

EPISODE 732

[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 Heshel Mangel, thanks for being on the show Heshel.

[0:00:32.8] HM: Thank you Whitney, I appreciate it.

[0:00:34.7] WS: Heshel came into this industry with absolutely zero background or knowledge, having a knack for leverage the use of technology and other resources, he has started a business that is built to scale, providing safe, secure and affordable housing.

Heshel, welcome to the show, I'm grateful to have you on this topic is something I love talking about personally learning about. I've been just doing lots of reading lately, you know, just around – I think everybody's trying to learn about how to scale their business, right? Everybody wants to grow as fast as they can and be most efficient as possible. There's lots of things that others have done and I just go back to we're not recreating the wheel here, right? There's things we can learn from others and you know, I'm looking forward to just hearing what you've done to be able to scale and creating this way that you've built your business to scale and through using technology and different things.

Welcome to the show and you know, get us started with a little bit of your background in real estate and let's dive in to these systems and technology and things you use.

[0:01:36.4] HM: Sure, thanks for having me on again. I'm born and bred in Cincinnati Ohio, grew up here, did move around, using countries for a few years, from Connecticut to Israel to Australia, London, New York and when I was living in New York really, it was about two and a half years ago. It's really the first I heard even and began to understand about the real estate investing industry as you mentioned, I had no prior background expertise or exposure prior to that in this industry.

So it was really about that point when I first heard about it from a friend and how his family was involved that couple of lightbulbs kind of went off in my brain at that point and it really started to dig in deeper and take some action towards that and that's where I am today. I moved back to Cincinnati Ohio where I've chosen to continue to explore and grow my business here. That's kind of the high level overview of where I'm at today.

[0:02:35.8] WS: Yeah, let's talk about you know, how you started at business that's built to scale, what does that mean and let's dive in to that a little bit.

[0:02:44.1] HM: Our business can only scale as much as the systems that are allowing it to build around it. So what we've done already from day one is be able to invest in different systems, technology systems as well as utilizing other people and putting people in place in different positions, to be able to scale the business.

What I mean is, if you are running the business and you're also operating the business and you're also managing the business on the day to day basis, you're limited by the amount of hours in the day that you have and it will really be impossible for you to be able to get out of the rut and get out of the nitty gritty of the day to day management to be able to continue to grow your business.

Someone is looking to be able to be that, the entrepreneur of the business and growing it and continuing to build their brand, you need to be able to put systems in place, utilize technology, that's available and stay on top of the latest technology and really building operations around you that you can be able to focus solely on the building on the business.

[0:03:46.7] WS: Let's dive in there even more, how you've done that because it's so crucial, you know, I love how you talked about like business can only scale for the systems it's been built and then you mentioned building operations around you. So you can focus on the most important task, right? Focus on scaling. What does that look like and what are some specific things you've done to do that.

[0:04:10.8] HM: Sure, I come from a bit of a data analytics and business analytics background. What I've learned in that process as well is, being able to allow the computers to read your data, putting in the right instructions for computer to read data so that you can be able to go in and analyze it and visualize it and be able to create dashboards to right away be able to see all the information they need to know about what your business is standing. You know, there's this term that throw around, the KPIs, we wanted to be able to track what our business is doing in an instance.

Now, we don't have to spend a lot of time figuring out okay, where are we today and in relation to where we were a month ago and a year ago and where are we going to be in the year from now. We want to be able to see those results in an instant. Like building the proper tools and allowing us to aggregate all our data very quickly allows us to make decisions very much quicker, knowing exactly where the pain points are on our business and what's our strengths and where do we need to invest more.

And then in terms of operations, we try to utilize as much as we can on a day to day basis in our operations of automating everything. Every single thing that we do has a system, has a procedure; I know, its' constantly evolving and we know that the business is constantly evolving as well but we've taught our team members that whenever they do a task, first of all, they're writing down what the task they did was and they're documenting exactly the process that they did from A to Z.

This way, that task is now documented and processed and we ever need to go back to it again, it's available, you know, on our fingertips and we don't need to continuously reinvent the wheel and continuously – how do I do something?

[0:05:57.6] WS: Okay, everything from operation standpoint is documented, I love how you mentioned like everything we do has a system and everything that is documented by the team. Could you elaborate on maybe the software that's used or what that looks like? Where is that documented and just so like the listener and myself can think through, how our teams are documenting these things and if they're not documented, they need to be, I love how you've just hammered — drove that home but where are they documented, is that a Google doc, the whole team can see it, is that a specific piece of software?

I've seen so many different types of sheets and different software that will do amazing things with an Excel sheet to make it you know, easy to document a process. Sometimes I wonder, wait a minute, how much time is going to be spent learning this new tool when we could just document it on a Google doc and it be almost as good and be simple. But I go back and forth about that, how do you document these things?

