

EPISODE 699

[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 Ken Wimberly. Thanks for being on the show Ken.

[0:00:32.6] KW: Thanks so much for having me, appreciate it.

[0:00:35.4] WS: Yeah, I look forward to this conversation. I know you are a — what's called a multi-disciplined entrepreneur and have over 15 different streams of income including four operating businesses. I think that's kind of like the dream of most of us, right? Maybe, we're going to hear more about that and he's taken a passion as a father and also he's created an app for parents called Legacy of Love.

He has over 20 years of experience in commercial real estate but just has numerous entrepreneurial ventures and is very successful. Ken, welcome to show, grateful to have you on, look forward to hearing more about just everything you've accomplished.

Get us started a little bit, give us a little background in this 20 years of commercial real estate, love to dive in to some more of the, just some multi-disciplined entrepreneurship that you've accomplished?

[0:01:18.9] KW: Sure, I got into the commercial real estate business in late 2002 and my first number of years in the business were that as a land broker. Most of my clients were residential land developers that would go buy tracks from 50 to 200 acres. And they would land-plan it, take it through zoning, planning, sell the lots off to home builders. And I was kind of their bird dock, I was their go to guy out there assembling tracks for them. And that's all I did for probably the first five years in my business is just go and find land deals for a handful of clients.

It primarily, on the buy side, wasn't a listing broker or anything like that, I was just repping them on the buy side of deals. And did quite well in that part of the business and that led me to — I was looking at land all of the time, it's what I did. We studied land, studied values, studied ownership on that. And so that led me to getting into my first couple of commercial real estate opportunities as an investor. Which were, it was what I was doing, it was in the land side of things. So I syndicated a couple of those with some partners on the land side. And then, you know, 2008, financial crisis comes to equity markets. Or certainly, debt markets shut down for most everything in commercial real estate, certainly in the land markets.

And land just tanked and went dormant for a number of years. So spent a few years doing whatever I could working on a number of different things in the brokerage world, including doing a lot of make REO work for a national or a regional rather Texas Bank, did a number of REO dispositions for their bank. And as we crept out of that recession, I started looking at what else I could focus on. I had a commercial real estate business coach at the time who advised me, he said, "Look, well really, you should —" I was still doing a fair amount of transactional volume right. As far as the number of transactions but my deal size during the downturn had gotten smaller and smaller on the deal size. And so he said, "You need to basically find an asset class, that's got a bigger price tag and it moves quicker than land so it can turn-over." and ended up with a focus on triple net investment properties.

That was a 2011 right there. From 2011 moving forward, I really had a sole focus on investment income properties. And I got my CCIM in 2010 so it was my — I liked doing the analytics and assessing properties and putting all the numbers together. And so, that was all of our focus. Ended up building a fairly sizable real estate group, we scaled that business from about eight or nine million in annual volume up to over a hundred million in annual volume. And as we were

doing that, I also — then my focus was all on investment income. And so I bought a couple of those kinds of properties as well.

Started investing in some other people's deals and putting some money there. So started slowly kind of building my own portfolio, my own wealth into that. This success in that led to opportunities through some other things. I opened up a Keller Williams franchise in Abilene, Texas, and started to grow that. We bought a building. Put together a partnership that housed our Keller Williams office out there. And fast forward a couple of years later, I was getting into another shopping center acquisition and that led me into the laundromat business.

Was actually looking for a tenant for our building, [inaudible] building right there. And came across a laundromat guy. And he assessed our building and said, "Man, this a perfect laundromat location." And so I was trying to get them as an operator into the building but eventually, realized that he wasn't an operator, he was actually an equipment distributor. And he did not have an operator. So long story short, I ended up getting into that business with a couple of other partners. We opened up our first laundromat last September and — again in Abilene, Texas, a shopping center that we had bought and put together. And now we're in the process of opening up locations number two and three right now.

Around the same time as I did the laundromat, I did what you mentioned, I created the app. Legacy of Love for parent-style journaling — as I've been journaling to my children since my daughter was one, she's now 17 years old. And my son was still in the womb at the time, he's now 16 and now we got a four year old — that had been journaling to them for all of their life. And I told dozens of parents about that and that led to, actually me, creating an app.

There just wasn't something in the market for what I was doing. There were journaling apps out there, journaling programs that nothing that would do, how I was going through this process. And so we ended up creating our own program and product part of it. That's the real short version of my story and how we got to where we are today.

