

EPISODE 360

[INTRODUCTION]

[00:00:00] ANNOUNCER: Welcome to The Real Estate Syndication Show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication.

And now your host, Whitney Sewell.

[INTERVIEW]

[00:00:24] WS: This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today, we have a couple of guests on that you've probably heard of them. I hope you have. If you haven't, you need to look them up, especially if you're getting into this business, the syndication business. But it's Annie Dickerson and Julie Lamb. Thank you both for being on the show today, ladies.

[00:00:41] JL: Thanks so much for having us.

[00:00:43] WS: I'm looking forward to this conversation. They are helping lots of people learn how to raise capital and learning how to even invest passively correctly. I've seen some of their content personally and highly recommend you check them out, but Julie and Annie are the cofounders and managing partners of Goodegg Investments, a company that helps people learn about investing real estate syndications.

To date, Goodegg Investments has co-syndicated over \$400 million of real estate assets and multifamily, self-storage, and manufactured home parks. Julie and Annie have recently launched a new online course, Capital Raiser Academy, which helps people who want to learn how to raise capital for syndications or who want to take their capital raising business to the next level.

So, ladies, thank you again for your time today, and this is such a relevant topic. I mean, so

many people are trying to do this and get into this business by raising capital. So I'd love for one of you or both of you to elaborate a little bit on maybe why you all started this program and what it's going to do for somebody that's trying to get in the business.

[00:01:45] JL: Yeah.

[00:01:45] AD: Yeah, sure. I think a lot of new syndicators fall into this trap of focusing on acquisitions. They go out there, and they learn how to underwrite, and they make all those broker connections, and they go out and look at these properties, and they find one. They get it under contract, and then they say, "Okay. Now, what?" "Oh. Now, we have to raise the money. Okay, let's go out and call everyone we know. Okay, 50,000 here. Okay, we got 25,000 there."

By that time, it's too late. They put all those work into finding a good property, which is really hard, especially in today's market to find a deal that pencils. Then a lot of them sort of fall short or they have to give away a lot of their deal, because then they're not able to raise the capital in the short amount of time that's required.

So, the way that we approach it is we have always focused on capital raising first and foremost, because it takes a lot of time to get people to plunk down 50,000, \$100,000 with you over a period of five years. That takes a lot of trust, and trust doesn't happen overnight.

So that's why we always tell people, if you're getting into syndication, really consider focusing on capital raising first. Build up your investor base, and then you have – The power is in the money, and if you know that you can then raise 500,000 or a million dollars, that gives you a different feeling. You can go in and talk to a broker, and you know that you can bring a million dollars to the table. You know that when you get that deal under contract, you know you can close it. That's a completely different ballgame.

[00:03:32] WS: I love it. So being in this business for a little while now, I mean, I can relate to everything you're talking about. So many people underestimate the difficulty of raising capital, and I'm talking to people every week. Just like I know you all are. I get these calls every week from people. It's like, "Okay. How'd you get started raising capital? How'd you get started doing this?" A lot of times, people will say, "I think I can raise a half million dollars." What I find more

times than not is if they say they can raise a raise a half million, they might get 50,000.

[00:04:01] AD: That's right.

[00:04:02] JL: Yeah.

[00:04:03] WS: So I'd love for you elaborate on some of the systems, some of the processes you're helping people establish, because it's kind of a lot to take on all at once when you start figuring out just how much work goes into this relationship business, right?

[00:04:15] JL: Yeah.

[00:04:15] WS: So help us to think through some of the systems you're going to help people through or to think about when they are going to join either the academy or just that we should be thinking about when we're going to start raising capital.

[00:04:25] JL: So I started raising capital about two years ago for my first deal, and I was one of those people. I thought, "Oh, yeah, I can raise half a million dollars, and this will be really easy." It was hard. All of the folks that you thought were going to invest were the folks who didn't invest. Then all the folks you thought weren't going to invest were the ones who did.

So when I first jumped into it, this was before Annie and I had partnered up together, I don't really know what I was doing. It was more coming from a place of just sharing my story and then hoping that would resonate with people and that they would want to invest. So I did my first deal. I did my second deal. By the time I got to my third deal, I started to understand that there were certain things that I needed to have in place systems-wise, because I was spending a ton of time just even trying to get somebody on my calendar only for them to not show up for the call.

So in the academy, it basically takes everything that we've done over the last two years together with Annie and then on my own all of the trial and error, all of the things that we've kind of said, "Okay, this works. This doesn't work." I wake up now. People are on my calendar. I don't do anything. When I do talk to them, they are primed and ready to go.