[0:06:54.3] HM: Sure, the actual documentation of these processes are just in a Google doc, Google Sheets. You know, each task will get a designated sheet, so besides for we've put together a list of all different tasks that come up on a management basis or operations standpoint from the moment of sourcing a deal through disposition of a deal. There's a master sheet that we've put together.

Actually, built it up in a project management software called Asana which I'm sure many of your listeners are familiar with. We're able to subdivide each part of the operations into its own project and then continue to subdivide into sub tasks. Everything that comes up on a management basis and then from that list, we then have connected Google docs for each task, describing the process out of more depth.

It's like a one liner task in the project management software and then full page process with screens if need be and charts of need be that go out and describe exactly how things are done and the workflow of how to get down this process. We also utilize a certain tool which I found to be phenomenal, called Zapier. Which brings together pretty much any single tool that we will use, it brings it all together and allows them all to communicate with each other, there's nothing that's left for us to have to tell something to do someone, you know?

If there's an email that comes in that's a bill. It automatically reads it and sends it out to our accounting department, there's this bill that has to be taken care of. It tells them right away. If there is a lead that comes in from Zillow, right away, our software is going to read it and put it into our CRM that says we have a lead incoming. Any email that comes in, a phone call that comes in, a bill that comes. If there's a maintenance request that comes in. No matter what is coming in, in flow is right away read processed and outputted back to the correct department, that needs to take care of it.

[0:08:50.0] WS: That's awesome. That saves so much time. How does Zapier know that it's a bill in your email?

[0:08:56.6] HM: When you're setting up the Zap is what they call it, you can tell it's certain keywords to look for, we also utilize a softer called Parser which actually goes ahead and reads your emails and looks for those codes worth and kind of create a template out of your emails and then can then translate those and tell it exactly what it is.

Before getting leads, I come in from a Zillow or Zumper or an apartments.com, or any of these websites, the emails that come in are pretty uniform. You can pretty easily create templates for all these different types of emails and it will translate those emails and dictate exactly which label it should be labeled to in my Gmail and based on that, now that's inputted to a certain label while I have the Zap setup at any email list In label, you should go to this department. If it goes into a leads label, it's going to our leads department, leasing department, if it goes into an accountant label, it's going to our accounting department.

[0:09:50.3] WS: Nice, love that, that's incredible. Tell us some other ways that you've used Zapier. Other integrations that have been useful.

[0:09:59.3] HM: To do list and task lists. I always tell all my team members that we should be operating as if we're not going to be here tomorrow. There should be nothing that's left in our own heads to do, we need to be able to operate both from a business standpoint, as if we're not going to be here tomorrow that somebody else can immediately step into our shoes and fill whatever we were doing.

Really, from a personal standpoint as well, we want our heads to be free with the things that are most important to us, whether it's in business growing the business or it's our own personalized time and spend time with our families. I don't want our heads to be preoccupied with our to do list so that's something else that we're very – we harp on very much.

Don't leave anything that you have to do in your head, utilize the tools that we've given you, utilize a tool that we have available to make sure that anything that we need to do for the business is written down, it's in our to do list, it has a due date. It has a description of one needs to be done, so we're not using up brain cells on to do lists.

[0:10:59.4] WS: No, I like that thought process and how have you gotten your whole team to think that way? You know, is everybody onboard with documenting all these processes?

[0:11:09.2] HM: It's constant reminding, absolutely. But people buy into it pretty quickly because they realize the benefits that it brings and how much more efficient we can be, how much more smooth we can be and how much freer we can be to do the things that we love to do. It does take a lot of reminding and harping and they know they're going to get it from me every single day. They've come to expect it and you know, future team members will join the team, will get the same treatment.

But yeah, it's – when people realize the power of it, it's pretty easy to buy into but it does take a lot of reminding and harping them on it, documenting, you've done something today they didn't do yesterday, write it down. You have something to do today that's not on your to do list already, sure that it's been put in a correct folder that it's automatically uploading to your project task, so you know these things have got to be done. It's easier to remind the people to get these processes done than to get to have the remind yourself to do the task, you know. The beginning time that you spend of teaching how to run through these systems ends up saving so much time in the long run.

[0:12:14.3] WS: What about any other ways or any other processes that you've been able to automate that have just taken – say a lot of time off your plate so you can devote on scaling the business or other things. What are some other processes that we're probably spending too much time on it, you've been able to automate.

[0:12:30.7] HM: I would say another thing is the CRM that we use.

[0:12:33.3] WS: What is that?

