
PLEASE TAKE THE VISIONARY AND INTEGRATOR TESTS

- <http://blastoff.rocketfuelnow.com/quiz/>
- Free, quick, you'll have to give your email
- Write down your scores on each

A technical drawing background featuring a ball bearing, a caliper, and a pencil. The drawing includes various geometric shapes, lines, and annotations such as $\phi 10.5$, $\phi 80_{-0.1}^0$, and 45° . A dark grey banner is overlaid at the bottom of the image.

THE ARCHITECTURE OF A WHOLESALING BUSINESS

WHO'S A VISIONARY? WHO'S AN INTEGRATOR?

- Visionaries will love:
 - The PLANNING of the business
 - The IDEA of the systems and processes
 - INSPIRING/LEADING a team
 - The VISION of getting free of the day to day and being able to focus on the million ideas you have already
 - And will leave with your head swimming with a dozen projects/improvements to start a business, and tomorrow won't be soon enough

WHO'S A VISIONARY? WHO'S AN INTEGRATOR?

- Integrators will love:
 - PERFECTING the processes/systems
 - The KPIs and KFI
 - Organizing and managing the team
 - Removing obstacles for the team

SOURCE MATERIALS:

- The E-Myth by Michael Gerber
- First Things First by Stephen Covey
- Four Disciplines of Execution by Sean McCovey & Chris McChesney
- Traction by Gino Wickman
- Rocketfuel by Gino Wickman and Mark Winters

DESCRIBE A WHOLESALER “BUSINESS”

- Fully staffed—you are unnecessary to the actual process of wholesaling deals
- Fully systematized—you can replace and onboard staff as necessary. No one is “irreplaceable” in the business
- The owner works ON the business, not IN the business

SOLOPRENEUR VS. BUSINESS OWNER

- When you're a solopreneur wholesaler, you:
 - May have “help” to do some things, but you're the only “expert”
 - Do all of the high-level work and decision making
 - Deals don't happen when you're not there
 - In other words, you are indispensable to the operation of the business

SOLOPRENEUR VS. BUSINESS OWNER

- When you're a business owner, you:
 - Have every major function of the business outlined as a process or system
 - Can put other people in place to run those processes/systems
 - Have empowered others to make crucial decisions (pricing, buying, dropping contracts etc.)
 - Have a team that **MUST** work with each other to function
 - Spend more time working **ON** the business than **IN** it
 - Have a business you can leave, or sell...

WHOLESALE BUSINESS VS. ARBITRAGE BUSINESS VS. REAL ESTATE BUSINESS

- Most of the “wholesale businesses” you see today, aren’t
- They’re “Real Estate Arbitrage” businesses
- Sell to newer investors at 85%+ of value
- Are a “hot market” business that will transform or fail when inventory increase

WHOLESALE BUSINESS VS. ARBITRAGE BUSINESS VS. REAL ESTATE BUSINESS

- A real “Wholesale Business” today is probably really a “Deal Finding Business”
 - Multiple exit strategies, depending on the property, area, condition

Q I: ARE YOU SURE YOU WANT A BUSINESS?

Let's say you can:

- Wholesale 2 deals a month with an average gross profit of \$7,500 each
- Spend \$1,000 a month on marketing,
- Spend \$500/month on gas, subscriptions, and misc.
- Spend \$1,000 a month on a VA to help with administrative issues
- Your pre-tax income will be \$150,000 annually

OR, YOU CAN...

Create a fully staffed business with 8 full and part time employees and contractors

- Do 25 deals a month with \$5,000 average profit each
- Spend \$12,500 a month on marketing
- Spend \$3,000 a month on subscriptions
- Spend \$43,000 a month on commissions
- Spend \$17,000 a month on payroll and payroll taxes
- Spend \$4,000 a month on office rent, utilities, phones, internet
- Spend \$2,500 a month on equipment, maintenance, office supplies, and misc

Your pre-tax income will be \$516,000/year

WHICH IS BETTER?

That depends:

- Will the idea that the “monthly nut” could bankrupt you in 2 months keep you up at night?
- Does wholesaling 2 deals a month take you 10 hours a week, and running the business take you 80?

3 GOOD REASONS TO BUILD A WHOLESALING BUSINESS

1. You love building and running businesses
2. You're trying to create something that you can sell
3. As a feeder for long-term, passive income properties

3 GOOD REASONS TO KNOW BUSINESS, EVEN IF YOU DON'T WANT TO BUILD ONE

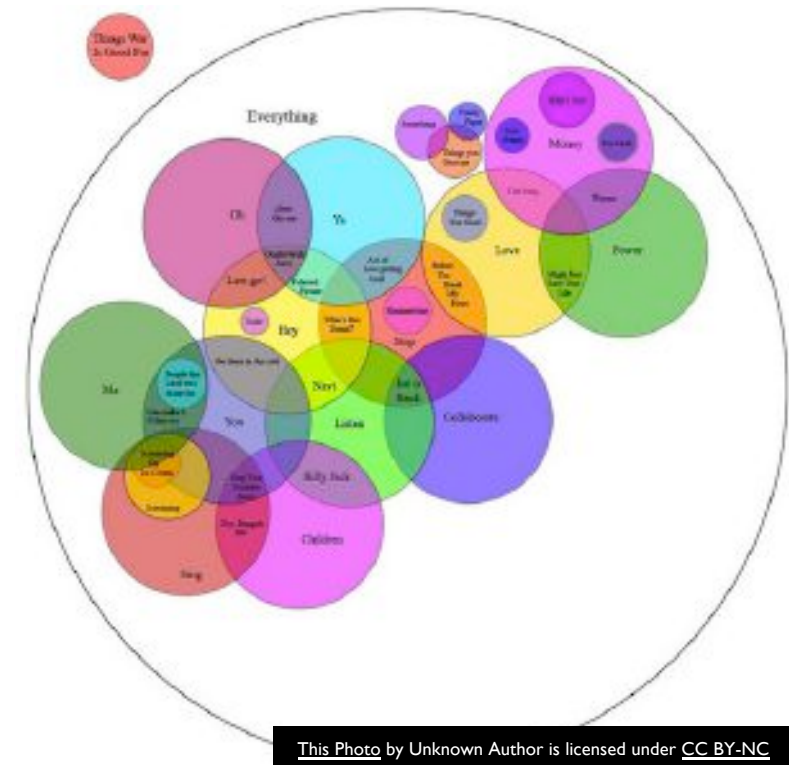
1. Business THEORY can make you a better solopreneur
2. Visionaries and integrators who know business can work in other peoples' wholesale businesses
3. Some parts (KPIs, systems) are valuable even to solopreneurs

