



REAL ESTATE INVESTING MASTERY

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Real Estate Investing Mastery Podcast

Brilliant at the Basics Part 22

How to Reverse Your Business Process to Achieve Growth

Hosted by: Joe McCall

Featuring Special Guest: Peter Vekselman

- Intro:** Welcome! This is the Real Estate Investing Mastery Podcast.
- Joe:** Hey everybody, welcome to another Brilliant at the Basics podcast episode with my good friend, partner in crime, just kidding, Peter Vekselman. Peter, how are you?
- Peter:** Doing great, doing great. How are you doing, Joe?
- Joe:** Excellent. Guys listen, real quick, this is a basic podcast series we talk about, just Being Brilliant at The Basics, because this is how you make money in this business, you are really, really good at the basics. Peter and I wrote a book, called Brilliant at the Basics, if you go to FreeBasicBook.com, get the book for free. Just pay for shipping and handling. It's a fantastic book who talks about how we do our marketing, how we wholesale our deals, how we flip deals with equity, how we flip deals without equity and it's really cool. FreeBasicBook.com, you get it for free, just pay shipping and handling.

I also want to tell you that Peter and I do weekly calls where we talk about our partner in program. If you go to CallWithPeterAndJoe.com, we do these weekly teleseminars where it's just on the phone. You don't have to be on the computer. You can listen with your phone; with some earbuds while you are driving. It's pretty cool. So we talk about the systems that we use, we talk about how our partner in program works. We are looking to do more deals, we are looking to grow and expand our businesses into new markets and we are looking for partners to partner with. It's pretty cool, nothing else like it out there. We set up your systems. We do all your marketing for you. We provide the coaching and the support. You can come to our offices in Atlanta or in Saint Louis and talk with us, get to hang out with us. It's a lot of fun.



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If you want more information about that, go to CallWithPeterAndJoe.com, CallWithPeterAndJoe.com to listen about that. All right, so Peter, you've been crushing it for a long time and you've actually taken your business to an entire another level in the last, well, few months. And I was wondering if you can talk about it Peter. You just did a video on your YouTube channel. I want encourage everybody to it. Peter does a ton of videos almost every day. You just go to YouTube and search for Peter Vekselman; you'll see all of his videos. Some of them are pretty hilarious. I give Peter a hard time. But anyway, I won't bring that up. Peter's little sensitive at those things. But Peter, talk about, what's this thing called trifecta, what is this trifecta thing that you are doing? What is that?

Peter:

Well, trifectas really are expansion model of how we are expanding our own internal business here but the nuts and bolts behind it are as follows, you know, I've been investor for 15+, done everything pretty much the conventional way, you know, basically done a tremendous amount of marketing, various types of marketing throughout the 15+ years. Then, you know, we put deals together, because that's what investors do. You know, they find deals and they put deals and they do deals. And for years the model worked, you know, perfectly and right in line with the way it was supposed to work and it continued to work that way.

But the one issue I always had with that model was that we, because of the size of our marketing machine here, you know, we could, there were days we could take as many as a thousand seller calls a day coming into our office. And so I always say individuals that, you know, they were negotiators, they would negotiate deals for, on my behalf. And if they were able to negotiate them, then we did the deal and if they weren't able to negotiate them, we didn't do the deal. So the first problem or the first issue that I needed to solve was that, as you can imagine, in that kind of a model, majority of the deals were just pretty much dead deals, you know. We couldn't get them at the prices we need them.

So for years, we just basically got rid of those deals, those leads kind of filled them away for future follow-up. But I knew there was value in those leads so what happened some time back, we started to develop relationship with local real estate agents and we would



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just start feeding those leads to those agents and they would, you know, call them in and hope to convert them to regular retail listings and when they sold we got a referral fee paid back to us. So, then the model became marketing, negotiating agents. Still, you know, so there were basically 2 issues with that type of a model, because we were negotiating over the phone, I knew we were not as effective and as efficient as we could be, hadn't we would be able to be with people face-to-face.