[0:06:20.3] WS: That's incredible and I want to jump into some of the commercial real estate stuff there and some questions I have for you just as an entrepreneur as well. But on the app

itself, what does that do again, a sentence or two, you know, what's your goal there with that app?

[0:06:33.3] KW: My goal is to help as many other parents as possible to capture the moments that are happening in their lives or the memories they're creating. Or the lessons that they want to pass down so that they can later pass that on to their children that can be passed on to their grandchildren and future generations.

I've come across more and more people that are like, you know, "It's the history of our family that is the real joy of life right there." And this is — me journaling to my children, was a way for me to capture our history as it was happening, it was a way for me to save the big, the high moments, the low moments, the good times, the crash of 2008, and the milestones that they've encountered in their lives. And so we created the app in order to — other parents could do that, they could document it with photos, videos, audio file, save voicemails, all of that and create a beautiful digital timeline of their child's life. And that's what we created with Legacy of Love.

[0:07:34.7] WS: Wow, I love that. My wife and I recently, I didn't even know about this app but we just started trying to record a video once or twice a month. It's just us talking about what our kids are doing and like you said, highs and lows, different things we want to document, you know, so they can just see us talking about it 20 years from now and what they did.

That's neat, I'm going to look it up myself. I wanted to jump into your career a little bit, I mean, I want the listener to listen to that again or to hear your path a little bit because you started bird dogging land deals, you know? And then, you hired a business coach. And you know, as far as hiring that business coach, what was your thought process, what were you hoping to accomplish and did it do that?

[0:08:15.5] KW: Yeah, I had never had a coach prior to that point. And my business had kind of been fairly steady, even through the downturn, I did okay in business. We were making six figures or more each year. But it was steady and what I was looking for was — "How do I get better? How do I improve? How do I improve myself?" And really, it was shortly after I joined KW and the KW Commercial network that I started hearing people from stage that had really big live, really big businesses.

All of them were talking about the value of mentors and coaches in their life. That's kind of what led me. What did I want out of that? I wanted to focus on my business and I wanted some techniques and strategies and accountability to help me actually grow my business. And to get to where I wanted to go. My coach kind of helped me with goal-setting, helped me kind of visualize where do you want to be in the next three in five years right there?

Ended up putting a plan in place to go get there and then we'll all be accountable to doing what I set with my plan and it worked. It worked in a big way.

[0:09:26.0] WS: Nice, quickly, I think after that or you know, you talked about, he said find a larger asset class that moves faster than land. And then also, you know, you built a real estate group that went from eight million annually to a hundred million annually. And, you know, give us some keys to making that happen, you know, what causes that massive growth?

[0:09:46.9] KW: A few things. First and foremost, I think it's focus. Focus in a niche in an asset class. For all of my — well, I focused on land that first, six years in the business and that was great. And I had a big business focused on that little asset class. And then for the next three or four or five years, it was, I was more of a generalist through that downturn, as things were right there. And when I refocused into one asset class — and the coach gave me that great advice of; "Find something that has velocity in the market."

Land can be a great asset class but you can have a phenomenal track of land as a broker. It might take you five years to sell that phenomenal track of land just because there's a really limited buyer pool for a particular location of land that has a particular use that's — from its zoning classification. In something like triple net investing or shopping centers or multi-family or the hotel industry, there's a lot of different asset classes that people can endeavor into. It has a much higher velocity and frankly, it's people from around the country or even around the world that invest in these kinds of assets.

So that was a big 'aha' for me. We focused just on this narrow niche of products. And then we even niched down from there into two or three tenants. And that's what we really did, it's how we became experts in two or three tenants in this asset class. And got to know the players in that

business. We got to know the developers and the investors and the reaps that it did. It was relationship-based, like so many things in life. And we started establishing relationships these folks which led to more and more transactional volume that we were able to do.

[0:11:36.7] WS: Nice, well, you know, it's interesting you talked about focusing, like first thing, you know, focus on niche asset classes. But you know, I wanted to ask you about focusing because you've had — 15 different streams of income, you got numerous different operations happening. What's your thought process there as far as, say, focusing on one versus opening up to having four different operations at the same time.

