



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Real Estate Investing Podcast

Creating a Simple Marketing Plan: Brilliant at the Basics Part 3

Hosted by: Joe McCall

Joe: Hey, hey, hey, guys. Joe McCall, Real Estate Investing Mastery Podcast. How you doing? I am going to do a video here for you, the third installment of Being Brilliant at the Basics, which is really important. We all want to be brilliant at the basics.

I just wanted to say hello. I'm going to do this video real quick. I got this cool technology I'm going to try out. I did this before on another podcast, but this is different, because the new version of ScreenFlow ... All you Mac heads out there who like Macs, one of my favorite software for the Mac is a thing called Screen Flow. It's really awesome. It can record the video, like what you're seeing now, it can record my screen, and it can record my iPad.

I'm going to actually do something special for you. First, let me tell you, this book, Brilliant at the Basics ... I think you can see it here ... Brilliant at the Basics is a really, really good book. We wrote it, my business partner and I, Peter, a few months ago. We've sold a ton of them. We're giving this away for free. Just got to pay shipping and handling.

It doesn't look like much when you look at the book like this or sideways, but it is a real book. It's got real stuff in it, real diagrams and text, and it's really good. It's a basic book about the most basic, elemental things in the real estate business. If you want to make a lot of money and get more leads, more time, more money, you got to be brilliant at the basics.

We talk about the exact same tools and systems that we use in our business to wholesale 30 to 40 properties a month, between Peter and I. In fact, I was just talking to



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Peter the other day, and he's going to be closing on 22 deals this week. Actually, next week, he's closing on 22 deals. It's a week before Christmas. So many people slow down between Thanksgiving and Christmas with their marketing. He's closing 22 deals.

Anyway, Brilliant at the Basics, to get more information about this book, go to FreeBasicBook.com, FreeBasicBook.com. The book is free. You just pay shipping and handling. We'll get it to you. In addition to getting the actual book, we'll also give you a PDF of the book. We'll give you access to the webinars that we use to start the book with. Also, you get some other cool stuff. I think I give you some videos from a boot camp that I did, I forget. You get some cool stuff with it, OK? Check it out if you haven't already.

The reason why Peter and I wrote this book is because we have a coaching/partnering program. It's really not even a coaching program. We want to do more deals with people, so we created a fully-done-for-you business-in-a-box system where ... We want to do more deals in more markets across the country. We'll actually set up all your systems and do all your marketing for you, and then provide all the support you need to do more deals and partner with you.

We make money not by selling this book, obviously, but we make money by doing deals with folks. We also lend through this program, so we will lend money. We'll partner with you on the deal. We may buy the deal. We'll help you wholesale it. We'll help you find the buyers. It's pretty cool. We'll give you the systems, the websites, the phone systems. We'll do the direct mail for you and a lot of really cool stuff. Check it out. The book is FreeBasicBook.com, and get your hands on it.

All right. What today I'm going to do is something ... The other day, I was actually in my office, which I'm rarely there. I happened to be there, and a buddy of mine was working with another buddy. We were talking real estate, and we were talking about marketing systems. One of the things, this guy wanted to take his business up to another level. He's already rehabbing. His main thing is rehabbing. He's already rehabbing an average of two to three deals a month, which is great. He really wants to ramp it up and be more



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

consistent. All of the deals that he's currently doing come from referrals from the MLS, and it's not really predictable. It's not something he can really control.

He wanted to talk about, "How can I create the marketing systems so that I am getting the leads that I need regularly and consistently to do the volume that I wanted to do?" I wanted to walk through this with you. It's something that I can do on the iPad. I'm going to do exactly what I walked through with him on the iPad. I did this on a whiteboard in the office. This is a guy who wants to make ... I'm going to try this. Please bear with me. I love my iPad. I do a lot of stuff on it, and I like to draw. I'm not a very good drawer, "artiste," but I can do smiley faces, and I can draw numbers.

This guy wants to make 80 grand a month in real estate. His average profit on each rehab deal that he does is 20 grand, which means he needs to not only find but he needs to sell four deals a month to make 80 grand a month. Obviously, he's not going to be starting off the bat doing this. It's going to take him a little bit of time to get the deals, to rehab them, and sell them. Once he's going, how much marketing does this guy need to do to get four deals a month?

Your goal may be to make 10 grand a month, and your average profit is 5,000 dollars per deal. The numbers are going to be a little bit different. This guy, he needs four deals per month. How are we going to make that happen? I'm going to walk with you how I did this with him on the whiteboard. I'm intentionally not using a spreadsheet. Normally, I use a spreadsheet. That just sometimes complicates it. I see a lot of people sometimes, when I'm doing that, they'll get a glazed look on their face. I'm going to actually do this a little differently with an iPad and with just a calculator. I'm going to show you how I'm doing it.