6 KEY AREAS OF FOCUS IN ANY BUSINESS

- Vision and values
- Execution and accountability
- Systems and processes
- People
- Data
- Communication and problem solving

EVERYTHING TOUCHES EVERYTHING ELSE

- If you don't have a clear vision and values, you can't hire people who share them
- If you don't have data, you can't hold people accountable for hitting KPIs and KFI
- If you don't have the right people in the right seats, they won't be able to run the systems
- If there aren't clear communication channels that are USED, your systems will fall apart
- Etc...



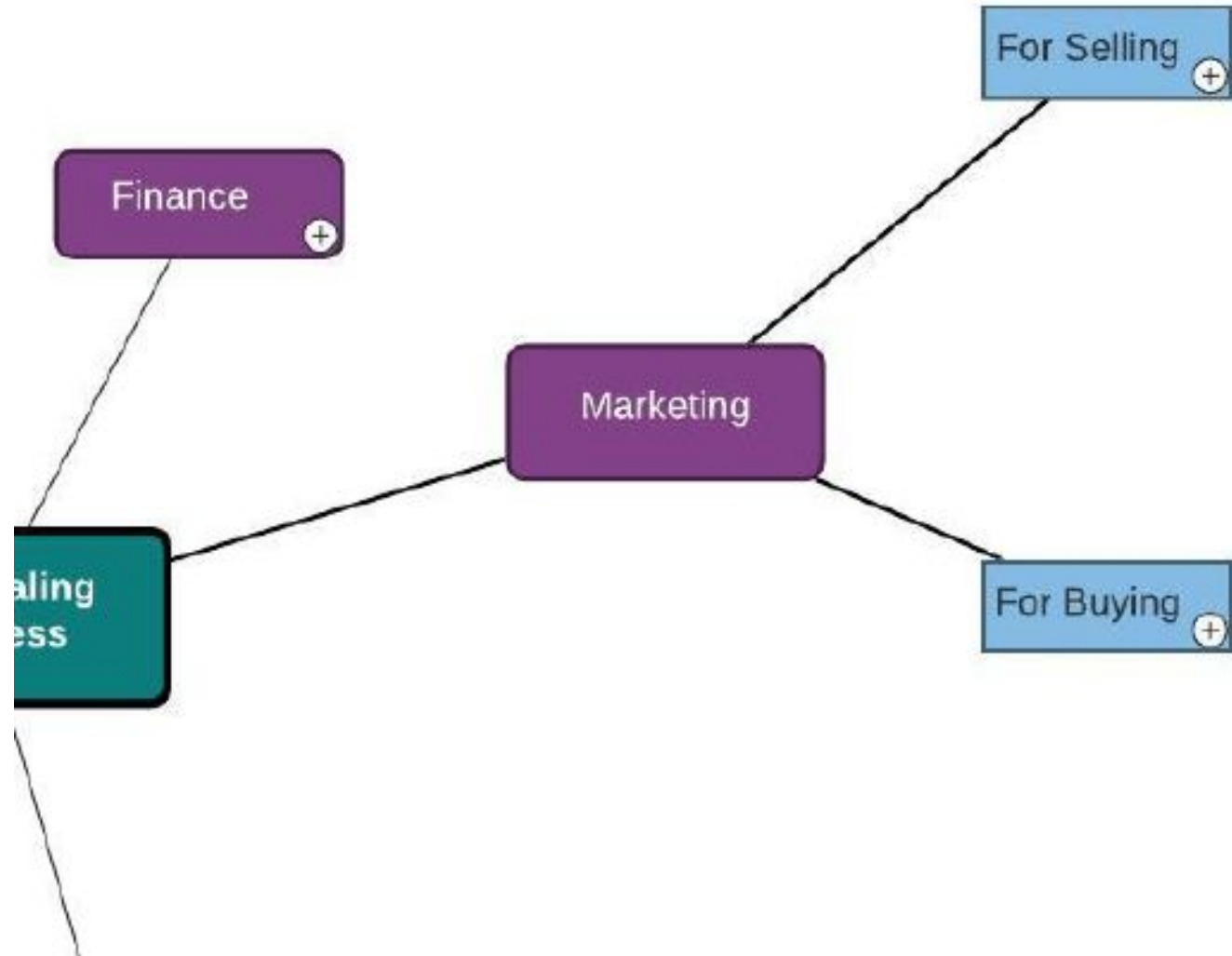
LET'S START WITH THE “DEPARTMENTS” IN A WHOLESALING BUSINESS

There are 5 distinct but interrelated departments:

