

EPISODE 467

[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, our guest is Chad Wittfeldt. Thanks for being on the show, Chad.

[00:00:32] CW: Thanks for having me.

[00:00:32] WS: It's good to have you on. I know a lot of the listeners right now are trying to figure out how to build systems, how to create those funnels, and working on branding all those things, and you're going to give us a lot of insight today. I know it's a specialty of yours.

A little about Chad, he started investing in equities market when he was just 17 years old and a few years later moved over to currency markets. Real estate had always interested him, but he didn't know how to effectively get into the market at that time. He joined the BlueSpruce Holdings to apply his skills building digital systems while learning about real estate.

Today, he's partnered on over \$30 million in real estate syndications, and it is by far his favorite asset class because of the collateral. I can't even say that word. That's such a big word there, Chad. I know he put that in his bio on purpose. Controllability of your inputs and outputs, risk aversion, and tax incentives.

Chad, thank you again for your time and being willing to come on and share with us today. I know it took me a long time to build those systems. It took me a long time to think through. What's this thing? Everybody's talking about a funnel. What is that and trying to figure out this branding process? It can be very, very time-consuming, and there's a lot to it, especially if you're going to do a good job at it.

Give the listeners a little more about who you are, in case they don't know who you are already, and then let's dive in.

[00:01:56] CW: Yeah, for sure. Thanks for the introduction. Like you said, my name is Chad Wittfeldt. I live here in Denver, Colorado. I've been syndicating real estate for about three years now. I always had some entrepreneurial tendencies and knacks and I was the kid who had a landscaping crew at 16, doing the neighbor. It's kind of always been in my blood.

But it wasn't until I started joining my first like company with a partner that I really started to focus in on the branding and the systems and processes behind it. It was primarily because our competition was crushing us. It was a education provider company for trading stuff, and we were just getting blown away our buyer competition. So I just became obsessed with the things that other people were doing right, and it really led me into this world of creating leverage inside of your brand through those systems.

[00:02:43] WS: That will get you or something like that to push you and figure out what do we need to do here to make this happen. But you transitioned into real estate and I think – I mean, like you and I discussed before, and I just think a lot of the listeners are going to be able to relate to the story.

We have talked. I've talked so many times personally about, because I get question all the time. How do we get started? How do we get into this business? I don't have any experience and I have no track record. I'm like, "Okay. You have to figure out how you can add value to some team."

Your prime example of what I talk about all the time is that you are going to be a lot better at social media and all this digital stuff than a lot of groups that are already well-established. You're

going to be able to just jump right in there, and that's what you did, right? But elaborate on how you made this transition and you jumped into real estate and really about bringing value.

[00:03:31] CW: I'll tell you the quick story. It's a really good story. My business partner, Adam Adams – I was just moved to Denver. I lived here for maybe two days. Prior to, I had a fallout with my previous company that I started and I left that partnership. It took a lot away. I was pretty broke from that fallout.

So I was just at this point trying to get my head right, riding bikes at these bike parts and on everything. I meet this guy. He's putting his bike away. I'm pulling mine out and I just wanted to meet a friend and I said, "Hey, man! That's a sweet bike." We just started chitchatting back and forth, and I said, "What do you do, man?" He says, "Oh! I just started up with this team. We're buying real estate apartments." I said, "Really? That sounds pretty cool. I've always – I've been investing a long time. I've always wanted to get into real estate. I just never knew how." He said, "Come to my business partner's meetup group. You can meet him and hear little bit more about what we do."

The room was packed. It was Adam's meetup group in Denver. Probably like 40 people there. I show up five minutes late, as they're getting introductions started. I'm the first kid that gets the mic and I'm like uh uh, like choking up. Adam has a swarm of people around him, and I'm just sitting there, waiting and waiting and waiting. I go up to Adam and I introduced myself. I said, "Hey! I talked to Brad. I've been interested in doing this." He asked for my business card. I said, "I don't have any business cards, man." He goes, "Well, come back next week with a business card, and you'll be the type of person I want to work with." I'm like, "Okay."

