

EPISODE 807

[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]

[0:00:24.3] WS: This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today our guest is Rod Santomassimo. Thanks for being on the show Rod.

[0:00:32.3] RS: Hey Whitney, thanks for being your guest. I appreciate you having me.

[0:00:35.0] WS: Rod is the founder and president of the Massimo Group, a professional coaching company focusing on helping independent contractors, solopreneurs, and small business owners build the business and life they desire. He is the author of three books. Rod has recently been designated as a "best boss" in commercial real estate by Globe Street and is a two-time recipient of Duke University's – how do you pronounce that Rod?

[0:01:01.6] RS: Fuqua.

[0:01:02.8] WS: Fuqua School of Business impact alumni of the year. Rod, thank you for your time being on the show. I know you just have a tremendous amount of value that I know you can bring to the listeners. You are helping so many entrepreneurs just grow their business. So, looking forward to diving and give us a little more about you, the Massimo Group and what you all do and let's dive in.

[0:01:22.4] RS: Well yeah, the Massimo Group is a coaching organization of 30-plus coaches now across North America. We have clients mostly in North America but some in other countries throughout the world and we focus on developing individuals, teams, solopreneurs and contractors. It is building businesses through businesses versus many just chase transactions, which isn't a business and that's what we do.

[0:01:48.8] WS: Awesome, well let's jump into that a little bit. I know there are many listeners right now where they are – I mean most of them are either small business owners or either they're looking to invest passively in real estate because you know, they are operating a small business or either they are looking to operate that small business that they are hoping to expand and grow on the real estate side as well. So Rod, you know why don't we just dive in there a little bit.

I know you recently also wrote a book called *Knowing Isn't Doing*, and I love that title because it's so true but or I guess, why don't you start us with what does that mean a little bit. Give us a – what is that book going to teach us and that will probably help us just to help the entrepreneur listening right now as well.

[0:02:25.7] RS: Yeah. So, the entrepreneur that listens, your listeners may hear something on this show or other episodes you've had, they're going to shake their head and go, "Yeah, yeah I know that" right? And the problem is knowing knowledge is valuable, right? But if it has no currency, unless it's applied to something. So, knowing isn't doing and when I wrote the book I kept on saying that and people said, "Rod, it is a really negative title. Don't use that title."

And I said, "You know what? But this is the problem." There is a difference between thinking and wishing and hoping versus actually understanding, applying, implementation and doing. So, we called the book, *Don't KID*, K-I-D, K period I [inaudible 0:03:05.4] deeper as in "don't kid yourself" knowing isn't doing and that was a foundation for anything to say, "This is a plan I can take to look at myself, look at my business, treat it as a business and attack it to build that business to achieve the goal that I want." That's what it's all about.

[0:03:24.0] WS: Let's dive in there, I love that. I mean the difference in thinking and wishing versus implementing and doing, yeah so true. Let's dive in, how do you typically help someone get through that? I mean what is some of the first steps that somebody listening right now could take so they can start implementing if they do have that thought process of, "Oh you know, I know how to do this" but really, they haven't implemented it yet.

[0:03:44.2] RS: Yes, so let's take your audience and most of your audience is going to be interested in either growing, maintaining, stabilizing, whatever it would be in their portfolio, right? And so, when people come to me and say, "Rod, what is the one thing I could do to make money?" and you and I Whitney laugh at that because look, if I could tell you the one thing, you and I can retire and be rich and we'd be done, right? I mean it would be over.

And so, the theory of silver bullet is just not true but there is in fact silver buckshot of this – if you do a lot of little things consistently and you work well, you are going to make some real money. So, the one thing I always say is that anyone says, you know there is no one silver bullet but I'll ask you this, "Let me see your calendar" and if they show me your calendar, it is not truly structured for success, then I know they're just wafting in and just chasing deals.

That is all their doing so I would ask your audience, "What does your day look like? How is it formulated?" maybe if you are a passive investor, so you are going to work. I get that, right? If you are a professional investor, this is what you do. You invest, you manage, you stabilize and that's what you do but you have a structured day, month, quarter that I would look at and say, "Okay, I know I am doing certain things at certain times."

And this allocation of time is one thing that's the knowing was the implementation of the three resources that you do have, right? Implementation of time, of money and of people that could help you achieve the investment goals that you are looking for.