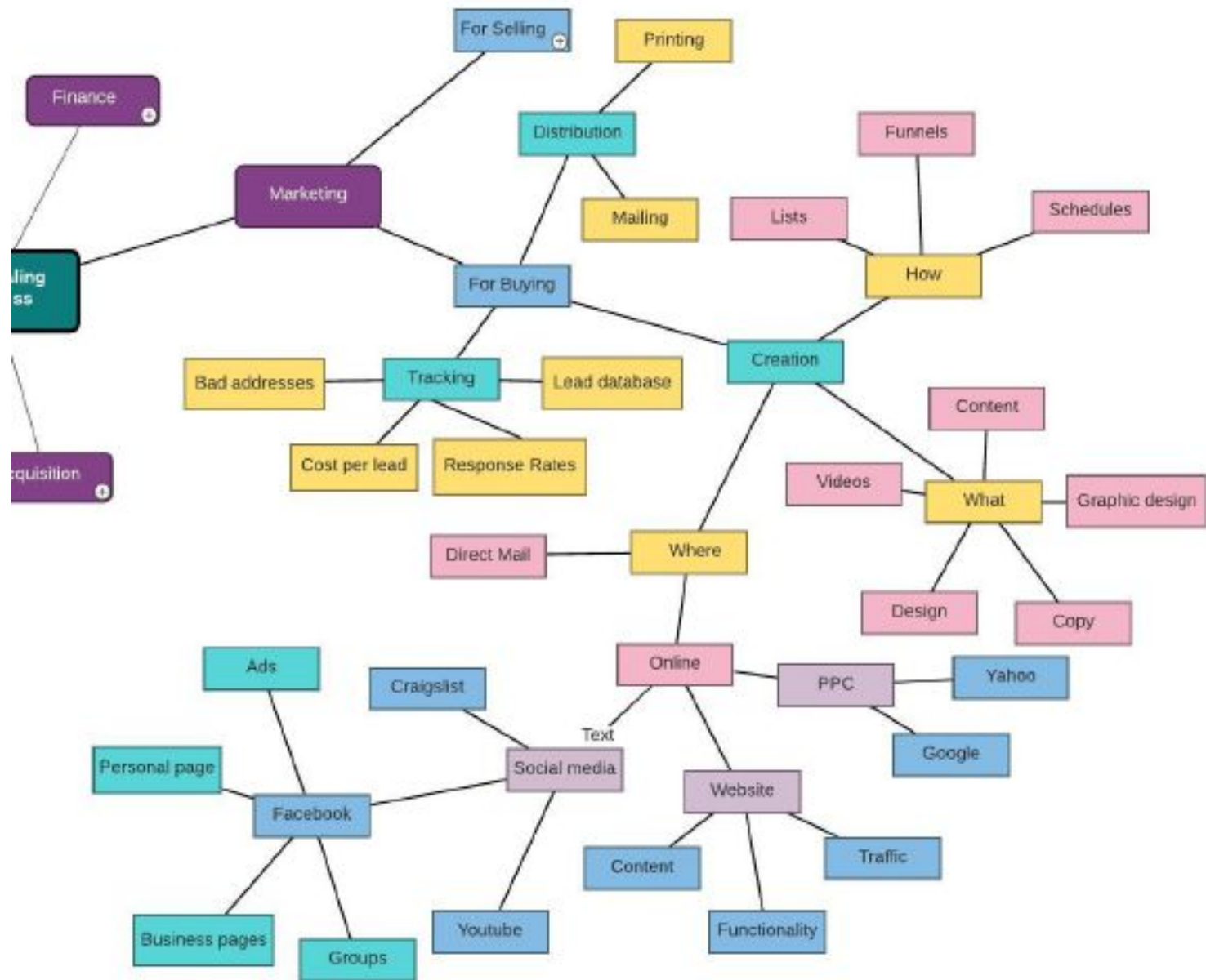
- Marketing
- Acquisitions
- Sales
- Operations
- Finance/HR/Legal



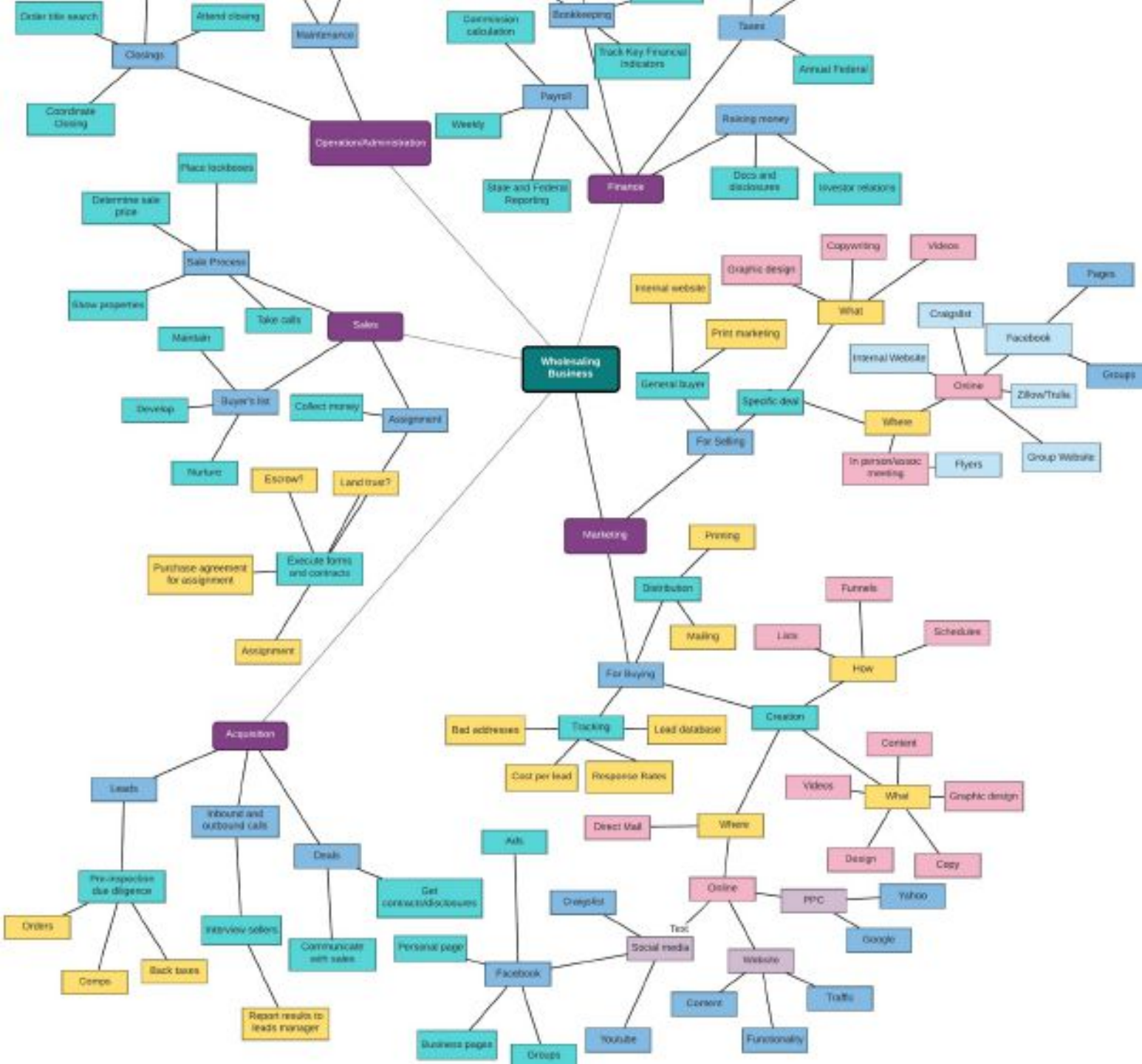
SIMPLE, RIGHT?



