



# REAL ESTATE INVESTING MASTERY

[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

## Top 3 Things Investors Should Be Focusing On Right Now with Mike Hambright

Hosted by: Joe McCall

Guest: Mike Hambright

*Welcome. This is the Real Estate Investing Mastery podcast.*

**Joe:** What's up, everybody, welcome. This is the Real Estate Investing Mastery podcast. I'm real glad you're here. And on this special podcast addition, you've got a good friend of mine, Mike Hambright. And he's gonna come on and talk to us about the top three things every investor should be focusing on right now in this market. I really like getting other people's perspectives on what's working now. What's not working. What should we be focusing on? And I think you're gonna enjoy it. Mike has been in the business for a really, really long time. He's got a lot of experience and he networks with a lot of high-level people in his mastermind. And so we're gonna get a real good perspective from Mike on three important things that you should be focusing on in this market. I want to bring to your attention again.

**Joe:** My book, this podcast is brought to you by this little fancy book here called Wholesaling Lease Options. Discover one of the easiest and fastest ways to make money in real estate today. This is a really good book. All killer, no filler. And it's chock full of the same exact strategy I used to quit my job one year into the last recession back in 2009, guys. Do you remember if you were around? Nobody was quitting their jobs back then. Right. But I did because I was flipping lease options. And when we come into a down market, which I predict we're coming into now, lease option deals, flipping lease option deals or some of the easiest deals to do. So if you want, I'm gonna give you two ways you can get it. If you like audios, you like air pods like these little doohickies here. You can get the audio book for just a dollar ninety-nine WLOAudio.com, WLOAudio.com, and get the audio book. You don't get the air pods but you get the audio book for dollar ninety nine and if you want the book for free, but you got to pay shipping and handling. Got a WLOBook.com, WLOBook.com and we'll send you this book. You could pay like seven or eight bucks for shipping and handling and we'll get it out to you or you just get the audio book instantly for dollar ninety-nine go to WLOAudio.com. All right. One more thing. If you're listening to this on podcasts, subscribe to the show. Go to Apple podcast, Google Play, Spotify, tune in radio wherever you are and subscribe. I'd really appreciate it. Leave a review. Also, as I'm recording this,



[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

I'm going to be live here. I'm live here on the Facebooks and the YouTubes and all of that. So please type in your questions and the chats and comments. Tell us where you are from. I'd love to hear from you. And so as we go through this with Mike, we're gonna be answering questions and stuff like that. I'd love to hear your feedback. Tell us where you're from. Say hello if you have any questions for Mike. Bring them on. We'd love to say hello to you. And speaking of Mike. There he is. What's up, Joe? Good to see you, my friend. My camera from the Flip Nerd podcast. Love your podcast.

**Mike:** Joe, you were an inspiration to me when I first started my podcast. When I started. It's been about six and a half years ago. How long ago did you start yours?

**Joe:** 2011. So nine? Nine years ago?

**Mike:** Yeah. Yeah. So when I started mine, there were really only like four or five out there.

**Joe:** You know this. What have you saw mine you thought oh, man. I can do better than that. No, we help. The real estate investing world needs some help.

**Mike:** When you went out and you look for real, say podcast, it was you, Sean Terry. Jason Aardman had like a million different shows. There were a couple out there that were abandoned, you know. Yeah. Yeah. And there probably were a couple others that I'm forgetting there, but there weren't very many. Now there's a ton of them, which is a great thing. Right. I remember I was kind of scary. I was like it seemed hard and now it's like it's just as easy as clicking a couple buttons and going. Right. I mean it's amazing.

**Joe:** I remember in 2011 I say this all the time. I thought I had missed the podcasting boat I was in too late. And I remember at the time, too, like real estate investing was a niche. Right. Pretty narrow niche. And I was worried like this was too small of a niche. Now, if you were to start a podcast and call it the Real Estate Investing Mastery Show, I would be like, no, it's too broad. You need to narrow it even more. Yeah, yeah, yeah. But you've got a good show. I think you probably have more than I do. You've been doing this.

**Mike:** So we have over the years we have had at least four different at least three different shows, maybe four. So my main show has always been called the Flip Nerd podcast. I changed it like a year and a half ago to a real estate investing secrets, kind of flipped nerd real estate secrets. And



# REAL ESTATE INVESTING MASTERY

[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

so sometimes I changed that you every once in a while. Like, I need to change my artwork. I need to change my you know, my approach is like you just kind of, you're like a cat with like a ball. You kind of get bored. Like, I need to bat that around a little bit. Like, let me let me change it up a little bit. So I don't know. But we had that and then we had REI classroom, REI classroom was one that we were doing. That was a daily like five minute show. That was a lot of volume. And then when I started my show, I was doing it three days a week. Then like after awhile, I went to two days a week. And I went to one. This is a lot of you know, it's a lot of work. And then what are you doing? So what are you doing now? Is it one day a week? So one day a week you do the Flipper show. And I also have the investor fuel mastermind show where I interview members of my mastermind. So I do each of those once a week video podcast.