Joe: Yeah.

Peter: I think everybody knows that you are a lot more efficient face-to-face than you are over the phone, especially in today's day and age. But you know, when you have, you know, hundreds and hundreds of seller calls a day, you know, you just couldn't, I couldn't deploy enough people out there into that face-to-face negotiations. The other situation, problem with that model was, or a gap in the model was, that by the time our agents got those dead leads, you know, those sellers are already been through the ringer with us, here in the front end, trying to buy deals, you know, \$0.50 or \$0.60 and \$1.

So there wasn't always that great will associated with it. So, those 2 issues: 1. not as effective as we possibly could have been on a front-end negotiation by doing it face-to-face; 2. A little bit of a disconnect with the back-end agents. But the model still ran great. We were, you know, everybody was happy, still a lot of money, a lot of deals, a lot of money was made. But then, we weren't able to just one clean swoop fix everything in that model. And what we did is we literally reversed the whole process. So now we do that whole model, but backwards.

So now when sellers call our office, our negotiators no longer try to negotiate for an incredible deal of \$0.50 and \$1. We take more of a consultant approach. We just tell these sellers, look, there are a number of things we do here. For instance, we have the ability to buy your property, you know, by giving you cash off or right there in the spot. We have the ability to do this, this and this, all the way to the fact with the ability to even potentially sell your property. So what we are going to do is that one of our licensed agents comes out and you know, take a look at your situation and we feel very confidently when we are there we can assess it and come up with the right solution.



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So now, there is this consultant approach. It's also very unique approach is that we are not just going in like every other realtor goes in, by just telling them how good they are, they are the best, their broker is the best, they are the best agent. We differentiate ourselves right upfront by telling those sellers, hey there is a potential cash offer that is going to be made to you. So the sellers get excited, there is a lot of good will built on those calls, a lot of anticipation. And then our agents basically broke it up into quadrants through the city and every day, you know, an agent can have from 2 to 3 appointments like that set for him in a daily basis.

But then when they go into these houses, again, immediately, they immediately differentiate themselves from any other agent that could have possibly been in there because we initially start out with a cash offer, you know. So for the first, you know, 10-15 minutes, a cash offer gets put together for those sellers. So what is that we really do? Again, it builds a tremendous report with that seller. That seller is like watching at you and like, "Wow! He didn't even ask me to sign anything. He didn't ask me to commit to anything, as if they are working on my behalf." You know, the agents could be calling back to our office to get the right number.

So they are seeing this good will, they are seeing the agent go to battle for them. And again, you know, nothing else, you know, those initial 15 minutes are really there to build that strong tight and a link and a good relationship with that seller. So, if a cash offer price can be negotiated at that point, then basically the agent signs a purchase-sale agreement, they bring it back to the office, make their commission and they are done with the deal. We take over and do whatever we want to do with our investor portfolio.

Joe: So you are the buyer right?

Peter: Well, in that case I am the buyer, that's exactly right.

Joe: So the Realtor is kind of representing you as the buyer.

Peter: That's right.



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Joe: So the Realtor says to the seller, I already have a buyer for your house. Now, he is an investor, he is going to want a discount on this property. So my offer is going to be low, but that's okay, because if you don't like it we can probably get you full price for the house. But here is the offer, right? And so, and the cool thing about this is that Peter's right the realtor, is right there, toe to toe at the kitchen table with the seller. And it's so much easier to do deals when you are face-to-face with the seller, right? So you are just sitting there with them, and it's so much better. Okay, so cool now. They present the cash offer, first, then what happens?

Peter: Then, if they can negotiate that deal at that point, it is very easy for that agent to then turn around and just flip that presentation into a regular retail listing and get a listing that way. Again, because good will has been, you know, a lot of good will has been built in that initial 15-20 minutes of designing the cash offer. You know, a good report has been in set with these agents, I mean with these sellers. A relationship has been built. And so again, then when that agent goes into a regular conventional retail listing presentation, it is, you know, incredibly easy to get that seller converted into just a regular retail client. I mean, we have agents, you know, doing 15-16 listings on a monthly basis. I mean, you know, you take an average agent, any agent across United States and then they do 15-16 in a yearly basis, that's considered pretty damn good.