[0:12:00.7] KW: Team is the operative word at that point. And all of us have the same 24 hours in a day, we only have so much bandwidth and so much time we can give to it. Hopefully what you've heard a little bit is kind of a — one thing at a time — that I've done. I focused and did things and had a team in place. So I have leaders in these different businesses that are helping to run everything. I'm actually the leader of the app business and running that. But from our laundromat business, from our Coleen's franchise, from our residential side that my wife runs a lot.

We've got leadership in place that runs these various businesses right there and its team. My time is generally spent with my key team members, helping guide and coach and provide them with the resources they need to go run those operating businesses.

[0:12:55.3] WS: Nice. I love that answer and so much is building teams right? Hiring people and that's a difficult part of the business is finding those leaders, right? I see that look on your face though. You know exactly what I'm talking about, you know? Can you give us a couple of tips on how you've overcome that hiring process to find those leaders that you're willing to put in those roles?

[0:13:16.1] KW: It is the most difficult part of the business and I can share my — just my shortcomings. So you know, when we opened up our Colleen's franchise, it took me four different people to go through to find the right leader in that business. So I am by no means perfect at this, the first couple of years with that business were a real struggle for me, it was because I had put leadership in place that I thought this would be the right person, I thought —

but I kept learning. I didn't see this blind spot like when I went through the process and I learned a little bit with each person that would come and go.

Here is my blind spot, eventually, the right person came and she's been with me now for years and she's incredible so to take your question there, "What are some of the things that we do?" I have studied hiring, in fact, in two weeks, I'm going through a two day course all about hiring the right — not just hiring, it's about identifying your need. Defining that in a job description and then going and hiring the right kind of people using personality traits. And tracking from skills test and personality test and marrying that all together to hire the right kind of people.

Keller Williams has been wonderful about teaching that kind of thing, I'm now going through, like, an outside course on this and it's a science, When I first started hiring people, probably like many, it was a one or two interview process and it was largely based on how I felt about them.

Great, we get along well, I like them, they're great, I would hire them in time after time that resulted in mistakes in my hiring. And so now I'm much more disciplined and scientific about the process. And, another business coach I had, really taught me, he said, "Ken, when you go through the hiring process, I want you to have no less than 100 applicants." Like — "100 applicants?" He goes, "A 100 applicants," and he said — and so I learned. If you can post on Indeed, LinkedIn, and then maybe one of the other recruiting sites right there, you will get a flood of applicants. And here is how you start screening them out, okay? Put something in your hiring requirement and I will do something as simple as this.

I will put in there, "Please send your resume and a cover letter." And in the cover letter, please, I have done this exact same thing before, in the cover letter please indicate the city and state of the headquarters for Keller Williams Realty International. That is a pretty simple thing, can you read this instruction and follow it? 90% of the people will fail to do that and so it is an easy script. If someone will not take the time to read a simple instruction and follow that it's not who I want to hire.

And so, that is a quick screen for me right there. And so you get from a 100 applicants down to the dozen or so that we want to then interview and from that dozen or so, we'll typically end up with two to four really good candidates. And then frankly, it kind of sucks to have to choose one.

So you got to choose one but we choose the best one possible and out of that. We got two or three on our bench, on our leadership bench right there and I always try to leave that experience with the folks that we don't hire.

With the best feeling possible so that when the next opportunity comes up, we can go back to them and hopefully get into business with them.

[0:16:40.2] WS: Nice, could you give just a couple of tips on finding that business coach.

[0:16:45.6] KW: Oh yeah, I like to find someone that is coaching to the industry, right? So depending on what your industry is, there are coaches that specialize in the industry. It doesn't always have to be exactly in your asset class but certainly — when I say asset class, starting with commercial real estate, there are a lot of different niches and asset classes. So it doesn't always have to be in that but certainly in the industry where they have been a practitioner.

They have been in the weeds, they have dealt with the issues before. And then I want to find someone that's got a track record to success in their own business. So I am looking for someone. There is all kinds of coaches out there that just figure, "Oh, I am just going to start coaching people because it sounds like an easy thing to do. There's life coaches, there is a bunch of — I hate the term 'life coach' although honestly, I look at myself. I do some personal coaching as well.

And where my passion is in coaching people in their whole life, right? In their health and wellness, in their relationships, in their physical fitness, in their mental acuity, and in their business acuity right there. But I hate the term life coach. But to find someone in your niche or your industry and there — I'd start with a simple Google search. And you start looking and go and find out — do they have — can you talk to some references? Talk to a few people that they coach in the past right there. Get some insight and experience.

