

Seven Clichés That Don't Always Work and One That Does

I hear the following clichés all the time, and many as excuses for not doing real estate deals:

1. “Work Smart, Not Hard” – this comes from people who usually are either successful or utter failures. The successful ones have already worked hard to understand the fundamentals of how to do deals and they can then work smarter to do what makes them money. This can be as simple as focusing on a niche market or outsourcing some of the tedious work.

The individuals who are utter failures profess this cliché also, but seem to follow it up with, “My Time is Too Valuable to do That”. So instead of doing business and making money they are endlessly searching for the silver bullet that will make the process of making money easy. Making money requires effort and work; otherwise everyone would be making money all the time.

2. “Take Action and You Will be Successful” – not true. This is especially not true if you are taking action in ten different directions each one after the other. I have professional students of real estate who have spent tons of money on courses but have done no deals. Then they argue with me about why what I am doing won't work - even as they see the results firsthand. They quote gurus to whom they have paid tens of thousands of dollars, but again with no results. If what they had been taught was working for them, they wouldn't be interviewing me to join our mentoring program.
3. “Train Someone Else to do Everything” – this can work really well if the virtual assistant is offshore and does menial tasks. If you train someone locally to do the heavy lifting of finding deals, what makes you believe they won't do it themselves as soon as they feel comfortable? Ever seen a bird dog that didn't eventually become an investor? Hard to believe that you would train someone and pay them \$500 for a deal, and then they would leave you when they discovered you made \$15,000 on the same deal – no respect! I agree, it's hard to get good help.
4. “I'll Spend the Money First and Money Will Follow” – this can be true, but usually the wannabe investor runs out of money before he ever gets started – too many things to do and too little time to do them in. Learn the basics, including people skills, and make money first before you spend it. Investors often ask me how much of an advertising budget they need and I ask what were you thinking? The answer usually ranges from a few hundred dollars a month to thousands a month! In actuality, there are too many no-cost leads to follow up on if he is willing to focus on these low or no-cost lead sources.

5. “Being Successful in Real Estate Investing is a Numbers Game” – I agree to a point. If you aren’t making offers, and I prefer students make at least 2 to 5 offers a day, you’ll never get deals. However, making the offers is not the only answer to being successful. You must follow up and develop your people skills.

Dealing with realtors requires much less people skills than dealing with homeowners. The big money is in dealing with homeowners, not realtors. I have shown this time and time again with real life examples of deals we are doing. Unfortunately, letting a realtor get involved seems to generate a warm and fuzzy feeling to newbie investors. It doesn’t take long to find out the reality of buying listed, or pocket listed properties, and then having to resell them for profits. HINT – they are very easy to sell if you get the fundamentals down and the MLS® is a glass ceiling for how much you can sell a property – do it yourself and hone your people skills – it is well worth your time!

6. “You Have to Look into the Future to be Ahead of the Crowd” – yea, sure. Why didn’t these gurus forecast the collapse of the market – too cloudy back then or just an excuse for another course? I believe it was because they were too busy selling courses and not doing deals. There is no risk in selling or buying courses, but to be successful an investor has to step out of his comfort zone and take risks. These risks are not fatal, either physically or monetarily, and every investor has to fail to ultimately be successful. We focus on minimizing the risk on every deal but there are always risks in doing deals. The next time you are at Disney World, think about what might be if Walt Disney hadn’t wanted to take any risks on opening a theme park – especially after he had already gone bankrupt three times before that!
7. “I Have to do Certain Things That Must be Done First” – I’ve heard this one all the time as an excuse for not making offers. These day-to-day habits, for lack of a better word, are time stealers that kill investors’ careers by not allowing them to even get started. If you don’t prioritize your life and make time for your business of real estate investing, you’ll never be successful. I always hear, “My family is more important” and I understand, but they rely on your providing them with the necessities – what happens if you lose your job and have no income? You can make time for all your really important needs and still find time for investing if you prioritize your life. Ask yourself, “How important is my being successful in real estate investing?” If you hesitate with an answer, you are going to be a hobbyist rather than a professional.
8. “When the Going Gets Tough, the Tough get Going” – This is true! What happens most often is wannabe investors driven by unreasonable

expectations quit well before they have given the business a chance. Real estate investing is a business, not a hobby – if you want to make money at it. It is a very expensive hobby if you are a course junkie. Our students who complete only three deals become essentially self-sufficient almost immediately because they have learned the fundamentals and then they simply Repeat, Repeat, Repeat. Now is the time to ask yourself, “How is what I am doing working for me?”

What you have to be is adaptive to what is happening around you and make changes as needed to make money. Since starting the mentoring program, we have completely changed the focus of the incomes streams three times. We started with traditional homeowner purchases, added REOs, and recently went on to short sales because the timing was appropriate. All the while, we have focused on wholesaling the properties we got under contract from the above sources. Make money first in what is working and move on from there, don't worry about what the hot market will be next year, because you are wasting your time versus the guy who is making money weekly now. All the above perspective sellers can be used to make money in any market, at any time, and in any part of the country.

You can disagree with me all day long, but I am not pointing a finger, just saying that while a few complain, many more are simply doing deals and not listening to the “noise” others make. If you are having a problem, there is a solution, so you need to look for them instead of letting the problems stop you. Anyone can quit, winners find a way to succeed.

To your limitless success,

Dave Dinkel

PS – A mentor student was in the office a couple of days ago telling me that a local guru team had made a strategic announcement – they had stopped doing short sales completely! They had decided that short sales required too much time with too little return. This was their forte and focus for a long time and they even taught classes on the subject. I feel bad for them, but frankly, I love to hear our competition just plain quit.

For a frame of reference, our short sale business is growing faster than our REO purchases. For example, just last week we closed a short sale with a \$24,000 profit. While it is not a huge profit, it was on a \$40,000 property. For two years I have been saying don't do short sales – “yet”. Now is the time, if you really know what to do and have someone else do the grunt work for you!

P.P.S. – If you didn't get you e-book, “Crushing the REO Market”, don't wait too much longer as I will be taking it down. It is a no-cost, no-obligation download.

<http://www.CrushingtheREOMarket.com>