

**EPISODE 685**

[INTRODUCTION]

**[0:00:00.0] 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]

**[0:00:24.4] WS:** This is your daily real estate syndication show. I'm your host Whitney Sewell. Today, our guest is Melissa Johnson. Thanks for being on the show, Melissa.

**[0:00:32.8] MJ:** Thanks for having me.

**[0:00:34.5] WS:** Melissa has been flipping houses in San Antonio, Texas since 2003. Growing in and expanding their business into a thriving real estate investment operation. With over 1,000 houses flipped, she has also built a portfolio over rental properties in real estate notes while raising five children. I'm looking forward to hearing more about this because that's incredible. She provides coaching, support, any education for other high-level real estate investors nationwide.

Melissa, so much we can learn from you and one thing that's just obvious from reading a short bio is that you have to have many great systems and processes in place.

I mean, just to manage five children at home alone, much less flipping a thousand homes at the same time so I'm looking forward to getting into that. Why don't you give us a little more about who you are and a little more about your business and let's jump in to those systems and processes that have helped you to build this type of business?

**[0:01:27.4] MJ:** Sure, again, flipping since 2003, started out part-time and eventually transitioned into full-time and kept that going for a long time just the two of us, my husband at the time, we flipped houses for years together and then decided to actually grow it into a real business and hire people and everything.

And so, I think that was the first time that I really realized how important systems and processes were, because when everything is up here, you know, when you go to hire somebody, now, all of a sudden you're spending a lot of time dumping from your head out to train someone and you know, that's when I quickly realized, "This is not a scalable thing the way it is right now. We definitely need some kind of systems and processes in place."

That really became a focus moving forward from like 2014 onward is really building that good foundation with good systems and processes and that has been the biggest gamechanger for the business, I think. Because at that point, then I was able to scale that to grow it to the point where I wanted to grow it to. And then to be able to have the freedom to be with my five kids and do things with them and stuff like that because I knew I had those systems and processes in place that would allow for that free time.

**[0:02:47.3] WS:** It's amazing when you have some systems and processes in place, I think you hit the nail on the head there but it gives you some freedom, right? Mentally as well.

**[0:02:55.8] MJ:** For sure.

**[0:02:57.1] WS:** you were able to enjoy your kids more because you put those systems in place. I would love to jump into those systems a little bit in some keys systems that help you all to operate just on a day to day basis, maybe systems that you know, no matter what real estate business or maybe business in general but that we can all use to help systematize our processes the way you have.

**[0:03:17.6] MJ:** We have systems for everything, even small things, you know, you think that it's not worth documenting or something because it's not a big part of what you're doing, you know? I think when everyone tries to do the systems in processed thing, they immediately go to all the big things which are important. There's a lot of little pieces that go along with that and stuff too.

Some systems that we use a lot is follow up systems are huge for us.

**[0:03:42.8] WS:** Can you give an example of that?

**[0:03:44.3] MJ:** Sure, having a follow up system for sellers so you know, people contact us through website or through a piece of mail that we sent, we reach out to them, we get information. Sometimes we're able to converts that to an appointment, you know, sometimes maybe they're not ready yet, they just start looking for more information or whatever. So, having that system in place to follow up with them regardless if we went on an appointment or not has been really important and has led to a lot of deals actually.

Just from follow up, there is one property that we had bought, we've been following up with this guy for like five years. I mean, follow game is pretty strong and five years later, because we were the only one, we just consistently were reaching out and when he was ready, we were the first person he called because we were front of mind, because of having that process in place of contacting them and it's happened time and time again where you go out to that point and even you know, when you go on appointments, you know, following up after that, you know? We left the contract behind or did you decide to sell.

If you did, researching because that's another part of it too, maybe we missed out on a deal, right? Having a system in place, we're following up and seeing, "Okay, well, let's make sure if that deal close or not because maybe they told us it was under contract," and you know, then it turns out it fell out but we wouldn't have known if we wouldn't have kept following up so we've got deals that way also.

Just you know, we lost it, we kept following up anyways, see if it's sold, if it's sold, fine. We get that capture whoever that buyer was and make sure we contact them to put them on a buyer's list but you know, also, just with the seller too. You know, getting deals.

**[0:05:26.5] WS:** How are you tracking out system like that?

**[0:05:29.6] MJ:** With that, we're tracking that within our CRM system so we're using Beast Mode and are loving it, their support's been great for us just getting a few little things that we needed, especially done and –

**[0:05:42.6] WS:** I've never heard of that CRM, that's incredible. Is there a specific feature in there that allows you to do that and track that?