[0:05:11.4] WS: Nice, yeah, our calendar can reveal a lot about what's important to us, right? Where we are spending our time, what our goals are, help us to think through that a little more

Rod. I know I mean my calendar can be so full at times and I mean I have to stick to it very closely but what are some make them in helping us to maybe goal set a little bit and think through our calendar, how are we reaching those goals, how is our calendar connected and to achieve those goals?

[0:05:36.5] RS: Yeah, so let's think of the mindset of an investor and so the first thing I have tried is identify some properties, right? And then they're going to put some bids out maybe and then learn it, maybe we'd put a broker or not and go for the whole due diligence process and finally, maybe one day close, right? And then they start receiving cash flow from all of these work they did. The problem with that is and the problem that a lot of vocations frankly is the effort is not very well correlate to award.

So, if you're doing hard work one day, you don't see that it's going to lead to something three months, four months, six months down the road, right? And then think about it as an investor, you are doing all of this due diligence and nothing is working. The properties aren't working out for you, they don't meet qualifications, but then, one day you're going to sell a property and realize all of those returns, right? And when you dispose of a property, the gains that you are going to receive are going to change your life.

That's a fact, so how do you equate that to the day's efforts? We have an approach, I formulated it in the Massimo Group called **I.P.A.I.D** — was I paid today? If you can answer yes to this question Whitney, "Was I paid today?" every day, you are going to make money. You just are, the way it works, this is how it works, **I.P.A.I.D**, which of course is an acronym so I am here to break it down. Number one, did you identify what you need to do? Truly identify the top priorities you need to get done.

P, prioritize what you need to do, right? A, allocate what you need to get those priorities done, time, money, people. Time, money, people, many times you're thinking, "I got to do it myself" and that is most people's worst error, they can go do it yourself. You don't, there is people qualified that can do it. I though P, opposite of identify, prioritize, allocate, now the second I is the hardest part Whitney and that is the implementation, you've got to do it.

You just do and that is when the calendaring comes into play, did you allocate the time, allocate the people, allocate the resources to implement and do it. The final D is – well there is two D's and that is either delegate, which I prefer, always delegate or delete. Some people say, "You know the other D, Rod could be defer" and I said, "You can't do that. You can all do it tomorrow, do it tomorrow" because what we found is when you just keep on deferring things, those things that you thought were motivating in fact are the opposite, you're de-motivating so you are not getting it done.

So, we don't believe in that, there is no deferment. You either delete it or you delegate it but it's done and use that I.P.A.I.D approach Whitney every day and you will start correlating effort to reward down the road.

[0:08:04.4] WS: I like that. I like to learn a little more about that as well. It reminds me, I've read a book recently called, *Getting Things Done* by David Allen. You know I don't know if you've read that or not but it is similar. You know I've just been thinking through like how are we prioritizing the things we have to get done and I love how you talked about don't defer it. Delegate it, who's going to do it or delete it and knock it out, right?

But ultimately, prioritizing, you know identifying and prioritizing first is so important. What do you see as a big hold up for most entrepreneurs going through this process?

[0:08:35.1] RS: Well certainly, they allow the whirlwind of their lives to come into play, right? And that because in their calendar, they didn't plan accordingly for the whirlwind that's going to happen. I don't want to see blocks of time, "From 7 AM to 7 PM I am doing these things" no. You set up a lot of white space in your calendar for the whirlwind that is going to hit you because it is, right? There is no doubt about it.

The second thing is they don't – they refuse to delegate. They are thinking, "I'm better, I'm smarter, I'm faster, I could do it" and that is just wrong because there is so many people out there that can do things better than you, faster than you and even if they can't do it faster than

you, they can certainly do it cheaper than your time is worth. So, in that case, that's when people lose it by not understanding the true delegation and trusting and pairing people to do things for you.

[0:09:23.1] WS: No doubt. It is a hard transition and I am still – I mean I am always working on that. What else can I delegate? What else can I hand to somebody else on the team as our team has grown? No doubt, our other team members are better at specific things than I ever would be and I don't want to be that good at those things that is why we have hired them, right? To do those things. Could you just help us Rod think through delegating a little bit?