So everything that we teach in the academy is how do we get an investor onto our calendar and get them to invest in a deal with as much information as possible before they even get to the point of having a conversation with you so that it decreases the amount of simple questions that can otherwise be answered through videos and tutorials and blog posts and things like that.

So the academy is really going to take you from a place of maybe you've already raised some of the capital, maybe you haven't. We're going to basically open up our entire business, which is something that I feel like so many people have asked us about, "Hey, I want to talk to you about your business. How are you doing this? How are you doing that? What systems have worked? What hasn't worked? How are you guys doing this?" So we just open everything up. We share all of the applications that we use that allows us to get an investor from an investor lead to getting them on to our calendar, to getting them to fund. What does that funnel look like? What does that process look like?

So, we teach you all of the systems. We will actually write blog posts for you. I think this is huge value. Before I partnered up with Annie, one of the big problems that I had was not wanting to write blog posts. I'd sit there in front of my computer with my head down, thinking, "Okay, what can I talk about today? How can I talk about it in a way that's engaging and a way that's going to basically persuade and sell?"

So that's another aspect of it is that we're doing done-for-you blog posts. You get Annie and I on the phone. So that's a huge thing. When I was first going through this, I didn't have anyone to talk about capital raising with. I mean, over time, we made connections. But that's the other big piece of this is that there's going to be a mastermind element. So getting to be around other people who want to do what you do or who are already doing what you do.

We already have people in the program right now who have raised a million or more, and they just want to accelerate that. Now, if you can imagine, if you're someone who's a newbie and you're getting to mastermind with somebody who's already raised already raised a million dollars, that in and of itself is a huge value. So I don't know. Those are kind of like some of the highlights. Annie, is there anything else that you think we should add that we're going to cover there?

[00:07:53] AD: Yeah. I wanted to add that I think one of the big differentiators between Capital Raiser Academy and some of the other syndication courses out there is that when Julie said we really open up our business, we open it up word for word. We will give you the exact emails that we send out to our investors so that people can just copy and paste if they want, or they can modify it however they want to then send out to their investors. We'll give you the exact funnels that we use, the question that we ask every investor when we talk to them, every single little thing. They really are little things. But when you add them together, that's what makes the business.

So I think a lot of these other syndication courses are more high-level. They'll teach you the theory behind it. They'll tell you the process. But then it's up to you to go figure out, "Okay. Do I use Mailchimp or do I use ActiveCampaign? When I open up that email, what do I say? How many emails do I send? When do I send the emails? How long should they be?"

Well, we've already figured that out. Like Julie said, we've had a lot of trial and error. We've been very fortunate to be able to do almost 20 deals in just one year. So with every deal, we get to try something new and see what works and what doesn't work. We figured out a system that really does work, and that's what we will be giving to people in the course.

[00:09:19] WS: So it is. It's a lot to take on. When you're thinking about, "Oh, wait a minute. How'd you get people just on your account?" You didn't have to talk to them yet, and they're already like on your calendar? Then you talked about priming them. So I'd love for you all to elaborate a little bit. Give us a few tips. Maybe you can share one or two things. I'm not asking you to share your whole company on the podcast, but give us a few things that's helped you to get investors on your calendar without ever talking to them. What's important there?

[00:09:44] JL: Yeah. I mean, I think one of the biggest things is the education piece. So if you go to our website, goodegginvestments.com, a little plug there, you can see all of the content that we have on there. Again, that goes back to – When I first started, I was struggling with like writing blog posts and did not want to get on podcasts. It just wasn't my thing, and Annie was like, "Well, I love being on podcasts, and I love blogging." I'm like, "Great! This is going to be a great partnership."

But I knew that in my business of capital raising prior to meeting Annie that there was a need for that, because I was spending hours sometime on the phone with someone, just talking about what is a cap rate, and that's so irrelevant. Why is that irrelevant? You need to understand these kinds of things. So educating them through videos and blog posts before they even get to a call with you is huge. That's one thing. I would say another thing is getting on podcasts. So if you can get on podcasts and you can start talking about what you do, I would say that's another huge value-add, because then you're actually getting to know people while you're sleeping.