This guy needs to do four deals a month. He needs to close four deals a month. Four deals. How many leads do you typically need to get how many offers do you need to make to do a deal? Let's say we need to make 30 leads per deal. What does that mean? He needs, now, 120 leads per month. That's really important. This is all about breaking it down into goals you can control, into goals you can control. You can't control doing four deals a month. You can't control 30 leads per deal. You can't even control four deals a



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

month, actually, or your average profit is 20 grand. How can we break this down into something we can control and to goals we can control?

How many leads per day does he need to talk to? That's one of the things I like to look at. We take this number divided by ... Let's say there's 23 days per month that you're working. I'm going to take my calculator here, and I'm going to take 120 divided by 23. That is 5.2 sellers, leads, per day. Let's make that six. Six leads or offers per day. That number is important. I'm going to color it. This is a fancy highlighting ... that I have here. He needs six leads a day. That means he needs to talk to six sellers every day.

Still not something we can control, is it? How is he going to get six leads a day? Remember, he needs 120 leads per month. What kind of marketing can we do to get 120 leads a month? I'm glad you asked, because we're going to walk through that process right now. Let's see if I can get this working for me well here.

Let's say ... what I did with him. I did 35 percent of your leads come from postcards, for example. Thirty-five percent times ... how many did we say we need? A hundred and twenty ... times 120 is 42 leads per month he needs from postcards. Got you? Let's say his average response rate ... I'm going to be conservative ... is one and a half percent with postcards. That's response rate. The cool thing about this font or the way that this pen writes, it makes me look like I have good handwriting. I really don't.

You're going to take 42 divided by .015, and that's going to equal, what? Forty-two divided by .015. You need to send 2,800 postcards a month. Divided by four, that equals 700 postcards per week, 700 postcards per week. Let's highlight that, because that, ladies and gentlemen, is important. That is something we can control, right? Yes. Everybody say "yes." Seven hundred postcards per week.

That's only one piece of marketing. The next thing we need to do is yellow letters. Let's say 35 percent of his leads comes from yellow letters. I always say you need to have at least three to four different types of marketing that you're doing every month. You can't just have all your eggs in one basket. You can't be a one-trick pony, because one month,



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

postcards may work really well, and the next month, yellow letters may work really well. You need to mix it up.

Again, just like before, 35 percent times 120 is 42. He needs 42 leads per month from yellow letters. Your average response rate is going to be, with yellow letters ... let's just be conservative again ... is going to be about ... Again, I get 15 percent sometimes. Sometimes when I'm sending yellow letters to properties, to rentals on Zillow, I get 20, 30 percent. Let's just say we get 10 percent response rate. This is really easy. You take 42 divided by .1. I think I know the answer, but I'm going to look at my calculator just in case I'm wrong. I don't want to look like an idiot. Yep. I should have just gone with my gut. Four hundred and twenty yellow letters a month.

I like to break this stuff down into smaller chunks. I think you should be able to send these every day or every week. Most people, though, it's something that, if you just break it down into a daily thing, that you can do every day. Let's just say 20 days a month. That's going to be 21 yellow letters a day. Let's highlight that in yellow so this looks really nice.

That's only two things. That's number two. We need to send 21 yellow letters a day. We still have another 35 percent of our leads that we need to do. Let's look at ... Again, you could do different things. Let's do 35 percent come from Craigslist. I like Craigslist. It doesn't cost much. You just need a VA to do this stuff. That also means we need ... What was it? Oops. Let's do a rewind. Again, 42 leads per month. Forty-two leads per month from Craigslist.

What do I do on Craigslist? I send out, number one, I send texts. I don't put ads in Craigslist. I contact landlords and FSBOs who are advertising properties for rent or for sale on Craigslist. I do emails, and I do Slydial. By the way, do I do that? No. A VA does all of that.

That's what we send to rentals and for-sale-by-owners. What do I say? It's real simple. "Hey, I saw your rental property on Craigslist. You wouldn't have any interest in selling



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

it, would you?" If it's a FSBO, it's, "Hey, I saw your property on Craigslist. Is your price negotiable? I'm an investor. Is your price negotiable?"

My average response rate on Craigslist, yeah, it's about ... I can range it anyway from 10 to 20 percent. Let's just say, to make this different than the yellow letters, let's just say my average response rate is ... You know what? Let's just say my average response rate is ... Oop. Yeah. Oop. No, I didn't want to go that far. This is so fancy. All right, let's say my average response rate is eight percent. What do you do? You take 42 divided by .08. You need to contact 525 ads a month on Craigslist, or, let's divide that by 20-ish. That's 26 a day. Those are 26 Craigslist ads you need to contact every day on Craigslist.