**Joe:** Nice. So if people want to find your podcast, what do they look for?

**Mike:** If you want to flipnerd.com. You can find all the shows, just go to shows and there's like a dropdown of all the shows. But yeah. So we have yes. Somewhere over fifteen hundred video podcasts over the last six and a half years. Yeah.

**Joe:** I have. I just released episode eight forty-five or fifty-eight. Eight hundred and fifty-eight episodes here. Yeah. Yeah.

**Mike:** Well they say size isn't everything.

**Joe:** Size doesn't matter. Thank God you know. Just kidding. Well, good. I'm glad you're here, Mike. I've enjoyed your podcast and seeing you kind of do what you're doing. You're doing some really cool things now with a new mastermind called Investor Whewell. Yeah, I guess it's not new. You've been doing it for a few now.

**Mike:** Almost three years, actually. Yeah. Yes, I guess probably like a little over two and a half years.

**Joe:** Okay, cool. Good for you. Yeah. And it's been growing. Been doing real well. Yeah. Yeah.

**Mike:** Yeah. It's turned out great. I mean and honestly it started with the podcast. It really started with just I've always been like a master networker. Like I now that I call myself a master network about I mean I've always put a lot of effort into building my relationships and networking with people. And it kind of early on and even now, not always knowing where that will go. It's just like if



# REAL ESTATE INVESTING MASTERY

[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

I'm just a connector and I try to help people and say, hey, you know, this person, you should know Joe like whatever in connecting people, like things come from it. Right. So, you know, I've always believed that. And even before the business world, like when I was corporate, you know, schlepp, I always believed that even in high school, I used to throw like keg parties when I had my fake I.D.. You know, I was like, I was the connector. You were one of those guys. Oh yeah, I was an entrepreneur selling cups, man. One of those. What is.

**Joe:** So talk about a lot of people may not know you. And I just want to tell you all, too. As you're listening to this podcast right now on the YouTubes and the Facebooks, please type in. Tell us where you're from and type any questions that you have in the chat and comment, something you want us to talk about. Type in some questions and comments into the chat. So, Mike, tell us little bit about your history. How did you get started in real estate? What we doing before that real quick?

**Mike:** Yeah, I started the summer of 2008 full time and really part time. I kind of just I left. So the backstory is, as I know it was the first person, my family to go to college. And growing up, as I think back about it, in fact, I grew up. You may not recall us a few hours north of St. Louis, in Illinois. And I had my family is very blue collar, so working class for sure. Didn't have anybody. I never knew a business owner. I never really knew an entrepreneur. But I was always very entrepreneurial. Like lemonade stands, newspaper routes, like, you know, I was always hustling for stuff without really knowing why or what that meant and went to school. I was the first person, my family to go to college and got out. I was kind of unhappy with like, is this all there? Is this all there is? Like, Did I really go to school for this? And then a couple years later went to grad school because I thought, well, maybe I need more formal education. Right. And I went to grad school and got an MBA from a really great program of Texas at University in Austin and met my wife. There was a great, great time. But, you know, while I was in the program, a date myself here. But I started the program was a two-year full-time program. It started about two or three weeks before 9/11. And so we kind of went into the program, the type of program that you could come out, everybody comes out making six figures, write your own ticket, you know, to be a high paid consultants or go work on Wall Street or whatever. And that all changed like a couple of weeks



[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

into my program. And then so when I got out, it was just like, you know, what are you going to do? Half my class didn't have a job at graduation.

**Mike:** And I ended up finding a really good job. It was like kind of what I call a dream job. So I'll get into a lot of detail. Was there for three years and then I worked directly for the CEO of a five billion dollar company. And, you know, I was kind of the golden boy on the inside while I was there. And then one day he got fired and I was like, his outspoken right hand man. It's like, well, you got to go to because you're associated with that guy. You know, the politics of kind of corporate America. And that was the first slap in the face. I was like, didn't see it come. And I thought I was, you know, that I could write my own ticket for the most part. And I was like. But I had I felt helpless because I had no control. I went from like being on top to like the low lows, you know. Then I went to work for another company and was there for about 18 months flying high and then they filed for bankruptcy. And my son had just been born like two months before that. And it was like, wow, I just don't feel like I have control here. Right. What year was this? So that last round where I left the company, it was filed for bankruptcy. That was kind of the fall of '08, '07. And then I was kind of faced with my wife had left her job. She was a high paid consultant, but hated it. And she left her job to have our son. And I had like two strikes now, you know, and I was like. Man, I just don't have control over my destiny. I've always worked really hard and put every kind of go all in on stuff and was like, I'm working really hard for somebody else and they can just flip a switch and turn me off. You know, it's those kinds of realization of I don't have control here. I need to start my own business. I need to do something on my own.

**Mike:** And I always had an interest in real estate. But it really never done anything had gone to some, you know, REA club seminars and workshops and stuff like that. But kind of like a lot of people like consume some information, but wasn't uncomfortable enough to take action. Right, because I still have that job to fall back on and I finally got to this point where I was uncomfortable enough to actually take action, right. And so we started. My wife and I started both full time. The summer of 2008.