Some ways that who's our first hire there, who is somebody that can help us? I know it is difficult. I know so many people that asked me about using virtual assistants because we've used them a lot and then we couldn't have gotten to where we're at if it wasn't for a team and for using VA's and doing lots of things like that but how do you help people to get past that mental block of delegating and how do we do that?

[0:10:05.6] RS: Sure, there are two ways I'd say Whitney. Number one is I read a book and Whitney like you, I see your bookshelf. My bookshelf are extensive. I dive to every book and my goal every book is to get one sentence. I get one sentence that changes that trajectory of my business. It's worth the couple of hours of a read and whatever not all dollars, right? So, in this book called, *Hyper Sales Growth* by Jack Daly, there is one nine-word sentence that really changed the directory of my firm.

And that was, "If you don't have an admin, you are one" and if you think about that, if you don't have an admin, you are one. So, you are doing work, you are doing \$10 an hour work and you try to make multiple millions of dollars or hundreds of thousands of dollars on an investment. What the heck are you doing, right? What are you doing that for? Here comes number two, "Well, I can't afford anyone else." You're kidding right? You are looking at making tens of thousands, hundreds of thousands or many millions of dollars on some investments.

And you can't afford paying someone 20, 30, 40, \$50 an hour to do things you shouldn't do? Are you going to manage your own properties, really? Really? What are you talking about? Are you going to go out and survey the market and book? Why does – next time you get it, go for a property, why don't you just do the survey yourself? Why work on a professional? Go survey the property yourself if you feel that way, right? Go appraise the property yourself, you know?

Go look at all the HVC and the engine yourself if you really feel that way. Of course, you wouldn't do that. You would depend on professionals and the same thing goes true with your time faster. So, number one, get an admin, number two, understand your time is too valuable to be doing those things and just there is so many sources out there you could have virtual assistants. We use them all the time, you got to focus on that.

[0:11:46.9] WS: What about – I am going backwards just a little bit here but as far as like identifying and prioritizing those things that we can delegate or just that need to be done on a day-to-day basis, do you have a way, that entrepreneur that is coming into this looking for growth, how do they figure out what those things are? I mean sometimes it can be even overwhelming, right? When we start making these lists of things that need to get done.

[0:12:07.2] RS: Well, there's a couple of these. First of all, you just have two lists, right? And the most important list you could have is your "not to-do list." Not your to-do list, but your, not to-do list and your, not to-do list is very simple exercise just if any investor just go through the process of what it means to identify research, determine if this is something for you every step you take and I am telling you, it is going to be scores of steps.

I mean if you get to the micro-level and then you look at that and you go, "What am I doing this for?" First of all, you could hire a broker to do the vast majority of everything you are probably doing. You could and while I don't pay broker's fees, really? That's what they do right? So, pay the broker fee and get the return you want and stop wasting your time. That is number one, so always look at your, not to-do list of things you can get rid of and shouldn't be doing.

Because although you think you could do it better, faster and everything we talked about, you can't and it is holding you back. That is what's holding most investors back, it just is right? As far as prioritization, yeah. We look at once you identify now your to-do list, what's the high dollar, best use if you can't – Look, how does an appraiser look at a lot? It is based on what? The value is based on what is that lot, what is it? Tell me.

[0:13:23.2] WS: Yeah, maybe other lots or location or something?

[0:13:26.4] RS: It's the highest and best use, right? That's it. This is the highest and best use from an appraisal standpoint. So, what is the highest and best use of your time? Really? You guys are asking these questions. I get it. It is hard when you start now. It is hard to think, "Oh god I got to spend money" you're investing in others to help you grow. That is what people do. That's why we are as successful as we are. People invest in themselves so we could help them grow. That's what we do.

[0:13:54.2] WS: What's the top key things or maybe a couple of things where that have pushed those entrepreneurs that you've helped to that seven and eight figured business?

[0:14:01.8] RS: Well, number one is the investments themselves that is just it. I read an article, I saw an article shared by a mutual friend of ours that Russell Wilson is a quarterback in the Seattle Seahawks, he invested a million dollars in self-improvement last year, right? And people go, "Wait a minute but the guy made \$35 million based on his contract." Well, you break that down by his agent fees and his taxes. So, what it means is the guy invested 5% of his income in himself, which is a hefty number.