So we've been on, I don't even know, a ton of podcasts at this point. It was very interesting because as we started getting more on to more podcasts, when I would hop on the phone with people, what used to take me an hour and a half now takes me 15, 20 minutes, because all of their questions have been answered through blog posts and videos. The relationship was built already. They feel like they almost know me, which was a little bit unusual for me. When I first jumped on the phone with people, they like, "Oh, I remember that one story about something." I was like, "Oh, did I share that part of my story?"

So it really builds that trust. Like Annie said, it's about that trust element. How do you – No one's just going to hand over \$50,000 if they don't know you. So what are different ways that people can get to know you? I think talking in blog posts, talking on a video, getting on podcasts are excellent ways to build that trust with people before they even hop on a call with you.

By the time they're talking to you, I have some folks who are already – They're like, "I'm ready." I'm like, "Well, I need to know more about you. This is what the purpose of the call is about. You know a lot about me, which is the goal, but I need to now learn more about you," which is perfect because now on the call, we can spend the whole time talking about them and what their goals are, which is how the investor call should go. So it shouldn't be an opportunity for you to just talk about yourself. It should be the opportunity for you to get to know them.

So I don't know. Those are a couple of things. Annie, is there anything else that I might have missed there?

[00:12:19] WS: I can relate to that personally as that a couple calls recently, I've had investors.

We get to the end of the call and they're like, "Well, I didn't let you talk at all." But that's okay. I feel like I already know you anyway.

[00:12:3] JL: Right.

[00:12:31] WS: So I agree completely about the educational component. So the listener, a lot of them are not ready to be interviewed on a podcast. They're too nervous about that. But what are some ways that they can educate their group of people that they know or, at least, to get that started maybe at a much more elementary level even. But something to help them get started, at least, get this ball rolling. They aren't ready to be interviewed, but how can they educate their people without being interviewed?

[00:12:55] AD: Yeah. I'm so glad you asked, because that's what I was going to add is, first, you have to know who those people are. I think so many people skip over this step. They just think, "Well, anybody who has money, that's my target audience." No, you have to think about who within that group you're trying to focus on.

So, for example, with us, if you go to our website, you look at our blog posts. It's written in a very basic language, so then anybody can understand. There's lots of photos of family and flowers and very organic things. That's the feel that we wanted to create, because our target market are working moms. We wanted to help them get into real estate to create passive income for their families.

So a high-level engineer who's very busy might look at our website and say, "This is not for me," and that's fine. That is 100% fine, and I think that's the first step is figure out who you're trying to help and then think about those people. When we think about working moms, we're thinking, "Okay. They're busy, they're thinking about their families, and they don't have a good command over their finances." So that's where they are. So let's think then about, "Okay. What do they need to get from where they are to being able to invest in a syndication?"

So they probably need to know what an accredited investor is. Let's write something about that. They probably don't even know what the syndications are. It's a big word. Let's define that for them in a language that they can understand, and let's connect to real estate investing to the

goals that they have for their life and their family. So once you have that person in mind, you can start to think about all the things that that person needs to get from where they are to being able to invest with you.

[00:14:44] JL: Yeah. One thing I want to add to that, I think that's super important, but I think to follow through all the way to the end of your question, I think a good way for people to start off is to figure out your target market, just like Annie said. Then find small ways and maybe some Facebook groups to add some value.

That was the first way that I got started. I didn't blog. I didn't video. I didn't podcast. I didn't do any of that, and I just went into a Facebook group for mothers. A mom would ask something about, "I'm looking at going back to work. I just had a baby three months ago. I don't want to go back to work. I'm looking at alternative opportunities out there." I would just chime in, and I would just spend a minute or two and write a one-liner about my experience as a working mom, committing two hours a day and not wanting to go back to work and all that.

The answers that I found and the solutions that I found through passive investing. Then my Facebook Messenger inbox would blow up, and people would want to know more about that. I think that's a very easy, quick, small way that you can add value to somebody's life and put yourself a little bit up on a place where you are perceived as an expert without having to spend two hours writing a blog post. So I think that's another good way too.

[00:15:56] WS: I think it's important there say too like you were in a group that was not real estate-focused. You are adding value but in a group you can relate to. Like obviously other moms or whatever the group was, but it wasn't real estate maybe specific.

[00:16:09] JL: Right. I think that's why it's important what Annie had said that you need to figure out who your target market is. For me, that's – That was my problem. I was this working mom, and I had three kids and still do. I had a problem and how did I solve that? So for folks who are looking to raise capital, if you can identify a group of people who you think your story may resonate with, and then go in that group of people. Whether it's software engineers or working moms or whatever it is, go into that group and try to add some value.

