and working on your forehead or down the line, give yourself another three months and you've got six months of follow up. That's when you're really going to start seeing it. Just be like, oh yeah, this one came in. This one, these are just extra deals from the just profit profit you already spent. The money makes sense. There's no marketing really for them. It's been. No.

Michael: Yeah, it's been accomplished.

Gavin: Yeah. We spent the money already in the pipeline. There's profit. So you've got your new ones coming in with you. Consistent marketing go in then all of a sudden and these ones and twos and threes coming in from nowhere the team brings in. We just we might we just contracted one from three years. Three years. Right. It's insane. And it's just going to make a massive difference this year. Right. If we can make fifty sixty K on it, it's going to make a massive difference. We didn't know was coming. It wasn't new marketing. Right. So this is a this is exciting thing that the money is in the follow. Real profit is in the form and when you get that and get that going that's when you can literally you start making moves.

Michael: You know, I would say that I have heard the money's in the follow up from so many people. And I you know, the marketing data in general with industry is about six or seven touches a certain amount of time and so on. But with you and Joe, especially now with you, it's the first time that it's been made concrete and act and be able to actualize. It's not just floating in the sky. The details, the big picture and the details one can implement. And I say that is one of the many gifts we've already gotten in being in the in

the coaching group. So I just want to add that I think that I appreciate that it's just huge to really know how to do that and then to hire someone who can do it and let them go for it

Gavin: And this is what you're going to have. I'll tell you now what your next job, what you're doing is getting homes out of the acquisition. Right. And that's going to be your last. Find out when you get to the mountain. And this is now where it's now the way it's hard, right? Because now this is a big, big step in terms of ability of closing and doing it in the right way. Like we talk about making sure that you bring the mom and the baby step in and you still he still leads on the phone before making that transition out. But when you really say that's what that whole focus is and then you get one or two acquisition and all they do is local deals, you can really to market at that point. And then that's when you're going to start cranking six, seven, eight and going from

Michael: I'm already thinking about acquisitions.

Gavin: You should always.

Michael: OK, yeah. I'm already thinking of first maybe to get someone to win when Hons gives the OK, he's in charge of that to get a woman to supplement him and then to train them up and see if they're good and then maybe bring him up full time and then bring in a second person part time and then bring them in full time and then Hons can manage the whole, that whole side of it that would work outside the system on that side of the business would be huge because then and then he will get out.

Gavin: Even if you're a phone guy, you love talking to people. All I do is whether it be on coaching calls. Talking to you here told us talk, talk, talk, but it gets old and acquisition and especially is that when you're a business owner? Because when you're on the phone is important to you can't make moves. Right. And you can only scale you can only scale a business when you have time to work on doing it right. If that's what you want, who wants to scale? But you can only implement the next thing if you have the time. If you're still in the business, you can't implement it because all you're doing is get in working harder. And the more you implement, the harder you work. If you'll fit in in all these positions, you just go to work. Yeah, you're making more money and you're working harder for it. You need to say, how do we make more money and how do I have more time? That's the ratio that you need to run and you're going to go.

Michael: I've had my first little taste of that. Yeah. And I enjoy working on the business. I mean, it's fun doing dispo, it's fun taking photos, but it's more fun kind of knowing where you're going and not knowing where you're going.

Gavin: It's absolutely. Yeah. Making sure the people are doing it. And it's much fun. You know, when I get a message saying, hey, we got to deal, we've seen it, we've locked it up, we close in two weeks. Projection on this is going to be sixty. Not that great cold. No, don't get me wrong, I didn't lose my head. Just rub it going well. I do have the old. Yeah, I do. Of the ones that please just small. I don't want to know how we can we not talk about this anymore because it's not going so well. So we have to run you learning all the time. And and your only exciting thing is if you haven't even got to the stage yet and you'll use using dispo obviously the dispo guys, but you'll then start to learn ones you want to. You'll start by maybe hold, you might want to flip, you might want to hold. Right. And use them as a dispo when you don't want to do anything with it and the ones you want you'll take and you'll maximize their profits. But last time I was looking for private money, but again, that down the line that never moves that you make when you when you have the time to implement. If you grow with lots of vision, you have no I think our agreement with them is around wholesaling and giving them some properties here and there.

Michael: And that's great. But yeah, we want to do release options or seller finance. That's a different situation. And I'm interested I'm very interested in that and especially in the smaller towns I'm interested in in doing something like that. In the smaller towns. Absolutely. Yeah. And I'm glad I'm glad I have a community when I don't know anything about this or minimally I can get some guidance in. Yeah, it makes a big, big difference for me.

Gavin: Oh huge, huge. And and one thing I remember from you actually gave these on my team told me you didn't actually tell me this. And I'm not I don't know how to get this out because I'm not like Shell's guy anyway, not even teach it that way. But when you joined the group, you a lot. This is way better than I ever imagined. How do I get less awesome to know and to have catastrophe? But you gave him when when he when he asked you, have you ever get that message out? Because I'm not the guy that's going to oversell and I'd rather over deliver on the promise that I would deliver than give it the. This is this and this. But you made your words at that time like, well, yeah. How do I get that message out? Because it is I mean, you probably would have joined sooner than you did now in what we do. Right. But everything is all that timing for everybody.

Michael: And this particular iteration is new. So, yeah. Which is also exciting. You know, you're part of it.

Gavin: It's awesome. So. Well, look, I know you're busy. I appreciate your time. I'm going to let you get back to making deals to grow in the team. So, Michael, I appreciate you. So thank you so much for coming on and sharing. I think people are going to get a lot from this. Again, a lot of people in the same position. I was trying to achieve something in real estate and I think everybody wants to work on the business and not be crazy not to have

that vision. So thank you so much. And guys, if you are interested, remember, go to REInetwork.com/join If you want to get involved. We have an application process. It's an interview process. You have to be a good fit is not about if you have the money, you have to be the fit because again, these are gym clothes. Everyone's on camera. If you want to be on camera, everyone's interactive. So it is it is a different format where we have anyone, obviously nice people in the group. Everyone's going to get along with us the same as the same vision of being successful and helping each other out. So that's our goal. So, all right. Now let's join Michael again. Thank you so much. And I will see you on tomorrow's call.

Michael: Take care.

Gavin: Bye, thank you.