BUT EACH
“DEPARTMENT”
HAS MULTIPLE
RESPONSIBILITIES



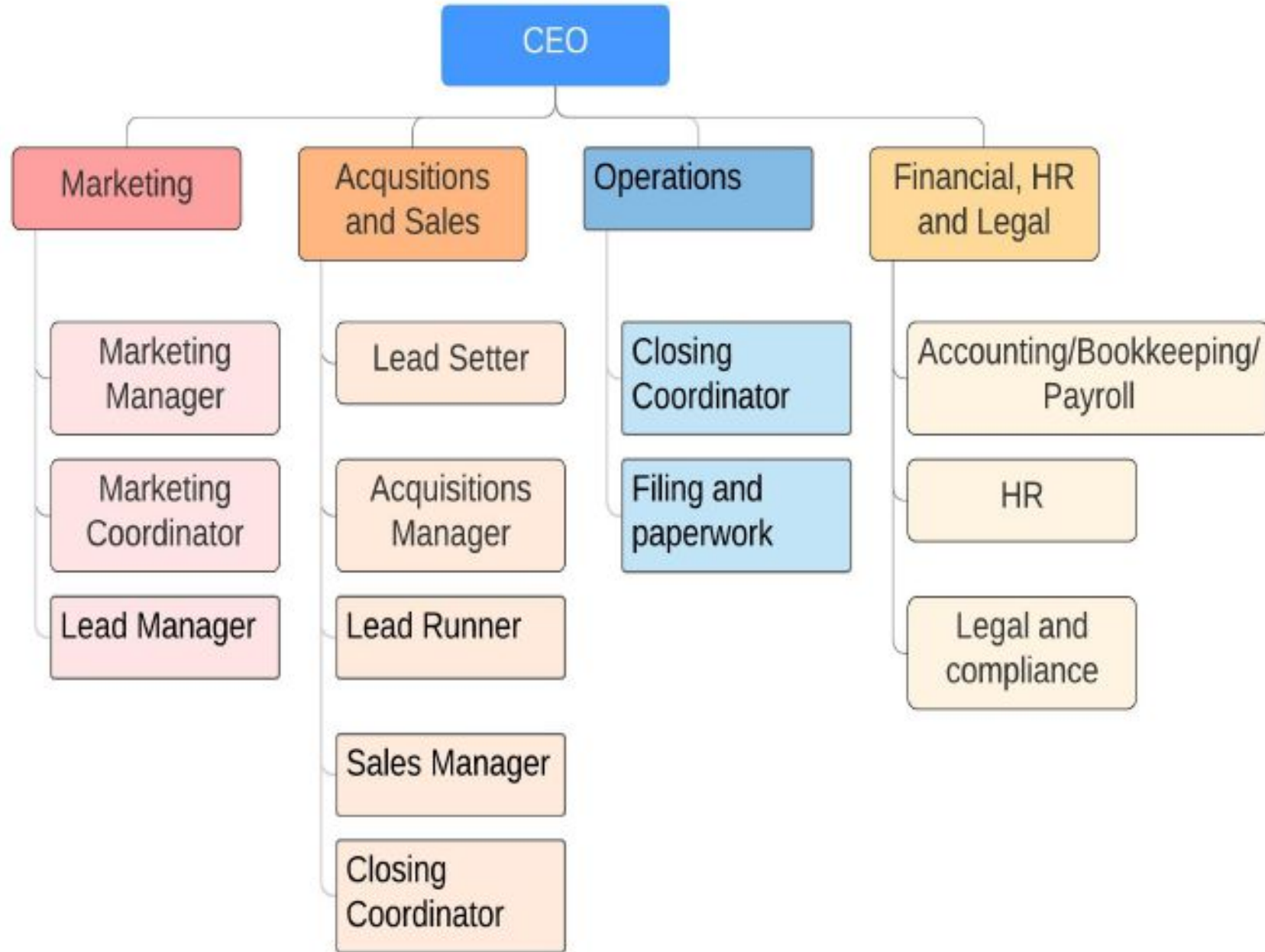
AND EACH HAS MULTIPLE ASSOCIATED TASKS AND PROJECTS



WHICH IS WHAT
ULTIMATELY LEADS
YOU TO

feeling like
this is your
life...