**[0:05:50.3] MJ:** Yeah, it's a Podio based system and I hadn't used it before but it's been pretty user friendly. But yeah, we can track – we keep notes on everything too because you know, again, part of the follow up, we want to make sure that we remember what our conversations have been like when these people so you can track all that within the system and then setup reminders to contact them in a week, two weeks, 30 days, 60 days out, whatever, it makes it a lot easier than trying to track it on a spreadsheet or on a phone reminder or something like that.

**[0:06:21.1] WS:** What's another system that's helped you, I know follow up, what's another one?

**[0:06:25.2] MJ:** I think another really big system for us is we do a lot of wholesaling and so having a system in place for pushing those deals out has been really great, we've got that process down so well now and we move deals really fast because of those processes in place so they know exactly what to do. Everything that we do in our organization has a check list so it's an initial checklist of here's all the things that you need to do to fulfill this role.

But then, going further, here are the processes on how to do that. Down to you know, log in, here, here's the log in, here's the password, click here to do this and now you're going to do a walk through video and how do we push that out and then we're going to get a bitly link and how you do that and all of those things, you know, in one place to make it very easy.

The reason why you want to do that is because big one being, you know, if somebody leaves your team, you can't ever think people aren't going to leave. When you got all that systems in place, it's a lot easier to plug a person into that and not have to spend so much time explaining everything when it's already there.

**[0:07:31.5] WS:** How do you, like you talked about, you have that laid out, you have a checklist and here are the processes on how you do that. Is that just like listed in a Word document or you know, where is that out, how do you document that. Maybe the whole team or specific people can see those things and even update them as you go.

**[0:07:50.3] MJ:** I'm kind of old school I guess, you know, I know there's a lot of great tools out there to manage some of that stuff, I know people use Asana and different things but honestly, I just use G Suite. What I did was you know, we have a company folder that I control all the access to because that's another big thing, went through a bad period of not having control over certain things, processes within like organization.

That's important and then within that folder, each roll in my organization has its own folder and within that folder has all the how to with the links to the supporting documents that they might need to do that. One of our core values is keep it simple and I have found that's the best way to keep it simple and yet still be able to manage everything.

**[0:08:35.5] WS:** Nice, you can share that folder with that specific person and then right there, they can see all the checklist and the processes of everything they need to do ultimately?

**[0:08:45.6] MJ:** Right. And then, because I'm old fashioned, I also print out a copy and put it in an actual binder just because I know for me sometimes, I like to just be able to grab something and flip through and like, "Okay, there it is.: Versus clicking around and, "What did I save that as and I can't find it," or whatever. I try to keep it organized and simple as possible and without too overwhelming with access to different things.

If you're the lead manager, you only have access to the lead manager file, acquisitions only has access to the acquisitions file so they're not cluttered up with a bunch of stuff too.

**[0:09:17.7] WS:** Nice, what about you know, how do you manage the team members, are there more numerous team members that maybe do in acquisitions, you know, are you separating those roles inside of there.

**[0:09:28.8] MJ:** My team's really small so no, I don't have multiple people in multiple roles and that's just my choice to keep it that way but if I did, it would definitely be the same setup.

**[0:09:39.7] WS:** Yeah, are there other systems that you can think of that would be helpful to us, I mean, whether it's anything on the business side that would help us organize our business better?

**[0:09:49.6] MJ:** Sure, another thing that I created and use – I love marketing and I love tracking marketing and knowing all my numbers with that, I want to know how things are converting, there's a lot of information laying there that people aren't looking at I think sometimes. I actually created kind of a process and a document to be able to track that stuff so I break down all my different marketing channels and then you know, how many leads do I get from each one of those, what did I spend for each one of those, how did those convert into deals, did they close, how much money did I spend on that channel as a whole and then, what was my profit like for each one of those so there's a lot there that you really need to be able to make really smart decisions and then having that process and that easy system for doing that really helps.

Honestly, I just use an Excel spreadsheet to do that or a Google sheet or whatever the equivalent of that is.

**[0:10:47.3] WS:** Where do you get that data from?

**[0:10:49.5] MJ:** I pulled that from the CRM as far as like the leads and everything goes, that pulls from my CRM and then I pull the financial stuff from my QuickBooks.

**[0:10:57.8] WS:** Okay. From breaking down the channels, you know, is that something you can go to each of those channels and find that information? Okay, marketing and tracking conversions, yeah, I think it's something as any business owner, you need to track and I know, initially, we've done a very poor job at doing that personally and then we try to get better and get better but it's difficult to understand, all these analytics and which ones should we be looking at and which ones are important. Are there other systems that I mean –

Even if it's like email or how you all handle stuff on a daily basis that helped give you time back to your family and five kids.