**Joe:** How did you start? What were you doing?

**Mike:** Was trying to say. I tried to contact realtors. I'm in the Dallas-Fort Worth market. And, you know, we didn't know. We like picked like two suburbs, like what we want to buy over all of our houses in this suburb. Then, you know, within a month you'll like me. I'll go anywhere, just



# REAL ESTATE INVESTING MASTERY

[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

wherever I'm gonna go. But we you know, it's kind of baptism by fire. You just learn really fast. And so we were contacting realtors and trying to find deals and they're like, yeah, we'll send you the comps and like in the next 48 hours. And we're like, no, no, I need this like now, you know, just this realization of like we need to go after this in a bigger way and had a couple of mentors. You know, it was more informal relationships. And so it kind of just took a while to kind of really understand, OK, you got to advertise to generate leads. You have to set this up like a business. And we'd come from corporate America so that part actually made sense after it registered, you know. And so what you start to realize early on, as you know, is like, yeah, we're real estate investors, but it's a small business right, I have to have marketing and sales. That's how business operations I have to have processes in place. And ultimately we're marketing and operations people and real estate's our widget. Right? And so, yeah, after that kind of clicked, you know, we hit the ground running. We ended up buying now doing about sixty five houses in our first calendar year and just kind of....So of course, doing it the hard way, we were mostly rehabbing. So probably rehabbing I'd say 70 percent. Okay. Because truthfully, when I first started it was intuitive, but I just didn't really and never thought about wholesale. And I grew up watching This Old House and I actually you know, I grew up in the Midwest on my job through high school and college was as a Menard's, you know, Menard's up there. Save big money at Menard's. That was my second job after bagging groceries for a year. But, you know, I'd always been around people fixing stuff and building stuff and things. I guess my dad was really handy. And I. So I just kind of gravitated towards fixing stuff up, I guess, but then kind of quickly realized, hey, I shouldn't rehab everything. And the benefits of wholesaling are, you know, quicker cash flow and less risk. And so we do a little bit of both, but we kind of leaned more towards fixing flipping than anything.

**Joe:** All right. Yeah. And then did you did you ever join a big franchise or any kind of.

**Mike:** Yeah. Yeah. Question, you know. You know, I did that.

**Joe:** I don't know if you wanted to talk about it or not.

**Mike:** I don't care if we talk about it or not. But I did join a franchise system and was in it for about eight years, actually. I ended up after about a year and a half. I helped build that nationwide. So I was recruiting new franchisees and teaching them what I had known after I did about 100 houses. And, you know, we were kind of the poster child for that system of like how to leave your job and go be successful real estate investing. And so that people gravitated towards that that message.



# REAL ESTATE INVESTING MASTERY

[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

And we were always very focused on helping people. And so the way it worked is I would bring people in and I would coach and mentor them. Then I got a royalty on all their deals and, you know, in exchange for helping them. Right. And so that was my first foray into coaching and that started probably about 10 years ago. That's probably like '09, late '09. And got to the point to where my team was doing about a thousand houses a year. That was substantial business at that point and really helping a lot of people are having a lot of relationships. And then I ended up selling that kind of business, if you will, just because I know the end of the day, I just I built my business on a rented lot. As they say. So I was a hired gun on the outside. And just politically, you kind of feel like start to feel like I was back in corporate America again with lots of politics and being asked to say things that I didn't believe and was like, eh. This isn't for me. So about three and half years ago or so, I was able to sell that and just start to open up my own programs under the flip nerd brand that coincidentally I'd been building a couple of years at that point.

**Joe:** Glad I brought that up. By the way, Tanner here is from DFW. What's up, Tanner? Glad you're here. Sup, Tanner? Jesse says he's from Rhode Island. It's going on that you don't meet too many people from Rhode Island. What's your favorite way of advertising? We'll talk about that. I think here as we get into this. Keith is saying I have a looping echo, so I'm sorry if we've got an echo. I turn my volume down a little bit. If somebody can please type in the comments. If you also hear the echo, let me know and I'll put on some headsets or something like that's my apologies. So, Mike, what are you seeing in the market right now? Just real quick, give us your prediction over the next three to six months in the housing market. Let's keep it to the housing market.

**Mike:** You know, I don't have a prediction. I mean, I there's a couple things that I suspect will happen short term. But when this thing opens up, who knows? Fortunately, I try not to watch the news too much, but it sounds like even the media is starting to try to wind this thing down quickly because they know people are there's gonna be a ton of civil disobedience here if they don't, because people are just tired of being at home and....

**Joe:** You're gonna go is going to be leading the civil disobedience of the teenagers sitting at home all day with mom and dad.