IN A BUSINESS,
THESE
RESPONSIBILITIES
ARE PART OF AN
“ORG CHART”
WITH
RESPONSIBILITIES
AND REPORTING



THOSE “POSITIONS” IN A WHOLESALE BUSINESS ARE:

Marketing manager

- Develops all marketing for acquisitions and sales
- Develops marketing plan
- Tests funnels
- Manages social media accounts
- Manages website content and functionality
- Creates templates for marketing that will be repeated
 - Craigslist ads
 - Flyers to sell properties

THOSE “POSITIONS” IN A WHOLESALE BUSINESS ARE:

- Marketing coordinator
 - Gets and cleans lists
 - Coordinates with printer/mailer
 - Implements funnels
 - Distributes all marketing
 - Works with lead manager to manage lists—returned marketing, etc.

BASIC ROLES IN A REAL ESTATE BUSINESS

■ Lead setter

- Takes inbound calls and makes outbound calls
- Has initial conversations with sellers
- Runs comps
- Disposes of non-motivated calls
- Sends motivated leads to Acquisitions Manager
- Does all follow up calls
- Works with lead manager to update do not calls, do not mails

BASIC ROLES IN A REAL ESTATE BUSINESS

- Acquisitions manager
 - Supervises lead setter and lead runner
 - Has final say in pricing/terms for offers
 - Determines and makes “soft offers”
 - Negotiates directly with sellers
 - Determines final repair costs
 - Reviews properties/deals before finalizing offers

BASIC ROLES IN A REAL ESTATE BUSINESS

Lead Runner

- Responsible for all “in field” work:
- Inspects properties
- Takes pictures or videos and notes repair items
- Puts lockboxes & signs on properties

BASIC ROLES IN A REAL ESTATE BUSINESS

Sales Manager

- Responsible for sales functions
- Shows properties
- Builds buyer's list
- Buyer relations
- Assignment paperwork and fee collection
- Attends closing

BASIC ROLES IN A REAL ESTATE BUSINESS

- Lead Manager
 - Manages lead database
 - Uploads all mail and call lists
 - Tags and de-dupes names
 - Stacks “multiple list” names for additional followup
 - Updates bad addresses
 - Skip traces

BASIC ROLES IN A REAL ESTATE BUSINESS

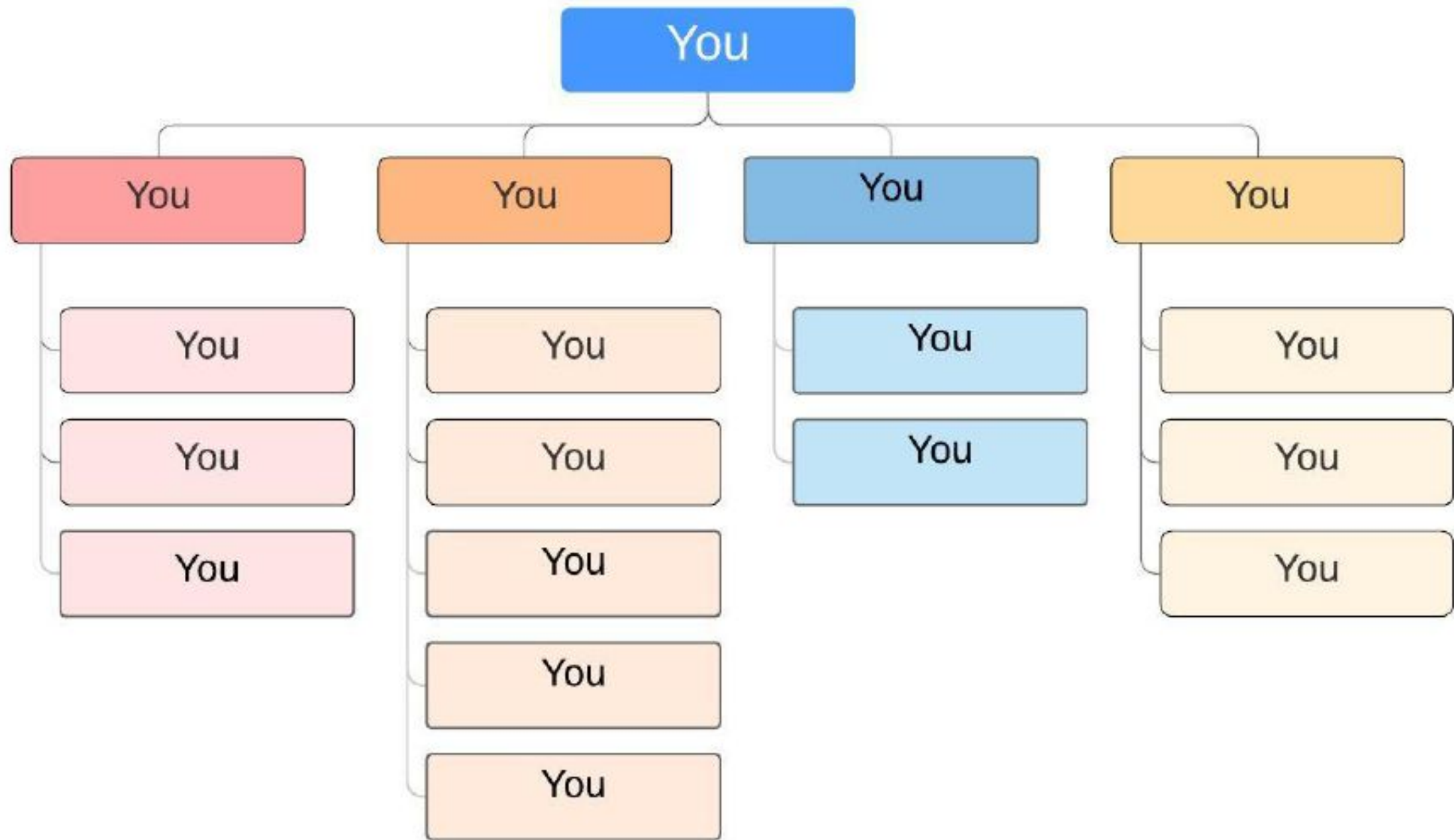
- **Bookkeeper/CFO**
 - Balances accounts
 - Does payroll
 - Identifies/Keeps track of/reports on KFI's
 - Organizes tax returns and payments