It is, right? I find that top producers they invest in themselves, either with us or other ways and other people. So, you are willing to invest in others. I say that is the number one provider of that and then once they started doing that, how they go from six figures to seven figures or those one going from seven figures to eight figures, well those folks they work their butts off. They will not be out-worked and I know people like to hear that. I know that but go to old-fashioned boots in on the ground working your butt off that still makes you a huge

differential if you're doing the right things, right? The silver buckshot, if you are doing those things, you are going to make a lot of money.

[0:15:09.7] WS: Yeah, if you go through just that I.P.A.I.D model acronym like you talked about and you are willing to work hard, you are going to go places especially if you are willing to invest in yourself like you mentioned. It is interesting talking about that again, a million dollars or 5% of your income, yeah and it will help make that probably more and then in addition to his income next year because of that investment.

[0:15:27.9] RS: I will talk too quickly, yeah. I was driving home, I actually took a long weekend this past weekend and on the way home on Sunday, I got a call from one of my clients, one of our top-producing clients and he was just telling me everything he's doing that day. Everything he was doing on a Sunday, people who he's talking to, properties he was driving, understand, he's working on himself and his family and his goals because let's face it, during this pandemic, okay, now there is some sports back and there is some things to do but generally, it is a great time to work on the goal. Are investors willing to work all day at their job and at night, look for properties and on Saturday and Sunday, drive to those properties and knock on doors, you know that's going to be the difference.

[0:16:08.8] WS: You know Rod, I'd love your opinion on this but I find that most successful entrepreneurs have a high level of self-discipline. How did you gain such a high level of self-discipline or help others do that?

[0:16:19.9] RS: Well, first of all my father made sure I worked. I know a lot of this is ingrained in you from your youth, it is. I can't even remember when I started working, right? But I was double bagging, caddying on the rise nine, 10, 11 years old and I was always working and that's just what I was – it was instilled in me. You needed to work and then I became an athlete. I played division one lacrosse and I knew in order to get there, I was a smaller kid, you have to work and work every single day.

And I was able to correlate quickly, “Well, how do I get this?” Well, I worked my butt off.” “How do I get that?” Well, I work my butt off.” And so, you can start correlating the discipline. It is easy to determine this is how you make it and by the way, that is an absolute trait of top-producers and we call that to DOMINATE, that with the DOMINATE acronym and D is for discipline. They are highly disciplined.

[0:17:13.5] WS: Nice. What are a couple of habits that you have that maybe on a daily basis that you are disciplined about doing that that have helped you achieve success or you see in others?

[0:17:23.2] RS: Well, number one is goal setting without a doubt, every day. So just make it really simple, instead of, “I hate goal setting.” Just say, “What’s going to win the day?” what is the one thing, if I do this one thing, I am going to know I am moving forward or I am making progress. So, goal setting is your every day, I goal set. Every day, probably almost every day, I may take a day-off. If I am travelling, I work out and I maybe only am 30 minutes in the treadmill or maybe in an hour class or on a run or a bike ride but every day I am working out because that clears my head.

It just does without a doubt and then every day I reflect. I reflect on not only the work but what can we do better? What do we do? I am always thinking what we can do better, always. Even a win, what can we do better? Especially in a failure, what could we have done differently? But also, I have bigger goals. Annual goals, personal goals, family goals, always reviewing those and am I on track to where I want to go.

[0:18:16.6] WS: Any other tips for goal setting? I know that is important to you obviously, anything else you can share there just to help us as we’re goal setting, thinking about the day versus month and year, in 10 years.

[0:18:28.1] RS: Yeah, everyone understands, I am sure your audience knows what a smart goal is, right? Specific, measurable or obtainable realistic, right? All of that smart goal stuff but they need to be. For example, we work with a new client and he tells us – I just talked to someone

before this phone call and he told me he only made \$60,000 last year and I said, “Okay, what’s your goal for next year?” and he said, “\$250,000.” I said, “So how the hell you’re going to 4X your income? Just tell me, I am curious on how you think you’re going to do that.”

“I don’t know that is why I’m hiring you.” I say, “Well, that’s great but is that goal realistic” right? So, first and foremost, there’s nothing wrong with starting small and building winning streaks, right? I mean I really believe in that. I realize when I say “BHAG” big, hairy, audacious goals, ah that’s – yeah, okay maybe you’d throw one in there but build winning streaks every week, every month, if I do this I get – so let’s say an investor wants to start building our significant multi-family portfolio.