I get in my car and I look at the nearest Vistaprint to get business cards and I drove to the parking lot. Looking at the door, I'm like, "Crap. What am I going to put on this business card?" I have no company. I have no logo. So I called Adam. I said, "Look, man. I'm not going to print business cards because I want my business cards to say BlueSpruce on them. Let's figure out how to work together. I can be an asset to you." We became business partners ever since. It was pretty cool, man.

[00:05:18] WS: I like that. You called him and said, “I want your business or your company name on my card before I print these.”

[00:05:25] CW: Yup. Let’s make it happen. I started off really just trying to find those deals. This was really early in our journey. We hadn’t done a deal yet, and I basically was just cold- calling brokers, and we would meet once a week to see how things are going. I just remember sitting down with him one week, and he’s like, “How are things going, man?” I’m like, “This sucks, man. This is not working well.”

We started talking about it, and I said to him, “I’m having all these conversations and I’m getting sent single-family houses. I’m getting sent empty pieces of land. I’m getting sent things that just don’t matter.” Then I had said to him, “What if we can position ourselves in our company so that deals and brokers start to find us, as well as investors?” Then I showed him what I had done with marketing and branding in my previous company and really just laid out how it would apply and how it would look for us in this business. That’s where things really started to take off for us.

[00:06:20] WS: I like how you came to him, especially with the business card thing. You’re like, “I want your company name on my card.” That’s awesome. But then you laid out a plan. You used your expertise and laid out a plan of what could happen or what you could help make happen in their company. It looks like that’s worked pretty well and allowed you to get into the real estate business.

You don’t have to become that like expert underwriter or expert deal sourcer or acquisitions specialist or – You used your skill and added a lot of value to a team that needed that skill.

[00:06:51] CW: Absolutely, yeah. Just to even put a little bit more clarity on it, I didn’t know what cap rate was. I knew nothing you. You ask me what a rent roll was. I said, “Red Lobster’s got great rolls, man. Let’s go get some.” I knew nothing about the business but I was able to leverage that skill set I did have and bring it to the table and got my education through doing the deals along with my team. It was a cool way to kind of create that win-win synergy in the business.

[00:07:18] WS: Tell us a little bit about that plan that you laid out, and let's kind of walk into some system building or things like that that the listener needs to have in place as well.

[00:07:27] CW: For sure. A lot of times, when you say the word funnel today, a lot of people just think it's a squeeze page or a landing page. But there's a lot bigger of a funnel where your landing page and your squeeze page sits inside. At that top layer of your funnel is typically your traffic, right? Those are the people that –

Like this podcast, for example. You have X amount of people listening to you and you can create this platform on really anywhere, whether that's an in-person meetup group, whether that's doing Facebook lives interviewing people, whether that's a Facebook group. There are so many places to pick your traffic from, but the key here is to understand what you want to do next with that traffic.

It's great to get a hundred likes on your post. It's great to get 50 comments on your Instagram post, your story or whatever. But if they're not coming into your business with a profitable ROI, then what's the point? It's just vanity metrics. It doesn't really matter if they're not actually doing something in your business.

What I really focus on is starting with the end in mind, because it's really important to understand that people that come into your world are going to resonate with things differently, depending on where they're at in their journey with you. Let me just give you an example. Let's say I'm doing a 506(c) deal and I can advertise this publicly, and I've tested this to prove it many times I think that I can go set up a Facebook ad and target high-net-worth individuals to come into my real estate deal, say, \$100,000 minimum.

Well, just because I can publicly solicit that, somebody isn't going to wire over \$100,000 because they saw a Facebook ad. That's not how that works, right? It's really about building that substantive relationship through your content, through the things that you're doing online to funnel people into that ROI and build as much rapport along the way as you can.

[00:09:18] WS: No doubt about it. You got to have that relationship component, whether you can advertise or not. They need to know a little more about you before they're going to hand over \$100,000.