BASIC ROLES IN A REAL ESTATE BUSINESS

- Admin/Closing Coordinator
 - Orders title searches
 - Reviews results
 - Makes sure all disclosures etc are signed and in file
 - Schedules closings
 - Files paperwork from closings

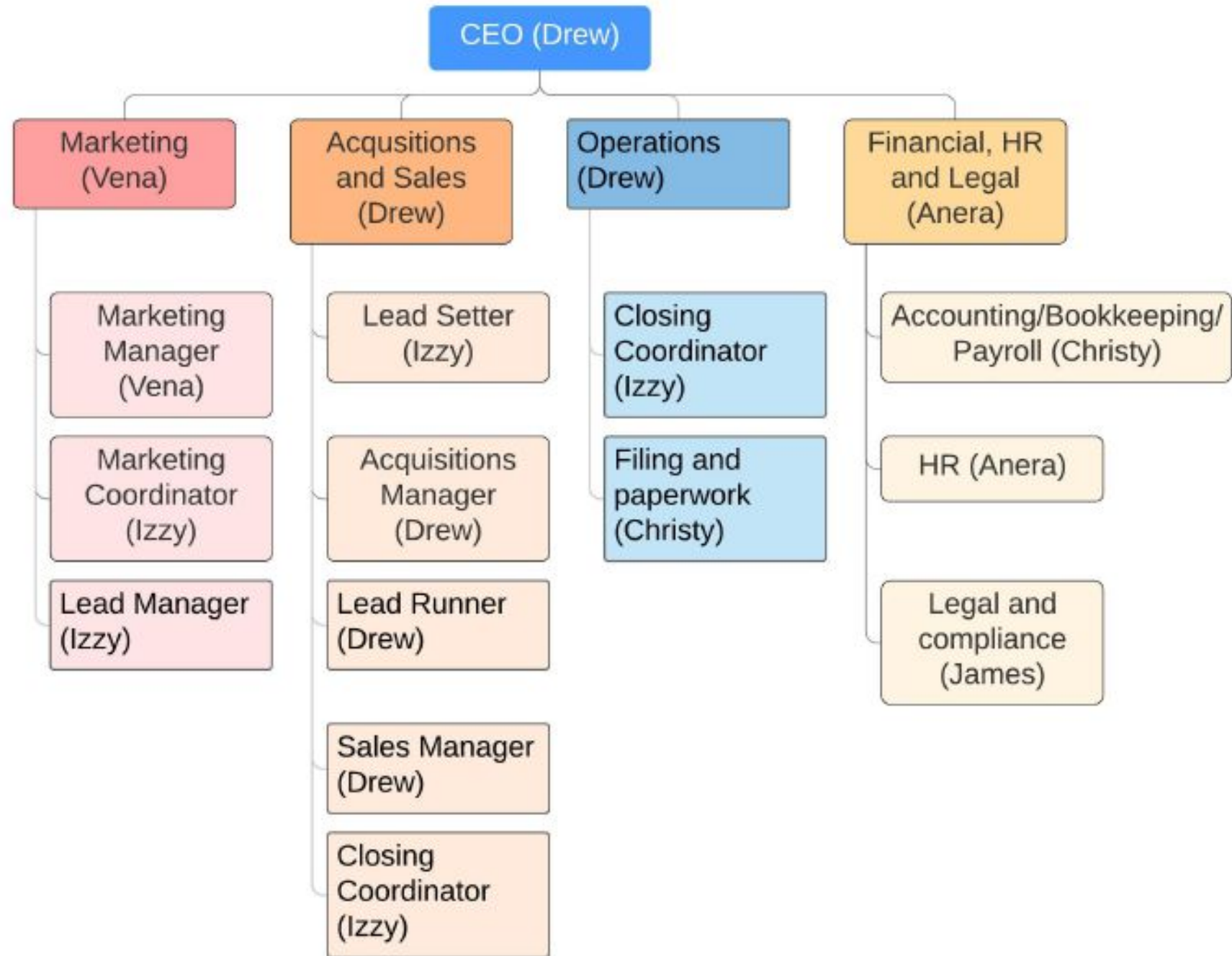
THE FACT THAT THEY'RE RESPONSIBLE FOR IT...

- ...Doesn't mean they DO it
- I am RESPONSIBLE for the website
- But a VA created it and does any needed program updates
- Izzy is RESPONSIBLE for lead management...
- ...But we're about to outsource it



THERE'S A 3RD
OPTION THAT
BEST SUITS MOST
PEOPLE...

A SMALLER
NUMBER OF
PEOPLE ACROSS
MULTIPLE ROLES



IF YOU'RE GOING TO BUILD THAT STRUCTURE

Good at It

Not Good At It

Love it

You Work Here

Hate It

Delegate this First

ME:

Good at It

Not Good At It

Love it

Marketing
Creative Deals
Seller Negotiation
Napping

**Working with
spreadsheets/
databases**

Hate It

**Creating Systems
Paperwork**

**Bookkeeping
Management**



WHICH CAME FIRST, THE SYSTEM OR THE EGG?