Well, maybe you start with a duplex, right? So, get the duplex running, figure it out. What is right, what’s wrong, do you like or you don’t? Then move to a quad, then move to a small garden apartment. The next thing you know, you are up there in a portfolio. You’re the next multi-family king of real estate but start small. Figure it out, mistakes, build winning streaks that’s key.

[0:19:49.0] WS: What’s a way you’ve recently improved your business Rod that we could apply to ours?

[0:19:52.6] RS: Yeah, although this is going to sound self – what is the right word? This is going to sound self-serving. My wife thinks I am addicted to this one thing. I don’t, well I will tell you I’ve never smoked, I am not doing drugs but I am addicted to getting coached. I am. I get coached by so many. Now when I wrote my book, I got a book coach. When I promote my book, I got a book promotion coach. Now, I got a – on my sales team with the pandemic I’m like, “Well, what are we going to do different?” I got a sales coach.

Then I got a sales trainer coach for me to manage my sales team. I always get coached and I’ve been coached by Donald Miller, Gary Vaynerchuck and the list goes on and on and on because I know I need to keep on learning if I want to keep on growing or I am going to start

dying and I don't want to start dying quite yet, right? So yeah, to me it is always investing in myself.

[0:20:38.9] WS: Love that, no doubt and maybe it relates to this next question but the number one thing that's contributed to your success?

[0:20:45.8] RS: That's tough because there are really two things. Certainly, investing in myself has made a big difference but going back to what I said earlier, if you are not an admin, you know I started out the Massimo Group, it was me and my wife but that's you know, that is all it was 12 years ago, me and my wife. Our group today is I think around 40 individuals both coaches and support and marketing and sales and tech and all of that good stuff, right?

You got to understand, let other people do the things that you're not as good at or shouldn't be doing. If you are willing to do that and willing to invest in other people, pay them a fair or better than wage, let them understand they are empowered and trusted, it is amazing how successful you can be.

[0:21:27.1] WS: Can you speak too quickly just working with a team like that to build success?

[0:21:31.7] RS: Yeah. I remember, I wrote my second book was *Teams Build to Dominate* and even though that was only four years ago and that is all about integrated teams and full-time workers, we're not there anymore. The world has changed. Of my 40 team members, I think four of us, five of us are employees, right? And that includes my wife and I. So, three really employees, their team is all scalable. You can run a team on Slack but I don't suggest e-mail for anybody, just not a team orchestration tool.

There are many portals like Trello or Monday or there's a lot of team orchestration that you can use but we use Slack and people all over the globe and my team members Slack me and I'd see instantaneous and coordinate. I do believe you should have meetings. I do believe meetings in Zoom. Now we have been using Zoom for eight years. So, everyone is like, "This thing is incredible" I'm like, "This has been around for eight years folks."

So, every week, every Wednesday I [inaudible 0:22:25.1] contracts. They don't just show up but they do. Every Wednesday we just talk for 30 minutes, "What's going on, well how can we work?" So, communication is going to be key to you and you just find a tool that allows you to orchestrate what needs to be done.

[0:22:40.6] WS: And how do you like to give back?

[0:22:42.1] RS: How do I like to give back? I give back in a couple of ways. First of all, I give back monetarily with charity. We have our favorite charity that we always give back to but I always said with my kids when I give back to their community. We just started a scholarship fund for minorities and I will happily say we actually were at one today. So that I'm thrilled about but for me personally, I always told myself, I told my wife you know when my kids go off to college, which now they both are I did get back and start coaching lacrosse again just because it's something I –

And these little kids not these big kids that could talk back to me. So, I spend my Sundays coaching these little tiny kids on how to catch and pass and not fall down so.

[0:23:21.9] WS: Wow. Well Rod, I am grateful to have met you and just expose our listeners to you and your coaching platform and then just the I.P.A.I.D, I love the I.P.A.I.D acronym too and just helping them think through some of those things. That is incredible. Where can the listeners get in touch with you and learn more about you?

[0:23:36.6] RS: Yeah, make it simple just go to Massimo, massimo.coach, you could find us there. There are a bunch on the websites and Facebook and LinkedIn and everything like that and personal websites but given how complex my last name could be, just go to massimo.coach, you could find out about us.

[END OF INTERVIEW]

[0:23:58.3] 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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