Joe: Yeah.

Peter: Our agents do that in a monthly basis. So what happens is as a result of this model, 2 things: 1. you are investment opportunities go way up. You start to pick up a lot more investment properties because you have people face-to-face, you know, and people kitchen, across kitchen tables, you know, looking at their situations, building report. So the conversion for investment properties go way up and then the retail side of the business, it just explodes. It absolutely explodes. So you know, when you mention the tray fact, the tray fact is just how we are expanding this business across United States.

I mean, just last week alone. We opened up the Orlando market. We opened up Las Vegas market. We opened up Chicago market. Today, in about 2 hours, we have people flying in from South Lake to our office. We hopefully get that market open. We have a



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group coming in from Pennsylvania tomorrow to hopefully get that market open. So we are just partnering up with savvy, really brokers or team leaders across United States. They become that retail piece, you know, we do the marketing and all that for them, and things like that.

So it's exciting, but I am telling you this whole model of reversing, you know, going in with agents, with cash offers and returning flipping them over into listings, I know it's an unusual model, but I mean, I am just so sold out on it and what's happening and the numbers that are taking place. I really feel Joe that this could be a wave of the future. I mean, I think within a couple of years, this could be just a common name as a Keller Williams or Berkshire Hathaway. It's just another model that becomes very, very common across United States.

Joe: Yeah, it's fantastic. And as usual, you are blazing the trail, doing things that no one has done before which is one of the reasons why I like working with you Peter, getting these, you know, the experience that you had, getting this, thinking of things differently. And like, okay, this is how, maybe we can do it differently so that we can make more money out of these deals. I got a few questions for you Peter, real quick. What kind of marketing are you doing? Is it the same marketing you are doing to find regular deals? First, let me rewind a little bit, I want to ask you something, that I am sure people are wondering. You are not licensed yourself, but you are, I believe somebody in your business is or is it your spouse, your wife, that is, and that's how you are being able to get paid from the Realtor side if it turns into a listing. Is that right?

Peter: Yeah, that's exactly right. You know, my wife has a license so when the retail deals are sold, the broker just cuts a commission directly to her.

Joe: Right. Hopefully you have a good relationship with her that kind of goes into you see some of that money too, right?

Peter: Funny guy, Joe.



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Joe: I am just kidding, your wife is awesome. Your wife is awesome. All right, so what kind of marketing are you doing then Peter? Are you?

Peter: The exact same marketing. The marketing just come out it doesn't change. Now, what it does give you the ability to do, that many times as an investors we don't do, because there is such a big focus on the retail side in this model that allows us to go after owner ox also, you know. And so that opens up a whole new territory for us in terms of going out after owner ox. But, but, besides that, it's pretty much the exact same kind of marketing across the board, the exact same kind of marketing across the board.

Joe: so the postcards of: hey, I want to buy your house, give me a call? Is that a postcard right?

Peter: Yup.

Joe: So it's not, "Hey do you want to list your house?" right? It's an investor-type of marketing that you are sending out.

Peter: That's exactly right, because we are taking a consultant approach, so the goals to just get sellers to call us and then once they call us, you know, we want to get our people in the door from a consultant approach and then determine what makes sense for them there, right there in the spot.

Joe: Nice, and so if you are doing all these markets, you are probably busting at the seams. Last time I was at your office, it was pretty big. You had 10-12 negotiators in there. How many negotiators are you going to have now?

Peter: Well, you know, we got a new building, that is about 5,600-square-foot office building now. So we got a lot more space and we still need a little bit more room for growth. But every time we open a new market up, we basically, you know, set up a new system there, a new negotiator, a new marketing command and all that.

Joe: Excellent.