-
- Systems are step-by-step instructions for how to do some specific thing in your business
 - They keep YOU on track
 - They keep STAFF on track, and make sure that important things are being done correctly
 - They assure that you aren't held hostage by competent staff
 - They assure that you can onboard new people easily

STEP 1: SYSTEMS, PROCESSES, AND CHECKLISTS

-
- Core processes are:
 - Step-by-step instructions for how to do some specific thing in your business
 - Systems are:
 - The larger way in which the processes and activities fit together
 - Checklists are:
 - Simple, linear lists needed to accomplish basic tasks

STEP I:
PROCESSES,
CHECKLISTS,
AND SYSTEMS

PROCESSES ARE “HOW THINGS ARE DONE”

- Out of state owner marketing process
 - We get the list from _____
 - And then we de-dupe it like this: _____
 - The mail these things: _____
 - At these intervals: _____
 - Until this happens: _____
- Usually described in words or words and pictures:

WRITE THEM LIKE...

- The person who KNOWS how to operate it didn't show up today
- And a TEMP who doesn't know your business will have to run them

How to Comp Properties With Haines Criss Cross Plus Real Estate

last update 8/19

Haines is a subscription system that pulls sold property data from public records.

We use it for:

- Pulling comps in any county in Ohio
- Pulling comps in the 3 Northern Kentucky counties of Boone, Kenton, and Campbell
- NOTE: THE INSTRUCTIONS BELOW ARE COMPLETE ONLY FOR OHIO PROPERTIES. KENTUCKY PROPERTIES REQUIRE AN ADDITIONAL STEP, DETAILED IN “HOW TO USE HAINES TO GET COMPS IN KENTUCKY”
- Because it contains sales that did NOT happen through MLS, we always cross check sales through Haines before finalizing a written offer.

It does not have data for Indiana.

Unlike MLS, it does not contain pictures or details about property condition

There is a training video on this in OneDrive, in the folder called Real Estate>Real Estate Systems>Onboarding systems for Acquisitions ppl called “How to run comps through Haines”

What you'll need before you start:

- The address of the subject property
- The county of the subject property

How to use:

1. Open a browser
2. Enter <https://v4i.haines.com/Secure/login.cfm?>
3. Log in
 - User name is Buyer15154 (case sensitive)

4. Select the appropriate state from the dropdown menu
5. Then select the appropriate county from the county dropdown menu
6. Click the “select” button
7. Choose “Comparison/Radius search”
8. Enter the address of the property
9. Select “Vena’s” from the dropdown box under “search type”
10. The property address should appear below
11. Press the “select” button
12. On the next page, press the green “search” button at the top right of the box



BLAH BLAH BLAH



27. On the next screen, select "comparable properties" and then "continue"

18. Click "view report". A pdf will open; save it to the comps folder on your desktop under the name STREETNAME ADDRESS Haines comps (for instance, Warsaw 3707 haines comps)
 - a. If the PDF doesn't open, it may be saved in your downloads folder. Go there and open it
19. Send to the acquisitions manager along with any other relevant information—seller interview forms etc—from the leads system
20. When finished, LOG OUT-top middle of screen next to door icon

Troubleshooting:

- System says there's a user already logged in
 - Is it you? Did you recently use the system and forget to log out? if so, click continue
 - If not, text/slack other people who might be using the system and ask if they're in it; do not click continue or you'll kick them out and potentially destroy the work they're doing
 - If you get no response after 10 minutes, assume someone else forgot to log out, and click continue

DON'T FORGET TO ADD TROUBLESHOOTING

- After clicking search, system says there is no such address
 - Double check that you're in the right state and county. Haines does NOT cross-match counties, you must be in the right county in the system. There's a "change county" button on the top left
 - Double check the address. If there's a space after the street number, or before the street name, the system can't read it. If you added "St." or "Ave" or the zip, the system can't read it
 - Check alternative spellings; Northbend road is spelled North Bend or N. in the direction box and Bend in the street box over various parts of the city. Don't even get me started on William Howard Taft

PROCESSES
WILL BE VERY
SPECIFIC TO
YOUR
BUSINESS/AREA

- How WE look up owner names/addresses in the county's website
- How WE interview sellers
- How WE run comps
- How WE do pre-offer due diligence
- How WE get marketing lists
- How WE skip-trace leads

CHECKLISTS ARE VERY SIMPLE SYSTEMS

Bring to all appointments:

Folder containing

offer form (desktop forms and contracts folder offershort.doc)

agency disclosure form (desktop forms and contracts folder "agency disclosure new.pdf")

property disclosure form (desktop forms and contracts folder "property disclosure ohio.pdf")

lead disclosure form (desktop forms and contracts folder "lead disclosure.pdf")

sample hardship letter (desktop forms and contracts folder "hardship letter.doc")

authorization to release information (desktop forms and contracts folder "authorization to release.doc")

inspection form (desktop forms and contracts folder "inspection form blank.doc")

your filled out phone interview form

NOTE: THESE FOLDERS SHOULD BE MADE UP IN ADVANCE AT LEAST 10 AT A TIME

Bag containing:

flash light

awl

Cordless drill and bits

NOTE: PLEASE LEAVE THIS BAG NEXT TO YOUR DESK WHEN YOU ARE NOT ON APPT
and leave the drill on the charger when not using

SYSTEMS DESCRIBE
WORKFLOW
BETWEEN SYSTEMS,
TASKS, AND ROLES

AND ARE BEST DESCRIBED USING
FLOW CHARTS, WITH SWIM LANES

SYSTEMS ARE “WHAT HAS TO HAPPEN TO OPERATE THIS PART OF THE BUSINESS”

- These systems and tasks have to be performed
- By these people
- In this order
- Often best described visually

YOU'LL HAVE JUST A HANDFUL OF SYSTEMS:

- Marketing system
- Lead tracking system
- Acquisition system
- Selling system
- Closing system
- Overall work flow system

PUT POTENTIALLY DOZENS OF PROCESS

- How to market to...a, b, c, d, e, f, g...
- How to hang bandit signs
- How to make cold calls
- How to interview sellers
- How to run comps
- How to check for orders and liens
- How to look up owner names/addresses
- How to inspect properties
- Etc



DATA

WHAT GETS
MEASURED GETS
IMPROVED



CAN YOU
ACCURATELY
STATE THE
CURRENT
FIGURE FOR:

- Your average gross wholesale fee?
- How many deals you do per month, on average?
- Your average cost of doing a wholesale deal, after all expenses?
- Your average calls per lead?
- The response rate for list x?
 - What about the second mailing?
 - The third?