**Mike:** Yeah. The people that just they need to make money to survive. I write this at the end of the day. People need to work. This is what a lot of depending on what you do. But that gives us purpose, right? So I think a lot of people are in a weird spot right now. For sure. So, you know, I



# REAL ESTATE INVESTING MASTERY

[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

think short term what's going to happen is. So what we're seeing is a lot of our members and the investor fuel mastermind and I run an agency called the investor machine for real estate investors is there's a lot of our folks are saying that they have their best month ever in April. I mean, in March. And there's a bunch of like roadblocks going on, deals falling through and stuff, but they're like a deal fell through. And I immediately got it under contract with somebody else. So some of that going on. There's some you know, there's some chaos with lenders like sitting on the sidelines and stuff like that, which is that's what happens in a down market or when there's fear, you know. The lenders pull out first. Right.

**Joe:** But I think it's going to be more important than ever for investors who are active to really start thinking about private money. Would you agree with that?

**Mike:** Sure. Yeah. We actually just said our next investor fuel will be coming up here in about three and half weeks. And we just put in place a seller, our private money panel from some people that are in our group that have always been really good at raising money. But yeah, for sure. I think that's one of the things that people should focus on. I mean, we'll talk about a few things that people should be improving. And that's one of them is raising private money. Like get to the point where you have to try to make yourself bulletproof in your business. What can I do so that the next time the market goes down or if this thing happens again, like how do I minimize the impact to me by things I can put in place now? Systems, processes, relationships, all those things. Right.

**Joe:** Do you see in the housing market in general, the retail market, you see the market getting bigger. Prices started to go down.

**Mike:** I don't see this. So that's very market specific, obviously. Right. So I haven't seen that in DFW and a lot of other markets. I don't think we're seeing that either. This is my suspicion. One thing that I think will probably happen short term is that, you know, as investors, we're often competing against owner occupant inventory. Right. Owners that are trying to list their house and sell it. And I think you were coming into the kind of the summer sailing season here, right? Like late spring, early summer. I think a lot of home owners that would traditionally be fixing their house up right now and looking for their next house that are kind of thinking as soon as the kids are out of school, we're going to list this thing and sell it. I think a lot of that activity is going to be disrupted this year. Maybe they move later in the summer. We'll see how things go. Or maybe it'll



# REAL ESTATE INVESTING MASTERY

[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

be let's just wait a year and see what happens, which is a good that's not a good thing for agents because they have less inventory to list. It's a good thing for investors because I have less competition on the markets. There's probably less demand, but there'll be I think the supply reduction will be greater than the demand reduction. Probably depends on market by market. But I think, you know, that'll prop up investor prices, I think, for a while.

**Joe:** I'm predicting, too, I think that for realtors specifically, the ones that are going to survive and do the best are the ones who are going to be really good at finding buyers. So buyer marketing is going to become popular again. And I remember very vividly back in '08, '09, 2010, even all the way through 2012 and 2013, the buyers, I mean, the investors and the realtors that were doing really well, we're focused on finding buyers first and all of their marketing efforts shifted from finding sellers and getting listings to finding buyers who had money who could close. Yeah. And there always will be buyers who can close. There always will be.

**Mike:** Yeah. Even so, I'm in a unique, not a unique market. But the DFW market has been on the growth path for the whole time that I've been doing this. So even like 2009 10, we were rehabbing a lot of houses and it would be uncommon for us even in those slow times that we would list a house and it wouldn't be under contract to sell within a week.

**Joe:** What price ranges were are you focusing on?

**Mike:** So kind of. So that time 100 to 250 ARV kind of at the time, you know, probably 40 K above and below the median price point.

**Joe:** That's really important. Yeah. I'm glad you brought that up. 40 k up and down between the median price range. Right.

**Mike:** Right. So that's where the most buyers are. Right. And so. But here's the difference, though, is it wasn't because like we would look at who else is on the market, like what else is listed? What just went active? And we would just build a better mousetrap. So it'd be some combination of price or quality. And so, you know, at the time, when you go into a downward market, there's always this period where sellers feel like, well, my house is still what it was worth a couple of years ago. Like they just they overprice it. It's not updated as much. And it would be common for us to get a house under contract. And there's a house listed across the street or down the street or whatever. And we would like wait three weeks to close on it, close, rehab it, list it, and sell ours



[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

before that one did. They were just on reasonable like owner occupants tend to be a little more unreasonable and they weren't thinking about who is my competition and whenever I was selling a property, I was like, how do I get next in line? I'm going to be the next house to sell in this market. What do I have to do to do that?

**Joe:** Would you generally try to make your house the nicest and the cheapest?

**Mike:** Yeah. So I would say we always we erred on the side of rehabbing really nice at that. There was like back then it was granite stainless every time and then a few years later. I started to realize, like I started to understand kind of the wholesale model a little bit better. And we quickly pivoted there because it's just way easier. I would rather have a inferior product at a better price. Kind of the Wal-Mart model, right? Yeah. What I was going after I kind of realized like, wow, I need less. I don't have to borrow as much money. I don't have as much pressure on managing crews for rehabbing. And when you start to realize, like everybody likes a deal. There's entire malls that's been built up. They manufacture clothes for outlet centers now. And they're not it's not like second runs and stuff. They like manufacturer for that because they're aiming at the person that likes a deal. That's a great point. Yeah. So it's like, hey, how do I position myself for somebody that is willing to accept something that's imperfect, but it's a really good deal.