So help us – If I'm trying to build this funnel, go and walk through a little bit of that. We're starting with the end in mind. We're thinking about different people, that traffic you're talking about. They're going to be at different places in their investing journey. They're going to be in different places as far as how much they can invest, how often, all these things, their education level of investing, investing in real estate. What are some other things we need to be thinking about getting this traffic through this funnel?

[00:09:52] CW: For sure. Let's start with the cold people. These are the people that are just now coming across you for the very, very first time, right? This type of funnel – Again, in this instance, I'm saying funnel as a lead magnet. Or I'm sorry, as a squeeze page, as an opt-in page. I just use ClickFunnels to build these.

They're just now coming across you for the very first time. They haven't really built any substantive relationship with you. This is where putting a lead magnet in front of them can be really valuable to get them into your system so that you can automate some of that process of warming up that relationship, right?

So you have your lead magnet funnel. Let's just say the top five things every passive investor must know for the next recession. The top six things your financial advisor will never tell you. That type of lead magnet. That's an asset that you can go and shout out on podcasts. You can have a link to it in your Facebook and your Instagram, whatever. But having a place for people to come into your world is really important in understanding that this is for cold people.

Now, that next layer of this process is to ascend them, ascend that relationship. I call this my golden brick road or your value ladder, right? Now, you ascend them to something that has a higher asked, whether that be a 30-minute webinar or a 35-minute podcast episode or a five-video mini course all about passive investing, right? It really comes down to what your ideal investor avatar is looking for, and then go and give them that.

But if you think that you come across somebody, they've never met you before, and you think you can ask them for an hour of their time to come on a webinar, it's not really realistic. They're not paying you but they are exchanging that level of time that you haven't necessarily built that level of trust and rapport with yet. Then from there, ascending them from that webinar to a phone call and that phone call into an investor into your deal, right?

Starting with, again, the end in mind and understanding that there are layers to get your investor into your deal. It's not just throw up a Facebook ad. It's not just putting up a post saying, "Who wants to invest in apartments with me?" Obviously, that's probably illegal, right? But you have to be strategic.

When I first got started as an entrepreneur, I was 17 years old, 16 years old. I was super ready, fire aim all the time. Now, I'm very, very ready aim fire and very strategic with these processes that I built, because if you're not, they just don't work that well.

[00:12:18] WS: Yeah. Now, I like how you talked about right off the bat too focusing with the end in mind. If you're thinking about that person that you're speaking to, who are they? What are they looking for in? Then you're going to be able to build back to how you're going to be able to educate them the best. Build that brand or that presence with them and then all the way back to the lead magnet and what they're looking for, right?

[00:12:36] CW: Exactly. I think especially in my world, just because I study this stuff and I'm obsessed with, I see it all the time, I see people trying to brand themselves online in our syndication space, and they're trying to speak to everybody. When you're speaking to everybody, you're speaking to nobody.

It can do a lot of negative goodwill to your brand, especially if you're posting affiliate links for every other conference. You're posting things about beauty products, MLM, and then you're a real estate investor. You have to have brand continuity and hyperfocus inside your brand to the exact person you want to have coming into your deals or bring you deals. That's kind of my preach, honestly.

[00:13:20] WS: No. It's very valuable, yup. Very valuable. It's – Well, they call it like the 2,000 true followers or something. It's more valuable than 100,000 that barely know who you are.

[00:13:29] CW: 100%.

[00:13:30] WS: Tell us little bit about the systems you recommend on the back end, because, I mean, everybody – I get asked. I'm sure you do all the time. But, okay, what CRM, and how do you manage all these emails and these email campaigns? How do you do that?

[00:13:43] CW: Yeah, for sure. Right off the bat, my CRM and automation platform I use is called ActiveCampaign. That's where all my funnels drip into, right? So you opt into my list. It's going to ActiveCampaign.

The thing I like the most about ActiveCampaign is it's the only thing they do. You have platforms like Infusionsoft. You have all these other platforms that try to be good at everything, and they wind up being pretty okay at everything. They're not amazing at one thing.

That's what I love about ActiveCampaign is they're certainly I think the best in the business. I've never seen any other platforms spend more time and money into R&D than they have, and a lot of the innovation coming to their features is super powerful. For sure, ActiveCampaign, CRM, plus email automation, and a lot of other automations as well. Super cool thing.