IMAGINE HOW
MUCH WORSE
THIS WILL GET
WHEN...

- You hire a marketing coordinator, and it seems like you're getting fewer calls but spending more on marketing?
- You hire a bookkeeper, and it seems like there's less money in the account
- You hire a lead setter, and it seems like you're getting the same number of calls but fewer appointments

A business should be run on NUMBERS, not on feeling!

KPIS AND KFIS

- Key performance indicators (KPIs) are non-monetary numbers that tell you how systems are performing
 - % response rate on mailings
 - % of sellers reached in cold calling
 - # of leads to a deal
 - % of suspects available after 1 hour, 6 hours, 12 hours, 24 hours, 36 hours
 - Average days on market for a deal

KPIS AND KFIS

- Key financial indicators (KFIs) are monetary numbers that tell you how systems are performing
 - % response rate on mailings
 - % of sellers reached in cold calling
 - # of leads to a deal
 - % of suspects available after 1 hour, 6 hours, 12 hours, 24 hours, 36 hours

KPIS AND KFIS

- Key financial indicators (KFIs) are monetary numbers that tell you how systems are performing
 - Average cost per lead for each type of marketing
 - Average cost per deal for each type of marketing
 - Average wholesale fee, gross and net

WHEN THESE NUMBERS MOVE, IT HAS A MEANING...

- Someone's not doing their job—or is great at their job
- The marketing is shifting
- You're getting sloppy, or better

SOME THINGS YOU CAN MEASURE OCCASIONALLY...

- Response on specific marketing pieces
 - Over 2,000 or more pieces
- Average wholesale fees
- Cost per lead

AND SOME THINGS ARE “LEADING INDICATORS” THAT SHOULD BE TRACKED WEEKLY

- How many mailings did we do
- How many sellers did we talk to
- How many appointments did we go on
- How many contracts did we get
- How many deals did we assign
- How much money did we make

IN FACT, THERE SHOULD BE A WEEKLY GOAL FOR EACH OF THESE

- And it should be reported on a “scorecard”

Who	Measurable	Goal	December		
			5	12	
Marketing Coordinator	outbound mail	1000	1018	734	1000
Lead setter	Incoming calls	30	28	17	
Lead setter	New sellers spoken to	30	26	18	
Lead setter	follow up calls made	50	0	23	
Acquisition manager	Leads fully processed in 24 hours	100%	96%	100%	100%
Acquisition manager	Properties viewed	5	2	3	
Acquisition manager	offers made	5	2	3	
Acquisition manager	new deals under contract	2	0	1	
Sales manager	deals sold	2	3	1	
Bookkeeper	Gross profit	\$14,000	\$18,000.00	\$4,500.00	\$32,645.00

NOTES ABOUT THE SCORECARD

- The “Who” is who is responsible for gathering and reporting correct number
- The report is from the prior week
- The scorecard items must be reported weekly without fail
- The scorecard quickly points out that when one department fails, it affects the other departments



COMMUNICATIONS AND ISSUES



ONE OF THE BIGGEST PROBLEMS IN A SMALL BUSINESS IS COMMUNICATION

- About day-to-day task
- About larger “issues”
- Systems must be implemented to deal with these

DAY TO DAY COMMUNICATION

- “Quick question”
- “Where is the...”
- “I need you to do this before I can do my job”
- Choose ONE method by which team is supposed to communicate, then enforce it
 - Slack
- Choose ONE method of storage of all docs/scorecards/systems, then enforce it
 - Onedrive

MISC ISSUES

- Office space
 - Lease it
- ??



EVERYTHING I'VE LEARNED ABOUT HIRING PEOPLE



THERE'S INSIDE TEAM AND OUTSIDE TEAM...

- Outside team are:
 - People who do specific things (web design, mailing list perfection, etc)
 - Why don't work only for you
 - Who don't see enough of your business to reproduce it
 - Who are usually paid as 1099 contractors
 - MOST VAs fall into this category

THERE'S INSIDE TEAM AND OUTSIDE TEAM...

- Inside team are:
 - People who work only for you
 - People who run YOUR systems
 - People who see enough of your business to ultimately be able to compete with you

INSIDE TEAM MEMBERS

- Need to work under a non-compete and non-disclosure agreement
- Have to be a good fit for your job AND your culture
 - “Get it”
 - “Want it”
 - “Can do it”

HIRING INSIDE TEAM: GETTING READY

- Have processes FIRST
 - Including onboarding procedure
- Arrange payroll service
 - Quickbooks
- Check competitive pay in your area
- Decide: salary or wage?

1099 OR W2?

If these things are true, W2

- There's a non-compete agreement
- You set hours

1099 OR W2?

If a lot of these things are true, W2

- You provide equipment
- You provide systems and training
- You reimburse for expenses
- Relationship is assumed to be ongoing

HAVE JOB DESCRIPTIONS

- **[Job Title]**
- **Reports To**
- **Job Overview**
 - Provide a brief, 4-sentence description of the role, what success in the position looks like, and how it fits into the company or organization overall.
- **Responsibilities and Duties**
- **Qualifications**
 - Education level.
 - Experience.
 - Specific skills.
 - Personal characteristics.
 - Licenses.
 - Physical abilities.

WHERE TO HIRE

- **Craigslist**
- **Monster.com**
- **Your association (maybe)**

BEFORE YOU HIRE INSIDE TEAM:

- Get references
- Check court records
- Have them take Disc or Predictive Index test

LAST IMPORTANT LESSON...

- Be slow to hire and quick to fire
- Which is harder than it sounds