**Joe:** So how do you what do you what are some of things you do for a wholetail deal? What do you do to the house?

**Mike:** Well, you know, that's evolved over time. And I think it's market specific to like market cycle specific. So I think what you'll start to see as if you're a rehab her and if the market starts to slow here, I think you have to improve quality more than you did a few months ago or last year. And because you're going to have to you either have to have it pull the lever. You've got two levers really, quality and price are the main levers. Right. Or, you know, when you do lease options as you offer the financing, there's obviously you offer a unique solution to somebody that needs that. So you have another lever there that you use, which is amazing. But I think that, you know, it got to the point to where up until here recently we did nothing to houses like we didn't clean up. I'm still put on the MLS and sell it because inventory has been down and prices are up. And it's like how do I compete? So like, I just have to be available now. And so at first I thought, well, we'll fit. We have it where I'm at in North Texas, we tend to have some foundation issues. So it's like, well, if it needs foundation work, I'll fix that. If anything's real scary, I'll fix it. And that evolves to just get



# REAL ESTATE INVESTING MASTERY

[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

get to the point. We're saying I'm going to do a damn thing. It's kind of a test as an investor to you. Like, let's see what happens if I just put that out there not to do anything. Yeah. So kind of depends.

**Joe:** But yeah, that's a good point. It depends on the market and we'll see. Yeah. I think nobody knows what's going to happen in the next few months. The cool thing about real estate that I like compared to the stock market is real estate when it changes. It doesn't change immediately on a dime. Relatively speaking compared to the stock market. Stock market overnight down 10 percent. You know. Yeah, but with the real estate, it kind of is a lot slower, isn't it? And it gives you more time to react. I've been telling folks, you know, if we start going forward here. You need to learn how to make it quick nickel. I think making a quick nickel is going to be better than a slow time with the uncertainty that's going on. So whatever you do, try to get in and out of your deals as fast as possible.

**Mike:** Yeah, that's what we talk about, too. If you're used to doing heavy rehabs, try to do more wholesaling and wholesaling, like try to get that cash conversion from kind of contracted contract upfront cash in your account, make that cycle time faster. Right now. Just you just there's too many unknowns right now.

**Joe:** It's nice. Okay. Skip says no echo in New Hampshire. Thank you. And Mr. Unknown or Mrs. Unknown says no echo. Appreciate that. Ty says here, thanks for taking out the time to talk about your experiences, Mike. I appreciate you, Joe, and appreciate you, Joe, for taking the time to do these types of conversations. Thank you, guys. Appreciate that. All right. So, Mike, let's talk about the three things you're telling people to focus on now in this kind of a market. What's shifting right now? What are the three things you're telling people to focus on?

**Mike:** Yeah, I think, you know, one of the things is to not forget why we got into this in the first place. Like you and I were both kind of corporate refugees. We got tired of working for somebody else or the limited upside or all those things, which I think is what brought a lot of people into this business. And I've said it before, like, I ain't ever going back to corporate America. I'm completely unemployable at this point, which I find some comfort in that. Right. So. But I think, you know, the freedom that it gives your family, obviously, I know you guys travel a lot. We travel. We like to travel and do a lot of things. And right now, you know, those things are at risk for some of us, depending on where you are in your career. It's like I'm not willing to accept that this doesn't work



[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

anymore. The truth is, is there's still people they're still going through distress situations, death, divorce, inheritance. Problem you know, landlords are kind of tired landlords. All those situations still exist. In fact, they're probably a little bit more extreme right now, which is going to create opportunity for us. And people still need shelter, need affordable housing depending on what market you're in.

**Mike:** If you're in California or more expensive markets, some of that pressure means people are leaving. And coming to states like Texas are where I'm at because they're just trying to move to a better land that has less pressure on affordable housing and I guess affordable living. But if you're in an affordable market, there's still gonna be plenty demand for housing and there's still gonna be people that are going through distress, just a stressful situations, I guess, that they need to sell. So our cheese is proverbially getting moved. Right. But the opportunity for us is real estate investors is not going away. You just have to change with it. So don't forget why you got into this, because those freedoms are not going to change for you. You just have to shift. You have to pivot. That's good. I mean, so that's the big one is. I think sometimes we sit around, we question, should I be doing this? Should I just go back and get a job? Your situation is unique to you. But there's still lots of opportunities here. You just have to just kind of have to pivot. If you look at some of the most successful companies like ever, including Facebook and huge companies. Right. Their business model today is usually very different from what it was when they started. And it's because as entrepreneurs, we just say, oh, that doesn't work. Don't do that anymore. This is working. But nobody's paying us money. Like, you know, sometimes you end up having a job where you're doing a lot of work, but you can't make money doing it. And you just keep pivoting until you kind of find your way to what works for you. Right. Yeah.