I think that's a better strategy than jumping into real-estate-related groups, because so many people are in those groups already. It's hard to differentiate yourself. So I feel like that's a good way to reach people outside of the general real estate world.

[00:16:55] WS: So now that you all are coaching numerous people in getting started in raising capital, what's the most difficult hurdle people are having to making that happen?

[00:17:03] JL: Yeah. I think part of it is the systems. I mean, I think part of it is that people just don't know where to start, and they don't have systems in place. They have a few conversations, and they were like me. They start off talking with people and spend an hour trying to get a call on their calendar. So having those systems is so critical I think to decreasing the amount of time that it takes to take a lead to an investor. I think that's a big part of it is people are curious about the system so that they can kind of start to automate things. Annie, you were about to say something.

[00:17:37] AD: I think a lot of people don't know what to talk to people about. They think, "Oh, I have to have a deal under contract before I then talk about that deal with people." That's just not true. There's lots of things you can share to really get people on that path with you. Even if you don't have a deal under contract, even if you're out there and you find nothing, there are still ways that you can bring people on board with you and prime them so that if and when you do get that deal under contract, those people are there and ready to invest with you.

[00:18:10] WS: So then we'll take a little bit of turn here and ask you – I just have a few other questions. Before we run out of time, I would just love to get your y'all's opinion just in this industry and – Maybe personally, maybe one of you take it, what's been the hardest part of this capital raising or syndication process for you?

[00:18:26] JL: I mean, I think I want to say scaling. I think that's a common problem for everyone is how do I find more investors. I feel like we've really been able to tackle that head on, and it will always be capital raising is our business. That's going to be the inevitable problem is how do I reach more people. Over the last year since Annie and I partnered up, we've more than tripled our business in the last 12 months. So I feel like our strategy and our systems have served us very well. So I think that that's something that we're definitely going to cover in the

academy for sure is how can we expand.

[00:19:04] WS: Congratulations to you all too. That's awesome. Tripled in the 20 deals in the last what? Just like two years or last year?

[00:19:10] JL: Yeah. Last year, a year and a half. Yeah.

[00:19:13] WS: That's amazing. So looking at that many deals, how are you all prepared for this "potential downturn" that everybody's so worried about?

[00:19:22] AD: Well, I think that a big part of that is knowing what to invest in and investing with the right people going into the deal. So that's what we're always looking at is we've got lots of buffers, lots of backup plans for investing in very specific asset classes and in specific submarkets, because we want to be prepared if and when that recession does come. So I think it's about preparing beforehand and expecting that the recession will come but knowing what to do when it happens.

[00:19:54] WS: Knowing the team you're working with is important. So what's a way that you all have improved your business lately that we can apply to ours as well? Give us something solid we can do today.

[00:20:04] JL: There are so many.

[00:20:06] AD: I know there's a lot.

[00:20:08] WS: Okay. Give us two or three things.

[00:20:11] JL: I'm trying to think. To improve your business today, I would say figure out what the top three things are that will drive your business to where you want it to go, because I think that's part of the problem too is we get so overwhelmed with, "Oh, my gosh! I got this to do and that to do. I got to call this person, that person." If you can narrow down the top three things that are going to really move the needle for your business and focus on that for the next 30 days, you will see far more results than you would if you tackled the 50 different things that were on

your list in the next week.

That's the way we really run our business is we really think about what are the top things that we need to focus on now, today, not in down the road, two weeks or five months. But what are the things we can really move the needle in our business with by doing those top two or three things today? That I think has really served us very well.

[00:21:07] WS: Now, I can relate to that. If you see the whole picture, you kind of get overwhelmed and you kind of just stall and get nothing done. But I love to get your y'all's take on, I ask almost every operator that I have on the show your best advice for caring for investors. Maybe you have one or two things that's like, "This is how we stand out. This is why our investors love us."

[00:21:26] AD: Julie, do you want to take that one?

[00:21:27] WS: What would that be?

[00:21:27] AD: You're close to the investors day in and day out.

[00:21:30] JL: Yeah. I mean, I think this is – When I talk with investors, the one thing that I always say that separates us and that makes us different is that we pride ourselves in taking so much of our energy and our time and our focus in our business to really make sure that investors are well-educated when they get into investing with us.