[0:12:34.3] HM: Pipedrive. We have that setup as well where in addition to just a pipeline of leads which I think is its core function where you can find of funnel leads through your pipeline from when they come in until we actually sign that lease or make the sale. We've created different pipelines for existing residents, existing tenants, existing customers and based on things that they tell us, we can put them in different places of the pipeline, which will then spit out an email as well or spit out a task for us to do. So if somebody has called with a maintenance issue and they didn't get to talk to somebody. So that is going to put them into maintenance issue on the pipeline, which sends them an email right away letting them known and acknowledging that we have received their request.

As well as it creates the task for our property manager to then go out and reach out to them as well, find out some more details see if we can troubleshoot and help them out or then have to create a work order. So automating that part of it of creating templates for our emails and templates for our tasks, it has to be done in each stage, based on what we are receiving from our customers as well. So you know if they're having a different issue, you know we have an email for an issue that has nothing to do with maintenance or if there is a rental payment issue so there is an email that they all spit back out as well to do with their payments and how to make a payment.

So really just trying to create as many templates as we can, automate that, recognize that they want to feel acknowledged as well. So we have a policy across the board that all of our residents no matter what type of touch they have given us so to speak we are touching them back within 24 hours, no matter what. It doesn't mean that their issue is going to be solved within 24 hours but at least they have been acknowledged within 24 hours, they know that somebody is taking care of them. But if it becomes so much easier to do that when you don't have to think about it or remember to go back and find who called or didn't call, did I miss a voicemail. Knowing that everything comes in is automatically being registered and there is a

task that is being created and a template that is being spit back out makes that process so much easier as well.

[0:14:49.9] WS: It allows you to be able to sleep a little better too knowing that there is a process, right? And the people are being responded to. Are there any other softwares or tools like that that's helped automate a lot of this that maybe we haven't heard of?

[0:15:03.2] HM: I mean there is a lot out, there for sure and we are always looking for more like different things and seeing how to put different tools together. Those are core softwares. Obviously we use a property management software, which keeps all of our leases in one spot. It keeps our application in one spot.

[0:15:19.9] WS: Let's jump into how you have leveraged others then. You know that was something you've mentioned and I was wondering how have you done that, who have you looked for, how have you grown that team to be able to keep these processes going?

[0:15:32.3] HM: Sure. Someone gave me a great piece of advice when I was first starting the business, which is making an org chart right now. Make a chart of all the different positions that exists within your company and at that point, I was filling all of them maybe but at least put a title, a short description of that job and the name of who is filling that job and make a chart out of it. So you can see all of the different task that I am involved in and what different pieces are necessary for this business to succeed.

And that was really eye opening as well because I didn't realize how many different positions I was doing. I am a property manager, I am an accountant, I am bookkeeper, I am a leasing manager, I am a maintenance manager, you know, I am a business development, I am raising money. I am in reports. You don't even realize it when you are doing when you are in the nitty-gritty. You are just doing whatever has to be done without even realizing how many different hats you are actually wearing on a day to day basis.

So putting that down on paper was huge for me to realize having the things I was doing and that allowed me then to start delegating and passing things on and hiring based on these specific

positions that I needed. So first thing I did was I got an administrative executive assistant just to
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[0:16:44.7] WS: Where did you find them?

[0:16:45.7] HM: So that is a virtual assistant. I actually will put a plug here for Adam Adams. He has a recruiting company relatively new actually that I bought into. Was giving great referrals for that helped from the beginning create the job descriptions that I needed, what my core values were as a company, what I was looking for in an assistant and we looked at the personality. My business's personality and then based on that also the eventual hire's personality to see who fits best.

And through his recruiting, we recruited an assistant out in the Philippines, who has been absolutely great and support absolutely phenomenal and it is really allowed us to continue to grow the business. So that was the first hire we have made.

[0:17:29.0] WS: Nice.

[0:17:29.9] HM: And then from there, we were able to go and once we've had all of the administrative tasks taken care of and you know paperwork is taken care of and you know you really started back also putting all of these pieces in place. So I had a lot of processes that I was doing myself, in my head and writing it down on notebooks but he was able to translate them and put them into nice handbooks and really create a full service package for anybody that's going to join the team.

That they can then go into a folder and see all of the tasks that they are responsible for and all of the processes involved. So once we have all of that taken care of, we are able to go ahead and continue and hiring you know property managers and managers.

[0:18:06.2] WS: I think it is a great idea and I like how you mentioned like making order chart in the very beginning of your business. It is only going to grow. The more details that you add to your business the more people that come in, the more things you start to do, you need to have

that from the very beginning. I wish I had done that in the very beginning but even now, we are trying to always optimize those processes and systems, right?

And if you don't have them documented, it's hard to improve them, right? Are your processes documented in a way that the whole team can see them or are they like per person or per their responsibility?