**[0:11:35.3] MJ:** Yeah, I think when it comes down to it, I don't know that it's specific systems that do this or if it's the delegating of the systems that really gave me the free time. I feel like I choose to look at it that way because I guess it all ties together, right? I mean, you can't hire – you can hire somebody but it's hard to delegate something if you can't tell them what to delegate and how to do it.

They've got to understand what they're doing, understand how to do. When you plug that person in with that system that's what really giving you the freedom of your time and so yeah, I mean they're building blocks that work with each other but just even the easiest stuff like you know we use G-Suite to track all the systems and processes for the business as a whole. I've been using PropStream and I love it. That's been a great tool for lead management. So, managing all of the leads that come in and then the mailing, stuff like that.

Like if you are doing any kind of direct mail, you have to have a system for that because it gets really big really fast like very overwhelming especially you doing multiple campaigns and things like that.

**[0:12:39.2] WS:** I think you hit the nail on the head about delegating systems. I think it is interesting that you word it like that because it is so true. If you just hire somebody and you don't have any methods for them or any way to train them or anything for them to go by, they're just going to continue to add so you have to do something, right? That is not taking stuff off your plate. So, is there a way that you found to delegate systems in an orderly way so it didn't overwhelm?

I know you mentioned you are only going to give somebody this one folder that is their task because it is hard to get all of this out of your head if you don't have that stuff to liking it or maybe you can highlight who the first hire was and ways that you helped, that helped you to delegate?

**[0:13:17.4] MJ:** Oh, for sure, that is something I actually really enjoy. When I am coaching people when I have them do is and if you haven't done this yourself, I highly recommend everyone do it because it is really eye opening but the first thing we do is write down every single thing you're doing or type it out or however you want to do it. I am old fashioned. I like notepads so I write it all down. So, I sat one day and I just dumped out everything I was doing because I was feeling very overwhelmed.

And this was in the early phases of the system and processes kind of documentation stuff and so like, "Okay, well I'm overwhelmed. I don't know who I need to hire. I feel like I am going 20 different directions." You know I was doing the bookkeeping; I was doing the project management; I was working on the marketing stuff. So, there is a lot of different things happening. So, sit down, dump everything out you're doing, no matter how big or small.

Even if you think it's something not worth writing down, write it down anyway because it is something you are spending your time on and then the next thing I did was there is an app called Toggle that you can download. It's Toggl, it is a time tracking software and they've actually got like a little extension that you can put on your browser to make it really easy. So, you can track your time in there. So then what I did was I and my team, I asked them to do this as well because I wanted to know where people are spending their time.

Not to be a micro manager because I don't like that but I really wanted to know where we were having some inefficiencies and so we did that tracking how much time you're spending on each task. You spent five minutes checking your email and it's kind of tedious but we did it for a week or two and then that paired with all of the task list really help me figure out where my next hire needed to be because what you do from that list is, "Okay, this I am spending a ton of time on this thing here."

And I don't like it and it brings me no joy to do it. So that needs to be delegated. So, I started grouping things together and figuring out what made sense and then based the hires on that. So, the biggest pain point was where I started, which for me is acquisitions. I am a terrible sales person. So, you know doing things like that does not bring me joy. I love talking to sellers but I am not great at the close and I know that. So, you know you hire for the weaknesses.



So I was able to find somebody that was good with that and then dump out everything I knew about that position and that's the other great thing about making that list of what you're doing because it also gives you a starting point on what systems and processes do I need to document for this next hire and you've already got it all out there. So, if you are doing a lot of like for me for example, bookkeeping, you know I was maintaining rental payments and owner finance payment notes and you know escrow accounts and all of those kind of stuff and once I was able to delegate that out, I had the list of all of the things I needed to be done. Now it is just here you go and here is how you do it. Dump it out, organize it, find your pain points and then hire for those things.

**[0:16:19.6] WS:** How did you find the people that you are hiring? Where did you look?

**[0:16:24.6] MJ:** Oh, under rocks, everywhere. Hiring is tough.

**[0:16:29.2] WS:** It is tough.

**[0:16:29.9] MJ:** It is tough and I didn't know that until I had to start doing it. I'd never hired anybody before so there was a learning curve for me as far as learning about that. I've used Wise Hire in the past and had a lot of luck with that just because I love how easy it is and I love that you can put criteria in there and that they organize all of your candidates for you based on your criteria's so that is nice. One of my best hires was actually off of Craigslist that was kind of surprising.

And probably my best hire to date was actually someone from my network. So, don't discount those type of people, you know just who do you know and maybe who do they know or people that work for you already. You know people tend to hang around with people that they are similar to. So, if you have somebody on your team that's doing really well, is a higher performer and they've got friends, reach out to them and see if they're interested but that's – Most of the hires have been that way just from the network and the Wise Hire.