Pretty cool, huh? Not too bad. What do you have now? That's number three, isn't it? I can see the emails already from people and the comments. "I wish you would go through this faster." All right. Oops. Number one, postcards. We're going to send 700 postcards per week. Number two, we're going to do yellow letters. We're going to send 21 a day. Craigslist, we're going to contact 26 Craigslist ads a day.

What is that going to cost? It's not free, is it? By the way, let me do some ... We know now three things that we're going to do. This is what you want to have in your marketing. Let's see if we can write this down. Number one, ... this is our marketing plan ... yellow letters, we want to send 21 per day. Postcards, we're going to send ... What did we say? Seven hundred a week. Seven hundred a week. Craigslist, we're going to contact 26 a day. This is all about marketing, isn't it? This business is all about marketing. Do you see why we're not in the real estate business, we are in the marketing business?

What are the costs, though, of this? What are they going to be? What are the costs? Yellow letters a day, we're looking at how many a month? Four hundred and twenty letters a month. Let's just say that your letters are a dollar per letter. Let's just say that's ... Shoot. I keep on doing that. Let's just say it's a dollar per letter. You're looking at, for yellow letters, 500 dollars a month.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Postcards, how many a month is that again? It's about 2,800 a month. You're looking at ... Let's just be conservative. Let's say 50 cents, because that includes the list. You can probably get it cheaper than that. Let's say it's 50 cents per postcard. That includes the name. You're looking at 1,400 dollars per month for postcards, 1,400. Craigslist ads, you're looking at a VA doing that. You can get a good VA for, part-time VA, 250 dollars a month. What's your monthly cost for this? This is just rough numbers, 1,900 plus 250. Is that right? Twenty-one twenty a month.

When I walk through this with the guy, he's done a lot of deals, but he was shocked, like, "Oh, man. I didn't realize I'd have to do that much marketing and spend that much money to get that profit, to make that kind of money." Listen, let me ask you something. Would you spend two grand to make ... Where is it? Would you spend two grand to make 80,000 dollars a month? He's doing rehabbing. Would you spend two grand to make 10, 15 grand a month in wholesaling? I think everybody here would say yes.

It's all about, again, breaking this down into goals that you can control and coming up with a marketing plan, something that you can implement and something that somebody can hold you accountable to. Again, let's just say you're wholesaling. Your average profit is five grand. You're doing four deals. You're making 20 grand a month in wholesaling fees. How are you going to do that? It's easy to say, "I want to do four deals a month. I want to make 10, 20 grand a month," but you got to break that down into goals you can control. You need a marketing plan.

You need to know, number one, how many sellers do you need to talk to every day? In my group coaching program, everybody has a scorecard. "How many sellers did you talk to in the last week?" You need to be talking to at least five to six sellers every day. Postcards, you got to be sending at least 500 to 700 postcards a week. Yellow letters, 20 a day, while you're watching the Kardashians at night on television. You can be handwriting 20 yellow letters a day. Craigslist, you could be getting a VA finding 30 Craigslist ads, rentals and FSBOs, every day on Craigslist and sending them a text, an email, a Slydial.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

This is stuff that you can do right now and start making money, but you look at this, and there's other things that you could do, as well. I want to recommend you consider maybe even adding some other things on here. What if you did bandit signs? What if you did 50 every weekend? One of my favorite strategies is pendings. What if you called 10 pending listings a day?

In other words, what I mean is, go into, if you have Redfin, or go into the MLS, look up the pending properties that need work. Look up the pending listings ... Listen to this. This is really, really important. You could just do this strategy and wholesale a couple deals a month from it. Go into the MLS and look up all of the pending listings, the properties that are under contract that need work. They're probably properties that an investor has put under contract to buy. These are properties where the seller has already probably agreed or has considered that they're going to have to sell their property at a discount because it needs so much work. The cool thing, too, is these are realtors who are willing to list properties that need a lot of work.

You call those realtors up of those pending listings, and you say, "Hey, you know what? My name's Joe. I'm an investor. I see that this property's under contract," ... or you could even ask, "Hey, is it under contract or not?" ... "and if this deal falls through, if your buyer falls through, would you please call me? I'd like to make an offer on it. You can represent me, get both sides of the commission."

I have a client who did this in ... I won't tell you where, but he did this, and he's doing really, really well with it. I told him to call 10 a day or something like that. He went and found 100 pending listings in his market, starting calling through all of the realtors that had listed those properties. These are pendings that needed work.

He said, "Hey, if this falls through, would you call me? I'd like to make an offer on it." Of those 50, ... he went through 50 of the 100 ... he had three realtors that said, "You know what? It's funny that you should call. Yeah, it just fell through, and I haven't listed it back on the MLS yet as active. It's still listed as pending. Why don't you go take a look at it? I'll submit an offer for you before I relist it."