**Mike:** So I think that's the big that's the big one is use this time to reflect and just say what do I do differently? And so I think we all that's a healthy discussion you should be doing regularly anyway. Right. And so situations like this kind of forces into it if you haven't done for a while. The other big thing I'd say is my kind of my claim to fame with my wife and I is that when we started in '08, didn't know squat. You know, we started like surrounding our try to find mentors and learn here and there. Of course, there weren't very many pod. There aren't there any podcasts? No, wait. But there wasn't as nearly as much online information for sure. I mean, there was you know, you're buying books and manuals and stuff like that. DVDs. Yeah. Probably some VHS stuff. And just finding your way through it, going to a lot of REA clubs and, you know, listening to people talk



# REAL ESTATE INVESTING MASTERY

[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

about things and finding what resonated with us. But at the end of the day, one thing I picked up on early was the importance of paid advertising. Like you have to spend money to generate leads. Like leads are everything. However you get them, you can get them. But usually paid leaves are the most consistent. You have the most control over that. And so it was kind of probably early 2009 when I knew a bunch of heavier hitters in my market that were struggling with like old inventory or they lost lines of credit that were keeping them alive or whatever it might be. They stopped advertising. And there was this month, I don't remember the exact numbers, but I think we were spending maybe five thousand a month or so. And from one month I remember the it was early '09. We went from about \$5000 dollars a month to spend up to I think about twenty-two, twenty-three thousand dollars. And from that point forward, we just we just became a machine. And all we did was there's still demand for investors buying houses from distressed sellers. And we filled a void. People stopped advertising and we leaned into that lead, that flow of lead generation that was out there. Right.

**Mike:** And that's what's happening right now. And there's some more uncertainty. Sellers cycle time to make a decision to sell, I think could be a little bit longer right now because, you know, they don't necessarily want people coming into their house, which wasn't an issue before now, and they don't know where they're gonna go next. If they're living there, which is creating some uncertainty, but that kind of flow of leads of people needing to sell their house at a discounted price has not changed. In fact, it might go up in the months ahead. Right. And so it's just how do you fill that void that is left in the marketplace by people sitting on the sidelines? So I can tell you. So I'm really good buddies with Todd Swagerty. He is the largest direct mail house for real estate investors. And his business is down. But he's like the people that left are the people that were doing periodic small orders, really kind of the newer investor that's dabbling. And the people that are serious about this are either staying steady, in some instances increasing their advertising right now. And that's because they have some wisdom. They know that there's this a void that will open up and they're stepping into it. So.

**Mike:** So that's a that's a really long way to say do not stop focusing on lead generation. Get smarter about where you're spending your money at. Cut back on the stuff that wasn't working for you before, but make sure that you are leaning in to generating leads right now. Cause sellers are going to need you more than ever. Real good.



# REAL ESTATE INVESTING MASTERY

[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

**Joe:** So is that all three?

**Mike:** No, I've got one more. That was let's do the third not counting job.

**Joe:** I thought it was two, but I.

**Mike:** Yeah. The third one is really take the time to kind of improve your systems and processes and put the checklists in place. Whether it's systemized. When you say systems, you know, people freak out, they're like software, like CRM and you know, those all those things are important. Sometimes it's just simple checklists. So how you do what you do, right. And we're all guilty. I think a lot of us are guilty as real estate investors of doing things like we basically we look at the Kiyosaki cash flow quadrant and we say we're business owners, but we're really self-employed or like you own a job or the job owns you and we end up doing all the stuff in a lot of that is because it's in our head, right. So we can't get out of our own way, use this opportunity to get those systems and processes in place to help you operate your business to where, I mean, Joe uses VAs a lot. I use VAs a lot. And other staff. You've got to scale your business in a way that allows you to not be the bottleneck on it. And this is a perfect time to get those systems and processes in place. So you can actually hand it off to somebody and it's not all on your head.

**Joe:** What does it look like? Can you just give us an example? A system, a system and a process so it could be.

**Mike:** So we use we use Asana and we have used it for a very long time lead management. No, we use it for really kind of project management. So we use podio until we get there's a funny story. How about podio? Joe was we were using it before I knew you were using it. And we were at an event together. And you and Sean Terry, you were showing Sean Terry podio. Yeah, my wife heard it and she and she had suggested it before. And I'm notorious. Like if it wasn't my idea. I'm just like, not as big on it. You know, I'm that guy sometimes with my wife. She lets me know. But she had been looking into podio. I'd never heard of anybody. You know, it's like I've never even heard of that. We're not using that at the time. We using high rise. Wait, you mean you know, you remember that? Oh, yeah. And anyway, that's the first time we'd ever heard somebody else say they were using podio. You were using it at a more advanced level than where we were at the time. But I got it. I remember getting a sharp elbow, like see, like other people are using it too. But we use that for lead management, follow up, stuff like that. And then when we get a house under