I will make a — hadn't even thought about this before. I will make a quick comment on references. Many times you can infer a lot from the people giving you the reference, right? You can talk to someone and you can tell, "Is this like a really sharp person?" For instance, in hiring,

I've had many references. I've had the chancellor of a major university as a reference to someone. That reference carries a great deal of weight.

And then I've got other folks that are references that just are like, "Who is that person?" They don't even know who the person is. And they don't care to give a reference and so I rank and weight the people giving me references. So I will just say that from a coaching perspective too. When you're getting references, listen to what did they do. What's their success? How did that coach help them get from A to B to C? And yeah, use that as a guide.

[0:19:02.8] WS: Yeah that's great advice and I think it is interesting how it sounds like you have done this, you need coaches too. And sometimes different coaches are along your way or along your journey as you accelerate your success. Well, all of a sudden you need a different coach. You need a higher-level coach and it sounds like that is what you've done. Just one quick question also on some of this before we have to move to a few final questions.

You know assessing new business opportunities, it sounds like you have done really well with that. And I was thinking about now you have moved in to, say, laundromats. Well, how did you look at that initially to say, "Okay, this is worth spending my time on. This is worth me developing another business here and potentially another form of income" and spending that time and your resources, your money on that.

[0:19:45.2] KW: Yeah, we studied the industry a great deal. When we looked at laundromats, it was a few things. We wanted to make sure that the economic opportunity was there. So could we actually for money invested into it, what we receive in the economic interest in it we thought that was a possibility. The other thing I needed, I needed an operating partner. So there were two of us that started looking at that opportunity together, how we're both kind of big picture visionary starters and we needed an operator.

So we found an operator in there. And then the three of us wanted a business and an opportunity that would do more than just produce cash flow for us. We are all at the stage of our lives where meaning and contribution takes a much larger role in our life. And we wanted an industry that we could contribute to and the laundromat industry actually was one that we really

felt — and so in our laundromats, we have a children's play area. You know a dedicated area in our laundromats that we built out specifically for children to come in and play.

So that when parents are in and they have their young children with them, the children aren't bored and just sitting around and are running around swinging on the laundromat doors there. And they're playing and then joining our children's play area is our children's library. A little area filled with kid's books so that children can sit there and read. Beyond that, we've partnered with the local university to come and read to the children every Saturday. It is on hold because of COVID.

But once we get beyond that we'll start it again, where the university students will come and read to children every Saturday. Because in that niche, in that industry, something we learned — another reason that drew us to it was that in the lower-income areas where many laundromats were located, there was a stat that said that one in 300 households has books in their home for children. One in 300. I have a four year old and I bet he's got 300 books in his room.

You know we just have tons and tons of books and so for us, we bring in books every single month and we encourage children to walk out with those books, take one home. We find it, take it home. So a long way to say that we started the industry, we wanted the economics to work. We wanted to be something that will work for us as partners. It is something that we could contribute and make a difference.

[0:22:06.2] WS: Wow, I love that. I love how you looked at that like that and just saw the need there and a way that you could contribute at a much bigger scale than just looking at the income from that business. So I appreciate you sharing that. Ken, what's a way that you've recently improved your business that we could apply to ours?

[0:22:22.8] KW: Ooh, great question. I have — I'll tell you what, I will tell you a little Instagram strategy that I learned from a podcast on Instagram. And this has helped me to improve our business and it's — what's helped me to improve, it's helped me to connect with people at a deeper level that are — so the Instagram strategy was pretty simple. Go search on Instagram, search by hashtag, I actually hate the word hashtag, but go search by hashtag, which is topic.

And for whatever topic that you are passionate about or interested about that you feel can help your business.

So I'll give you an example for the Legacy of Love, our app. I've searched for parenting and parenting podcast type things. And then the tip here is what's going to pull up first are the top posts, the ones that are trending. Avoid those, there's already tons of topics and comments and likes on those. But go to the topics that are new. So you got trending, you got recent, I guess. So go to the recent, these are the posts that might just have been posted moments ago or within the last few hours.

Scroll through those until you find the post that speaks to you and then make a thoughtful comment on that post. Not a "Hey, great article" or great info or something like that. But a thoughtful comment where you can add value to the person making that post and you'll very likely get some dialogue. They are certainly going to like it, they might come follow you and start learning about you. And they're probably going to reply back to you.