I use ClickFunnels to build my front end. Coolest thing about ClickFunnels is you can take a dummy like me, who's never learned how to write a piece of code in his life, and I can go and build a funnel that's raised over \$7 million. I can go and build a funnel that we've done over \$100,000 of event revenue for, right?

You can do that without having to know how to write code. Anybody can go and do it. It takes time to learn how to be really, really good at it but it's a great place to get started.

[00:14:57] WS: Nice. Okay. So ClickFunnels. You mentioned that's like the front end. That's where you would capture that traffic you were talking about right in the beginning. Is that right?

[00:15:06] CW: Exactly.

[00:15:07] WS: That's where they're going to get signed up with you. They're going to sign up. They're going to collect that lead magnet, whatever that was. Those six things about passive investing or whatever you were talking about. Then from there, they're going to go into active campaign. Is that right? Then they're going to go into email sequences and things like that.

[00:15:22] CW: Exactly. Yeah. The other thing that I'm pretty passionate about is having clean data. If I have – Let's say you're on my email list, Whitney, and you've never clicked through one of my emails. You've never click through a link. You've never done anything with me, right?

I want to know that. I want to score that. I want to have my contacts have a score, so I know who's hot and who's not. Who loves my stuff and who doesn't. Having clean data is super important.

To go back to that other question, I think the two primary systems that every syndicator should have is going to be that lead magnet follow-up system so that you can have a cold piece of traffic, a cold audience come into your world and start to save substantive action towards your ROI of investing, whatever that is for whoever's listing.

Then number two for us is to launch a deal. This is a funnel that really makes your deal look amazing and like – What most syndicators are doing are sending, just emailing out and offering memorandum. It's 37 pages long. There's maybe only about two pages of information that people actually care about.

The webinar, the launch funnel, it takes that information that people care about, puts it front and center, and they can decide really, really quickly if they want to register for your webinar, instead of just registering on Zoom or somewhere else. Definitely much, much higher conversions when you're sending that type of traffic to a better-looking place, not just a registration page on Zoom.

[00:16:48] WS: I think it's important you brought up the scoring component of a platform like ActiveCampaign, and other platforms like that will do that as well. But, I mean, it's a lot of information there that you need to know about somebody that could be very useful.

But I also wondered your thought processes as far as how many emails are in a email sequence or how far out are you scheduling that and what happens if somebody gets the end and never clicks in anything else?

[00:17:12] CW: I like to start every one of them with the five-day Seinfeld series. This is a little bit different than just a normal drip, because those first emails set precedent and set the frame around what's coming next. If those first five emails don't get opened and those people aren't like, "Oh, my gosh! Whitney, you just added so much value in my business," they're not going to be looking and opening up the rest.

The five-day, you just got to hit them really hard, and they got to be written really well and have that copywriting be speaking like specifically to them, almost to the point where they feel like you only sent it to them and nobody else. Those first five, those are your time to shine. That's your first impression on your email list for sure. Then we have – Gosh! I don't know. Over 100 that are automated after that, and those really just come from educational topics that we've come across throughout our deals, right?

When – One of my favorite sayings is questions are always content. A lot of the people listen to this, if you start putting yourself out there online, people are going to start asking you questions. How does depreciation work on a syndication? What happens if I want to get out of my syndication? You can – People need to understand this. This is a gold mine for content.

We have a lot of emails automated after that. I'd like to build them linear. So depending on what actions they take specifically, they'll get thrown into a different flow. Let's say the first three emails after my five-day, they click through. They take action. Well, they're going to get thrown into another flow where I ask them to get on a phone call with me or our investor manager very, very quickly, because they're taking action. They're hot. You want to capture that when they're hot. If you never make the offer, they're probably not going to take it, because it's not there, right?

There's a lot of different flows in that sense. But if somebody gets to your email list and never does anything and you've sent them 50 messages and they've done nothing, take them out. It's

probably a dead contact, but there's no reason to even waste your metrics on that contact.