# REAL ESTATE INVESTING MASTERY

[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

contract, we switch over to task template in Asana. Yeah, which three? By the way, you go to Asana.com and we've been using that guy private using it for eight years or so, maybe more than that. And we just create these checklists of like what when I get a house under contract, if I'm going to rehab it or from when I sign it, we have a list based on exit strategy. And if it's a rehab, there's a series of tasks for like do this immediately, do this seven days before closing. Do this right after closing. And it's things like at the time of closing, like get the contract signed, send it to the title company, you know, put a lockbox on the door. Dot, dot, dot, whatever it might be. Then right after closing, it's like turn on the insurance, turn on the utilities, all the way at the end to make sure the wire came in. Remove the lockbox or whatever those things might be. Right. And so what we do, as you know, is like so repetitive, like the types of things we do with houses is the same thing over and over and over again. And before that, we were using Excel. And, you know, it's messy.

**Joe:** Let me ask you this, because I've been curious about this. Yeah, we as podio, not as much as we used to. I'm using more REIsimple now, which is white labeled version of freedom soft. Yeah, but you could do those automated tasks and checklists and podium. Right. So why Asana? Why did you do that?

**Mike:** So Asana I just I'm able to get more visibility. So that one cool thing about Asana for example, is they have projects which would be a list of tasks and then tasks and they're subtasks. And I can assign I can create a template that is for every house, for every rehab. Here's like seventy-four tasks to do. It's already pre assigned to the person on my team that has to do them. And I can see, I can like do a search for somebody on my team like Anna and I can say will show me all the projects that Anna's past due on. And so I can just kind of see visibly of all the different projects in my company, like what's past due and who's doing what. And so it's just a little more friendly from my perspective of. In fact, I said Excel prior to that, we had this massive whiteboard at the back of our office. And for every property, even people use whiteboards a little. I mean, I have one right here, but for a house line because, you know, when you and I started, there weren't really any CRM. So we'd have a whiteboard list of properties and we would have like utilities on, closing dates, like we'd have check marks on a whiteboard, like checkmarks. We use that black tape and like have all these grids.



# REAL ESTATE INVESTING MASTERY

[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

**Joe:** I was at somebody's office a few years ago and they were there, done 20, 30 deals a month. And I've never had that kind of an operation. And they were using and I think they still are to this day. Manila folders, every house gets a manila folder and stapled to the front is a checklist, right? Yeah. And then they have on the walls, big wall and they have maybe four or five columns of different stages of the deal. All right. And then below that, there's a place like a it's like a pocket that can hold folders. Right. And that's all they do. So when they're working on a deal, they'll go to that folder, pull it out. All the documents are in there. Yeah, paper stuff, everything, the dates and everything's written in. And when they're done, they put it back in whatever stage of the deal is in.

**Mike:** Yeah. We still honestly, we still use folders for contracts and stuff. And it's a little repetitive with what's in because we use a combination of podio and Asana and Dropbox. But there's just so much paper in this biz, especially if you're rehabbing. Right. There's lots of stuff, amendments, all that. And so we still use like a four part folder. We've got like the by side, the sale side we use for like rehabbing and then we use it for like insurance and utilities and all that stuff is kind of how we do it. And then at the end of the day, we scan it all, put in a Dropbox and shred it and move on. But yeah, it's hard to not be a little old school sometimes.

**Joe:** Yeah, Trubrick Homebuyer's has a good question here. How would you define a system and how would you define a process one to make sure you understand the difference? How do you define all that?

**Mike:** I understand the difference. Just kind of go together. Like I think a system could be a software, right? It could be podio. It could be something a process the way that you use that system to do something. You're the engineer, Joe, why don't you tell us.

**Joe:** I would look at a system as the Asana or the podio. Yeah, yeah. The process is the checklist, right? Kind of goes in there. Yeah, that's I agree with that. So like when I create a process I usually start with a Google doc and I just, I've done this dozens and dozens and dozens. And I just kind of state at the beginning my goal like what's the goal of why am I doing this? Then I say, for example, it could be sending yellow letters to expired listings. That's a process I want to create. Right. Then I said my goal is to send, you know, 100 letters a week to expired listings. And then I just go through and I start bullet pointing the stuff like where do we get the list from? What does a letter need to say? How are we sending a letter? Who does that? Then I create a video using Loom or screen



[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

cast-o-matic or something like that of me opening up the documents. So it's on my screen there and then actually just doing all of that stuff. And the video's done. It's uploaded and I get a link and I paste that link at the top of the document. Now I have a Google doc, which is the process for how to send letters. I.