**[0:17:28.1] WS:** Before we have to move to a few final questions, is there any other systems or anything else about even delegating those systems that you would like to leave the listeners with?

**[0:17:36.6] MJ:** You can't scale something that you don't have a good foundation for and so even if you think it is not important to do that, a lot of people that I talk to don't want to take the time and I guess this is my takeaway. I know it is a busy work boring kind of thing but there are ways to get it done that make it a little bit more manageable. You know if you're not a person who wants to sit there and type out the process, get a recorder or something and just record what you are doing.

And then have somebody on Upwork or something format it for you in a nice way that you can have your Google, your G Suite set up or whatever or using Loom or something to do screen grab. So, you can record your movements on your screen like this is how we research for probates and walk through and you can talk and walk through the process as you're doing it and that makes it a lot easier too. So those are different ways to overcome the overwhelm feeling.

But you really need to take the time to do it if you are going to have to serious business that you really want to be scalable and have a healthy organization.

**[0:18:42.4] WS:** If you are really looking for the time freedom, right?

**[0:18:45.1] MJ:** Yes, take the time now. You think you don't have the time but you will make time for the things that are important to you and that should be something that's important to you if you really want that freedom to be working on your business not in it all the time.

**[0:18:57.3] WS:** What's a way that you have recently improved your business that we could apply to ours?

**[0:19:01.1] MJ:** One thing I did that was helpful for me was going through and doing an honest evaluation of your business. So really figuring out, "Okay what am I spending money on? Is this still working? Is it effective and you will find a lot of times, I was almost shocked at how much kind of waste was happening and software we weren't using and tools we weren't using that we were paying for and so I did a whole financial audit of the company to see where could we cut.

So, we have been making a lot of cuts and just really focusing on profitability on the overhead as well as per deal.

**[0:19:38.8] WS:** What is the number one thing that's contributed to your success?

**[0:19:42.0] MJ:** I would have to say the number one thing that contribute to the success would be the people around me. Mentors, the people on my team, close friends, you know just having supportive people in your life personally. Having a mentor, somebody that you can work with on the higher level things and then the people that are in there in the trenches with you day to day, I couldn't have done it by myself for sure.

**[0:20:05.6] WS:** Melissa, how do you like to give back?

**[0:20:07.1] MJ:** I love helping female entrepreneurs so that is how I've been giving back recently just helping women get into real estate, helping them grow and scale their businesses being supportive for them. I have four daughters so it is a big part of my why's, helping other women feel as empowered as hopefully I have made my daughters feel. So that is how I like to give back.

**[0:20:30.3] WS:** Awesome, well you know it's something on that note, something I forgot to ask you about that I meant to is managing just the daily routine because you know with five children and managing a business like this and obviously just doing this, I mean a thousand clips or just being that active having that business running like that and you've had to had great systems, which we talked about but you know are there any things you can highlight that even helps you to manage being there for five children and getting the home set down well also managing this business?

**[0:21:02.0] MJ:** Well, it is not easy and when people ask me about that I go back to the business side of things and why aren't we talking what we know in business and using it at home, right? So, I am a big delegator at home too. Part of what helps me manage the household is I got a guy that cuts the grass. I've got somebody that comes to help me clean the house. You know I can clean my own house but is my time worth that? My time is better spent working on my business instead of scrubbing the toilet, you know?

So, delegating out for help, you know having a nanny. Now I have hired a nanny every summer to help me with the kids when they are not in school and that's really helpful so that I can work and things still get done. So, take some of those systems and processes you use in your business and think about how you can use them at home and delegating.

**[0:21:51.4] WS:** Nice, yeah no I appreciate you sharing that. It is definitely a struggle has been pressed to just learning how to make all of these happen while you're still operating and being a part of the family, right? Being mentally as well. So, I am grateful to have met you and grateful for your time. This is such a crucial part of any business especially in real estate and so many moving parts. I just love how you have broken down all of your systems and then you even went into delegating systems.

So I think that is really important as well but I just think you really hammered it home and just saying that we got to have to systems in and how you have done that. So, thank you again and then how can listeners get in touch with you and learn more about you?

**[0:22:30.0] MJ:** Sure, well thank you for having me it's really fun. The best way to reach me is through I have a website. It's [themelissajohnson.com](http://themelissajohnson.com), it talks a little bit more about me and what I am doing, helping women entrepreneurs out there and also, I am on Instagram and LinkedIn and Facebook, all the places.

[END OF INTERVIEW]

**[0:22:50.5] 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. You can also go to the Real Estate Syndication Show on Facebook so you can connect with me and we can also receive feedback and your questions there that you want me to answer on the show.

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[OUTRO]

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