Yeah, that's just me.

[00:19:13] WS: No. It's awesome. Well, I mean, unfortunately, we are running low on time, Chad, but I've got a few final questions for you. But I thought maybe you could speak just a minute to the listener about branding if they're getting started. Maybe just speak to them about getting their brand started and a couple things I should focus on, because I know a lot of these things we've talked about may be way over their head.

A lot of times, if they haven't started any of this in a platform, like ActiveCampaign may seem so complicated and way ahead of them, but I just thought you could speak to somebody that's like, "Okay. I'm doing this but I don't have any systems yet."

[00:19:44] CW: For sure. Number one, most of the platforms have free tutorials and education. It does take time, but you got to understand. Once it set up, it's there. It's an asset in your business. It can go on your balance sheet if it's built properly, right?

As far as the branding goes, just get started. Everyone tells themselves the same story. Oh, I'm not pretty enough. I'm not interesting enough. I'm not a model. I can't do this. I can't do that. It's just not true. The other point I'd like to make is you don't need to have a successful podcast. You don't need to have all these things just to get started. Go make a video on Facebook. Go start creating content. Go get started. Then stay patient, because it does take time. If you think that you can build this massively successful brand in a month, it's just not how it goes.

[00:20:29] WS: That's great advice, yeah, in being patient. Yeah. I mean, I tell everybody, "If you're going to start a thought leadership platform, plan on doing it a year before you see any return at all" Just have that in mind. But, Chad, what's a way that you've recently improved your business that we could apply to ours?

[00:20:42] CW: I got a VA. I got a VA and started subcontracting out some of the elements that I'm not a 10 at. For example, I have a new designer on my team that's designing a lot of my stuff, and we've never put out a more beautiful product, because he's a better designer than me,

right? So factoring in, obviously, A, what's that going to cost, and then, B, where you can allocate that time elsewhere.

If you're not a rock star at that specific task, you probably shouldn't be doing it. That's helped me out a lot, and then creating my own thought leadership platform as well. I don't have a podcast. I don't have all these things but I do have a Facebook group where it's all about branding. It's all about systems. It's all about this cool stuff that I'm really talented with. Being able to create that type of platform has added a lot of value back into my business as well.

[00:21:27] WS: On that note, tell us how you like to give back.

[00:21:29] CW: Yeah, for sure. That Facebook group, man, I have just been blasting that thing of value, literally just getting everybody what they need to do this stuff. Like I was speaking on earlier, the ideal investor avatar.

One of the cool things I have on my Facebook group is a checklist on how to develop your ideal investor avatar and what it looks like, where they live, how old are they, what are their occupations, what do they care about, how do you find them, how do you get in front of them. All these cool things that help you really focus on who you want to be speaking to. So, yeah, my Facebook group is how I've been giving back recently.

[00:22:03] WS: All right. Well, Chad, thank you so much for your time today. I mean, building a brand is no easy task, and it can seem so daunting when you're getting started. Even through it, like I learned stuff all the time. It's like, "Whoa! Wait a minute. That's going to cost how much, but is it going to be worth it?" It seems like such a big thing but it's really getting started and just knocking it out as you go, because you grow and you get better systems. But nobody starts at the top. That's for sure.

Chad, thank you very much. Tell the listeners how they can get in touch with you and learn more about you and your Facebook group.

[00:22:35] CW: Yeah, for sure. Find me on Facebook. It's Chad Wittfeldt. That's a place I've been most active recently. Hop in that Facebook group. It's just Raising Money Secrets (OPM)

for Real Estate Investors. I've done live trainings in there on LinkedIn, on Facebook, on all kinds of cool things. Those assets are still there, waiting for you to go consume it and take massive action on it.

[00:22:55] WS: Awesome, Chad. That's a wrap.

[00:22:56] CW: Awesome.

[00:22:57] WS: Thank you very much.

[00:22:58] CW: Yeah. I appreciate you having me, man.

[END OF INTERVIEW]

[00:23:00] 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 podcast out there.

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[OUTRO]

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