That can mean by making sure that we put out a lot of content. It can mean that every single email sent that's sent to me or Annie gets responded to. It means that when I hop on a call with an investor, I always let them know. Every time we finish up a call, if you think you ever have any more questions at any point, do not hesitate to call me. If you see a deal and it looks interesting to you, but there's a slight bit of hesitation to put in that soft reserve, hit that reply button and say, "Hey, Julie. I have 10 questions." Send them in email or we can always set up another call.

So it's almost kind of like a concierge service I feel like where we really pride ourselves in

making sure that we hold our investor's hand, and no one gets sort of like a left behind, so to speak. I know when I first got into the syndication's space, especially as a woman, I would reach out to so many different syndicators. Folks would send me deals and I'd email them a question about something, maybe a couple of questions. I wouldn't get an answer. But then three days later, I would get a follow-up email and say, "Hey, I just wanted to follow-up with you and see if you're ready to invest in the deal." Obviously, I won't reply.

[00:22:59] WS: Delete.

[00:23:00] JL: Yeah, exactly. Delete until I did find operators who treated me the way that we now treat our investors and who took my questions seriously, took the time to respond to every single question line by line by line. We've really modeled that I think in our business to make sure that we take care of our investors. So I would say that's a big deal.

So, again, going back to what Annie said, someone who's maybe very sophisticated and doesn't want to take the time to get to know us and just looking for deal flow, maybe not a good fit for our business.

[00:23:34] WS: Cool. Very important. So important. So one thing that's contributed to your success, either at Goodegg or you individually. You can answer it either way you want.

[00:23:43] JL: For me, personally, it's just been this partnership has been amazing. Like I said, I had done a couple of deals on my own. I knew where my strengths were, and I knew where my faults were. I still do. When I met Annie, I realized that she filled in. Her strengths were all of my weaknesses, and I was vice versa for her. So for me, this partnership has catapulted me into a totally different category I feel like, because now I'm not just Julie with her strengths and then her faults. But now, I'm Goodegg Investments with Annie. Together, we're a power team, because her strengths are my weaknesses and vice versa.

So I feel like the partnership is huge, and I feel like in the real estate too, all of the successful groups, it's such a team sport. So it's understanding I think and being able to be confident enough in yourself and say, "Okay, that's not my strength." That's hard to do and to say, "Okay, you take that over, and I trust you," and like letting go of that. So for me, that's what it looks like.

[00:24:45] AD: I'm so glad you said that, because I 100% agree. The best part of this whole journey has been this partnership. But I also know that there are a lot of people out there who are struggling to find a partner. It's like a needle in a haystack. People go to conference after conference, and they're trying to find that perfect person, and it's incredibly hard.

I think that's another reason why we are putting out this course Capital Raiser Academy is if you don't have a partner, you don't have the bandwidth to go and create all these blog posts and to create all these funnels and to think about your systems and to write the perfect emails. It's a lot of work. So that's why this course can essentially be your partner, while you're looking for that partner out there. But let this course take over for what that other person would be doing.

[00:25:37] WS: I appreciate you all talking about earlier like the mastermind component. A lot of times, that's where you're going to find your partner or somebody that's operating and pushing at a higher level, maybe most of the people at your normal conference. I couldn't agree with that more. So last question before we run out of time, but how do you like to give back?

[00:25:52] AD: One of our favorite ways to give back is through an organization called Junior Achievement. They help to educate kids on entrepreneurship, work readiness in investing, and all of the good stuff we all love to talk about so that they're financially ready to go out in the world and be successful. So we absolutely love being in the classroom. We love giving back through Junior Achievement.

[00:26:16] WS: Tell the listeners how they can get in touch with you all. This has been a great show, and you all are providing great content and great value to people that are looking to get into this business and learning about syndication business as well. So tell them how they can get in touch with you.

[00:26:27] AD: You can get in touch with me and Julie at goodegginvestments.com.

[00:26:31] WS: That's great, ladies. Thank you very much.

[00:26:33] AD: Thank you, Whitney.

[END OF INTERVIEW]

[00:26:35] WS: Don't go yet. Thank you for listening to today's episode. I would love it if you would go to iTunes right now and leave a rating and written review. I want to hear your feedback. It makes a big difference in getting the podcasts out there.

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[OUTRO]

[00:27:15] ANNOUNCER: Thank you for listening to The Real Estate Syndication Show, brought to you by Life Bridge Capital. Life Bridge Capital works with investors nationwide to invest in real estate while also donating 50% of its profits to assist parents who are committing to adoption. Life Bridge Capital, making a difference one investor and one child at a time. Connect online at www.LifeBridgeCapital.com for free material and videos to further your success.

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