[0:18:40.9] HM: My administrative assistant he has all of them and whenever we bring on somebody new, he just sends the folder that's relevant to them, send it to them. We also communicate using Slack. So we have a bunch of different Slack channels that whoever joins a team is joined to their relevant Slack channel. So the bookkeeping doesn't need to see maintenance and maintenance doesn't necessarily need to see bookkeeping but whoever joins a team joins those channels that are relevant to them.

[0:19:07.1] WS: Nice. That is a great idea and Slack is another great tool. I have heard about it, we have used it a little bit but are still learning, you know? Maybe you can speak to that quickly before we have to move to a few final questions. But learning all of these different softwares even Asana when you first get started can be a little overwhelming, right? But it can start to systemize things and in repeating tasks, all of those things it can be so useful.

But I think in the beginning sometimes it is just like I don't want to learn that new piece of software or have to or worried about integrating it with Zapier and all of these different things but how do you do that? How do you make sure to teach the team all of these new pieces of software?

[0:19:45.5] HM: So the good thing is for our team is that we have put all of that in place already. So all of the integrations are set up for them. You know, the keywords are set up for them. All we need to do is execute when it comes across your plate and then you need to be taught as well, you know if they need to add a task or they need to show and follow up on a task or how to create a sub-task. So that is something that we do have to teach.

But again, I think the heavy lifting has been done already for them and prepared for them. Now it is just on them to buy into it, realize the value that it brings and how much more smooth —

and I brought on team members that really were not familiar with technology at all and I was very worried that it is not going to work for them. They are not going to know how to – how to punch in their tasks in Asana and how to follow up on a work order. But very quickly they catch on to it and they realize the value and how our maintenance manager he doesn't need to keep track of 20 different work orders that he has anymore. It is all written down on paper. It is all in their task lists, where it's holding. If it has been – you know, because you could be working on six different tasks at the same time. Some of it you are half done, some of it you are three quarters complete.

This way you don't have to remember where you are up to, which unit do you have to go into, which material do you need to buy. It is all there ready for you. So again, it is pretty easy for them to buy into it and realize the value that it brings.

[0:21:08.1] WS: Nice. Heshel, what's a way you have recently improved your business that we could apply to our business?

[0:21:14.3] HM: Really digging in and focusing on customer service as I said before that we have – no one gets past 24 hours without a response. That's a thing that we are really focusing on lately, continuing to improve our customer satisfaction, customer service. Our residents are our customers and we want them to always feel cared for and satisfied and at the end of the day that means they stay longer and are happier and will tell other people about our communities as well.

So we are trying to build that community type of culture in our communities and our properties. So really focusing on that and creating even more systems that we know we can get to their issues faster, take care of their problems quicker and I know that they're being taken care of no matter what is something that we are really focusing on lately.

[0:21:58.5] WS: What is the number one thing that's contributed to your success?

[0:22:01.4] HM: Number one would be the help of God, there is nothing we can do without the help of God. So He is definitely the number one reason for our success and from our side of things, it will be continuing to network. So again, where my focus wants to be in building the

business. So all of these tools are great for the operations and the management of the business but in terms of growing the business it is continuing to network and it has been a little bit more difficult and obviously different in the last few months here. But continuing to stay at it and networking and meeting new people and staying in touch with old people at work and to move those relationships forwards has been key to growing the business.

[0:22:40.1] WS: How do you like to give back?

[0:22:41.7] HM: So I give back here in my community. This is my hometown. So I actually moved back here and my father has a synagogue locally, where I work and volunteer within the community here in Cincinnati. As well as continuing to make obviously the work that we do, one of the reasons why I didn't move back here to Cincinnati is because I really do feel like I am helping and improving communities and improving people's lives.

And then yes, so here in the local community. And again, with the help of God is where all of the success comes from so continuing to allow him to entrust us with the job that we do and the success that we bring by giving back to others.

[0:23:18.3] WS: Heshel, thank you so much for just what you have given back today and being willing to be transparent and share how you have built systems, so you can then go scale your business and even thinking that way from the beginning. I love that, making the org chart in the beginning but even just building the business from the beginning to be able to scale I think is just going to put you so much further down the road, six months from now, a year from now, two years from now, you are just going to be improving and improving these processes as where a lot of people, they wait two years in now they're trying to document processes and it seems more difficult, right?

But I am grateful for your time. How can the listeners get in touch with you and learn more about you?

[0:23:55.5] HM: I try to stay active on LinkedIn. It is probably the best place for folks to reach out. That is my name, Heshel Mangel on LinkedIn and that's been a great tool for networking as well. You know, to be able to – I think I met you on LinkedIn as well. Getting to meet new

people, you can see who is out in your area, who is in your industry and just reaching out and having the conversation. It is a great tool.

[END OF INTERVIEW]

[0:24:15.7] 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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