**Joe:** Guess you could also call that a system, but I call that might. That's my standard operating procedure. That's my S.O.P. My process. Then I can share that Google doc with my team, with my VAs it goes in to one folder and Google Drive. But then if I had to bring on a new V.A. or that V.A. quits or I'm trained, I will I need to do is share that Google doc with them. And if I ever update it, I don't just redo the whole video. I just have a, at the top I say watch these videos. And then there's bullet points below that of every different video that I've had to add to it. You know, if I if I make a mistake and I change something again, I just do a new little one- or two-minute video saying, hey, I just I just updated this and changed this. Yeah. So when they're, you know, in a year from now when they have to watch all of five videos or whatever, but that's my whole process right there in that document. And then I've even gotten better now where I have my team create the processes for me. I learned this from a mutual friend of ours, Todd Toback's. Like why are you creating the S.O.P. They're not even doing any of that stuff anymore. Get your VA's to do it for you. Yeah, right. Yep. Yep. And many times they can do it better.

**Mike:** Well that's. If they're the ones that are doing on a day to day basis, they should know how to do it better but well.

**Joe:** And make them figure it out and then write the process so that if they quit or if you, they need more help they can give it to somebody else and then they can get it done. Yeah, exactly. Cool. Mike. How can people get a hold of you? You've got a lot of videos and podcasts and books. What's your thing that you want to send people to today?

**Mike:** Yeah. I mean, they just connect on Facebook or you can go to flipnerd.com. We've got just a ton of content on there over the years and a lot of information. And so those are probably the best place to just go to the site. You get a lot of great information. Connect on Facebook. Say hi if you want to connect on Instagram. I'm trying to I'm trying to grow that. Actually, I have grown that quite a bit. But I have you know, I put we put a lot of content out there, but I don't do the best job of engaging. Yeah. I'm trying. We're trying to do it all, Joe.



[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

**Joe:** I don't like Instagram. I like looking at it maybe once in a while. There's just too much. Yeah, I'm old school and getting gray here now. But if you guys want to get a hold of Mike and just look him up on Facebook or go to flipnerd.com, he's got podcasts. Go look him up on podcasting world. Go look in YouTube. He's got a bunch of really good videos out there. That'd be cool. Luke has a good comment here. I just want to add this and this definition I liked helped me. Systems equals peoples plus process plus tools. That's a great definition. A system is process plus process. I'm sorry, people. Plus process plus tools. That's good. Thanks, Luke. All right. Mike, hey, thanks for being on the show. I'm gonna be on your show. Yeah. Next Monday. Yeah. That's right. Yeah. Excited for that. And I appreciate you being on the show. Hotseat somebody is. Must be this. Look at this, Randy. He's always given me a hard time. He's a Cubs fan.

**Mike:** It's like a house with glasses on. Just probably got some of these over the years. I think we probably 70 or somewhere. You did send. I ordered. There's a funny little secret. I ordered like thousands of these from China at one point. So years ago, we've been living off of the cemetery for years and years. Coincidentally, I also used to live in Wrigleyville and be a Cubs fan. I moved to Dallas from Chicago.

**Joe:** Used to be.

**Mike:** Well, you know, I'm saying I used to live in Chicago. I grew up in Illinois. I used to live in Chicago and was a bigger Cubs fan than I am now. I actually watch a Cubs game. This past summer.

**Joe:** And I miss baseball so much. I would love to go to a Cubs game. Even if it was the Cubs. I would just love to go see a baseball game.

**Mike:** Well it's funny. I have season tickets for the stars and a good friend of mine has two seats, too. So we go to all the games of the season got cut short. Like, who knows what's going to happen? A hockey team. Yeah, yeah, yeah. Dallas Stars, hockey team. And I was talking to him yesterday and he's like, he found it. He's like a really big hockey fan. And he's like he found himself watching a four year old rerun of a hockey game and screaming at the TV. It's an old game. People just gotta, they gotta get that fixed somehow.

**Joe:** The last hockey game I was at was just a week before the season ended. It was I think a week or two weeks was the same. Was blues playing the stars? Yeah. In St. Louis.



# REAL ESTATE INVESTING MASTERY

[www.RealEstateInvestingMastery.com](http://www.RealEstateInvestingMastery.com)

**Mike:** Arch nemesis. I mean, the Blues won the Stanley Cup last year. But the interesting thing is, in the second round of the playoffs, the stars and the blues went seven games. And the blues won it in overtime. So like we almost stopped them. They wouldn't even to move forward. I don't that doesn't mean that the stars would have won, of course. But stars fans like that believe like us.

**Joe:** Of course, we'll never forget the 2011 World Series where the Cardinals beat the Texas Rangers. Yeah, in dramatic fashion. How many? Like two or three times you guys could have won the World Series. You were one strike away. Yeah, two outs. Bottom of the ninth or the eleventh inning. You were one strike away from winning and the Cardinals came back and won that pivotal game six and game seven. Best World Series ever 2011. But anyway, sorry to bring up old wounds. That's good. I think it's a great way to end the show. You know, talking about sports and hopefully they come back soon. But Mike, I look forward to seeing you again soon. Absolutely. Guys, go check out Mike's podcast. Flip nerd, go to [flipnerd.com](http://flipnerd.com). Check him out on Facebook, Instagram and YouTube. He's all over there. Yeah. Thanks again, Mike. We'll see you later. Take care.

**Mike:** See you, Joe. Take care, everybody.