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Peter: I am not sure exactly how many are here, but it's busting. Next time you come visit me, you are going, I know you are excited when you saw what we were doing. I think your mind will be blown next time you come here and see what we are doing.

Joe: I tell you guys, you've got to check out this CallWithPeterAndJoe.com. We talk about what we are doing in the business and I was at Peter's office a few months ago and was probably 6 months ago, I think. And to go in there and to see a bunch of people sitting at a desk on the phone with sellers, talking and negotiating, it's so cool, you know. I just get so excited seeing that and then to see on the board, on Peter's board, the pipeline of all of their deals, just filled with file folders of all the different deals that they are working on, in different stages that they are in. It's pretty cool, it's really cool actually.

And the way they keep everything humming along, it's real simple, it's nothing complicated. It's really, it's awesome. All right, so one more question for you Peter, real quick and then we will end this call, because this is awesome. How are all these agents coming up with the offer? How do you train them to come up with an offer that's going to work for you?

Peter: Well, you know, you don't want to complicate it for the agents especially kind of you are just beginning with it, with a not totally experienced agent. You know, you just use simple formulas, you know, the one thing agents are trained to do is to run cons. So you tell them just to count the property up before they get there, going with the simple 25 or 30% formula, when you are going below the count number. And you know, that's kind of where you want to be.

Joe: Right. And you can always renegotiate that number if it's asked.

Peter: We always negotiate it, that's exactly right. The keys to get him in the door, you know, the keys to get contracts in the door, and then we figure out what to do with it once we do that.

Joe: Good, you know, these agents are not in-house. So they are not agents that you are hiring, bringing under your brokerage.



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- Peter:** They are now, that's why we moved into bigger space. We actually set up our own operation here, you know, we merged with an existing high-level team.
- Joe:** Okay.
- Peter:** But, no, they don't need to be in this. You know, when we are partnering with people across United States, they are obviously in their own buildings, their own resources, they own hiring, their own everything.
- Joe:** Yeah, good. And you are staying; you are keeping control of these leads because they are getting into your database. Is that correct?
- Peter:** Right. That's exactly right, everything is controlled by us.
- Joe:** That's really important, I imagine.
- Peter:** Yup.
- Joe:** You are not just sending an email, here's a new lead. You are keeping it in your database, in your world. They have to come in, so all the leads are tracked inside of your systems.
- Peter:** That's right, you always want to control that stuff.
- Joe:** And are you using pipe drive for that?
- Peter:** Yeah, as of now we are about ready to switch to a little bit different system, but yeah, as of now we are.
- Joe:** I am not going to even ask what that system is because you've probably not even know.
- Peter:** I don't know what it is but I know it's a little more sophisticated.



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Joe: All right. This has been good Peter, thank you very much. Guys if you want more information about how to work with me and Peter, and get a change to maybe go and hang out with Peter in his office and see what he is doing, go to CallWithPeterAndJoe.com or I am going to give you another website: FreeBasicBook.com, to get our book that we wrote, called Brilliant at the Basic. You get it for free, just pay shipping and handling. And if you want it go directly to an application to apply to work with us, to get a chance to talk with Peter on a one-on-one basis, learn more about what he is talking about here. Go to PeterAndJoe.com.

We have a little video at the top of that. It's a webpage that kind of describes this deal. And you can apply. It's application only. We don't want to talk with you first. You don't have to pay anything to apply. We just want to see if you are a good fit, and we want to grow and expand. And maybe your market is a market that Peter can do this kind of an operation in. He is growing like gang busters. It's exciting to watch, and it's going to be really, really cool.

I am excited about this, Peter. I am looking at this with really keen interest because I think this is something that I could start doing in my own market. A lot of our partners can doing in their markets. It's taking this partners and realtors to a whole new level. And this is going to work in any market, whether your market is cold or hot, expensive or cheap, this works in any market. Excellent, excellent stuff. Hey, thank you, Peter.

Peter: Enjoyed it as always. Looking forward to next week's.

Joe: All right, see you, bye-bye.

Peter: All right, bye.