From there you can send a private message or a DM in Instagram to that person and engage with them and start a relationship. I've done that. I do that almost daily, right now. And I will do that. I'll spend about 30 minutes. I will go respond to five different posts and send people private messages right there when they engage with me. And it's really a great way to engage with people in business and help it build your business.

[0:24:16.2] WS: Great advice, wow I have not heard that before. So I appreciate you sharing that. So what is your best source for meeting new investors right now?

[0:24:24.2] KW: I am part of a couple of mastermind groups and one of those is GoBundance that I have been a member of for about five years. And really, so for new investors, I go to the people that I know where there are in my extended network is where I go. So I am not looking for people that I don't know or don't at least have a one off relationship. So my preference is to go to the relationships that I have developed over the last 20 years. And the relationships that I continue to develop in these mastermind groups.

[0:24:54.7] WS: I appreciate you bringing up masterminds as well. I just feel like that's part of that — kind of like we talked about coaches kind of grow. You know you need to higher level coach and masterminds — I feel have done the same thing for me. And you look for a higher level and I've heard great things about GoBundance. So what's the number one thing that's contributed to your success?

[0:25:13.3] KW: A growth mindset. I think without a doubt being open to growing — and you know, I'm being very transparent. You know in the first 30 some odd years of my life, I don't think I really had a growth mindset. I was much more of a fixed mindset kind of guy, not by intention as much as just by default. I didn't know better and as I got into my late — I am 49 now. As I got into my late 30s, I just got exposed to mentors, to coaches, to learning, to Tony Robbins, to some other things and my mind started opening and I think that growth mindset has 100% been the biggest lever to my success.

[0:26:02.0] WS: Nice, very nice. It is a hard transition or change for most of us, isn't it Ken? So I know you already mentioned some ways you like to give back but is there any way that you'd like to give back that you'd like to discuss or elaborate on?

[0:26:14.5] KW: We give back 10% of everything we come in. My wife and I — we have this little system. So everything, all the money that comes in we allocate 10% to that and we have a handful of preferred organizations that we give to. I've got a good friend of mine that is one of the longest surviving heart transplant patients in the world. He had a heart transplant, I would say it was 26 or 27 years ago. They gave him six months to live and he's still around today kicking everyone's ass.

And an amazing guy and he has — fascinating story, your listeners will have to look him up. He founded something called the David Nicklas Organ Donor Awareness Foundation in honor of David Nicklas, who was his — he has David's heart in his heart.

[0:27:02.8] WS: He's a donor, yeah.

[0:27:03.4] KW: Yeah, he was the donor and it is so fascinating because the Debon Family and the Nicklas Family had just become one big family through this. It is a fascinating story, they're

wonderful people so that is an organization that we really try to support a whole lot. And so we give back through Legacy of Love. In fact, we are currently about to start falling into the TOMS Shoes model, where we take what TOMS did, they gave a pair of shoes away for every pair of shoe bought.

And so for us, for every person that subscribes to one of our premium plans, we are taking a percentage of that and donating it to a handful of — letting our subscribing choose what charity. But it will be five or six of the charities that we are really passionate about. You choose which charity and we'll send a portion of the proceeds to one of these charities.

[0:27:46.6] WS: Nice, Ken I am grateful for your time. You have been a great guest and I loved hearing about your story and just your transition through — as being an entrepreneur and then being open to many different opportunities and being very successful in them as well. And all of your experience in real estate, whether it is masterminds and coaches and all of these things that have helped you to get to where you are today. And starting from bird dogging the land deals.

So I just think that's so interesting and I just want the listeners to hear that, you know. And just opportunities that are out there. So Ken, thank you again for your time. How can the listeners get in touch with you and learn more about you?

[0:28:20.2] KW: I am on Facebook, I am on Instagram. Facebook is at @LordWimberly, Instagram is @ken.wimberly, come and check me out at those places. And come look at Laundry Luv, laundryluv.com and Legacy of Love, legacyoflove.app.

[0:28:39.0] WS: Awesome, that's a wrap Ken. Thank you so much.

[0:28:42.2] KW: Hey, thank you. I'm glad we could do it and spend the time. It's a lot of fun.

[END OF INTERVIEW]

[0:28:46.8] 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

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[OUTRO]

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