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Hello? Did you get that? This is the ultimate backdoor strategy. These sellers, or the banks, whatever, have already agreed to discount this property quick substantially. That's why it's under contract. I don't know what the percentage is. Maybe five percent of all deals or two percent of deals that are put under contract by investors. Many times, two percent, whatever, will fall through. Those deals will fall through. The buyer won't come through and purchase the property.

That realtor has already spent that money in their head. They've already spent that commission in their head. Now, all of a sudden, the deal falls through. They're upset because it's a lot more work to put it back on the market. The seller is upset at the realtor that this property hasn't sold. You call this agent up and say, "Hey, you know what? I can be your hero. I will make an offer on this property, and I can close on it." Realtor's going to love you for this.

Now what do you do is you get their email address. How do you get that realtor's email address? Real simple. You say, "Hey, can I email you my contact information, so if or when this deal falls through, you can call me back?" You get the realtor's email. Then what do you do? This is really, really important, so important I'm going to do a new font on it. Actually, let's try this one. What do you do? You email ... Oh, it looks just like the other one. Yellow.

You email all the sellers in your list once ... I mean all the realtors ... once a week. You say, "Hey, this is Joe." These realtors are going to forget who you are the minute you hang up that phone. "Hey, this is Joe. We talked a little while ago. I was wondering if you had any deals. I'm an investor. Do you have any hard-to-sell properties?" You're going to send, once a week, a simple two-sentence email, something really short and sweet. "Hey, I'm looking for deals. Do you have anything? Let me know."

You start building this list up of realtors, of property managers, of investors, of wholesalers. You start sending these emails out. "Hey, I got money burning a hole in my pocket. Do you have any hard-to-sell listings? Do you have any pendings that just fell through? Do you have any properties that need a lot of work? Do you have any properties that have mold damage, structural damage, termites, whatever?" You start



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

sending emails out to those list that you slowly are building over time, you're going to get a lot of referrals, lot of referrals.

Then finally, I'll tell you one more thing that you could consider doing, is building your bird-dog database. Put two ads a day in Craigslist for bird dogs. It's a whole nother topic. I could talk for hours about that. I love bird dogs. Do you think, if you started doing this every day or every week ... Let's see if I can get a fancier color here, yellow. If you could start sending out 20 yellow letters a day, 700 postcards a week, 26 Craigslist ads a day, put out 50 bandit signs a week, call 10 pendings a day and email them once a week, ... killer strategy ... and start maybe putting two ads a day out on Craigslist, do you think you would have a lead problem?

I'm telling you what, guys. If you're struggling in real estate and you're struggling doing deals, you have a marketing problem, plain and simple. Leads are the lifeblood of your business. If you're not doing marketing, you're not getting leads, you're not doing deals. You're going to have a problem. The biggest number one complaint that ... When I get somebody that calls me up and says, "Hey, Joe, this doesn't work," I ask him, "What's your marketing plan? What are you doing right now to get leads?" You know what? Every single time, the problem is they're not getting enough leads.

All the sudden, when you don't have enough leads, you become a motivated buyer. You have the problem of, "Oh, my goodness. I got to turn this non-deal into a deal, because I'm getting so desperate and hungry." The sellers can sense that like sharks sense blood. They can sense when you're desperate. You're now the motivated buyer. You're trying to turn a lemon into lemonade, and they can sense that from a mile away. It's going to be repulsive to them. They're going to be like, "This guy is desperate," or whatever. If you have a lot of leads, if you're doing this marketing and you have a lot of leads coming in, and you can just cherry-pick the best ones that come down into your pipeline, man, it just makes everything so much easier, so much easier.

You look at this, and you might be overwhelmed. You think, "Oh, man. I got to do these six things?" Just start off small. Remember, we talked about in a previous Brilliant at the Basics episode, just start off with yellow letters and get that to 100 percent complete.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Remember that bar chart I did? Get that to 100 percent complete. Then move down to postcards and get that at 100 percent complete. Then you just move down slowly at a time. You know what I do? I'll look at this list and say, "All right, how can I get somebody else to do all of this for me? How can I get the systems in place where this stuff gets done for me in spite of me?" That's maybe a future Brilliant at the Basics podcast episode.

I'm at almost 30 minutes right now. If you've been listening this long, God bless you. Hey, man, I appreciate it. I hope that helps. I wanted to do something that wasn't maybe necessarily a spreadsheet, something that, for you visual types, might appreciate more. Get this book, Brilliant at the Basics. Go to FreeBasicBook.com, FreeBasicBook.com. Get your hands on this. We talk about this stuff. I even go into more detail on the type of mail that we send, and the things that we send to the Craigslist ads, and the strategies of calling realtors of pending listings. Check that out. You're going to get a kick out of it. Remember, you're not in the real estate business. You're in the marketing business. See you guys. Take care. Bye bye.