EPISODE 875

[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 Josh Ferrari. Thanks for being on the show again Josh.

[0:00:32.7] JF: Yeah man, stoked that I get an opportunity to be a part "twoer".

[0:00:38.5] WS: No, it's awesome, well you have a great story. I know many of the listeners are hoping to follow in your footsteps and accomplish what you accomplished so I just wanted to spend, I want to be able to continue the conversation yesterday and just spend more time talking about how you did it, six million in 30 days, that's very impressive.

I don't know too many people that have done that that early on. As far as not having an extremely established syndication business for many years and be able to do something like that of course, but not the way you did that early. Congratulations again, I want to jump right in and again, I encourage you as the listener, if you didn't hear us yesterday, I encourage you to go back and listen to the first part of this episode with Josh and just an amazing story and we'll go through a little bit of that.

Josh house-hacked a fourplex and then you got into this business, you got 21 unit after meeting his business partner and then amongst some other partnerships but ultimately, what we're talking about today is how he raised six million dollars in 30 days and we focused yesterday on

building the relationships and the onboarding process and keeping that relationship going and then specifically a Facebook Live strategy that somebody challenged him to, and it worked.

I think your goal was 500,000 in 30 days, is that right Josh?

[0:01:49.5] JF: Right, that was the goal.

[0:01:50.5] WS: He surpassed that a little bit there. It's awesome but a big thing, a big part that where we left off was talking about the referrals. I wanted us to continue there and I want us to – we're going to continue the conversation and go a little more in depth about some other things and systems that he's put in place and people he's hired.

At that time, raising that kind of money, even at any point in your business, this is - referrals are just crucial, we get more and more referrals all the time and it's great to hear that, right? "Such and such referred me to you, they had nothing but great things to say."

That goes so far with an investor, but one thing that I know that I do not hear very often and what Josh brought up that worked for him is, people don't ask for referrals, they don't ask, "Do you know anybody else that could benefit from this type of opportunity?"

Josh, I wanted to jump back in there because you listed a couple of things there but I wanted you to highlight maybe how you did that when you were going through that process and let's talk about that a little more in depth.

[0:02:48.0] JF: Right, initially going through the process, before the challenge ever even started, I had only raised about 150-ish thousand dollars and just never really saw myself as much of a capital raiser so ending that 30 days with having raised six million was astronomical for me, just like I feel like it is for everyone else here in the story of, "Holy cow, how do you do that, how's that possible?" I mean, I don't know, I was just myself, I was just genuine, I was just talking to people and then getting those referrals.

When the referrals really kicked in wasn't actually until day 11. Because I wasn't really, I guess of the mindset, like I said, of capital raising and business ethics and then how really building that

strong relationship. I was just trying to be myself as much as possible but we were getting educational advice as the challenge was progressing. Every day, we'd get a little video and we'd get a little piece of home work and then a challenge that we would need to do for that day. Maybe a PDF of something to fill out or whatever it was and then on day 11, I remember, there were some people going through beta-testing of this actual challenge before us but we were all part of the same Facebook page. Some of the beta testers, they had already gone past day 11 and some other significant days that everyone really enjoyed, they were like, "Day 11's the best," and someone is like, "No, it's day 22, without a doubt." You know, whatever these days were.

For us, going through the challenge for the first time, actually having paid the money and ended on the back end of that. We were like, "What the heck's on day 11, the heck are we going to see?" Day 11, I remember, it was when he said that we needed to be asking for referrals like, "You guys have got to be, don't end it with just the pleasantries, don't end it with thanks for giving u s a call or giving us a shout or whatever, thanks for trusting us with your money. It's all good stuff to say and maybe you should still say it but make sure that you're ending the phone call by asking the question of if they think that they know someone else that might be interested and another opportunity like it."

Another big thing we had to do before we led up to that day because he could have told us on day one, "Hey, ask for referrals, it's going to be huge, ask for referrals." Every day was kind of like a buildup, it was kind of like a mindset shift, changing your perspective, getting you to be, I guess, a bigger professional or someone that knows more about capital raising, I guess, I don't even know, I was learning it, going through the process and I remember those first few days, he was telling us, "Hey, you guys actually are providing an opportunity here because a lot of people don't go out and try to raise money or ask people for money or do Facebook Lives or whatever on social media specifically because they feel like they're begging money and whatever." He's like, "You've got to get out of that mindset, you've got to be in the mindset that you actually are providing opportunities to people that they otherwise wouldn't have access to."

Really, there's way more capital out there than there is deals and he gave us some statistic, it was like, some astronomical number like, there's trillions of dollars out there somewhere in one specific type of IRA or something and like think about how many deals are out there that could

actually have that amount of capital put into them, it's like holy cow, there is a lot of money out there just floating around and people don't know what to do with it, they don't know it's an option, they don't know that all these opportunities are out there so educating people and then realizing that you are providing a legitimate opportunity was step number one, before he could really dive us into telling us we need to be asking for referrals.

[0:06:22.5] WS: Okay, it's interesting you say, day 11 is, because of the way you received this information, you knew it by the day but also, I wanted to mention though, you were – how soon in that process did you start receiving calls or, you know, were you just connecting with people online and then you said, "Hey, let's schedule a call?" Tell us about that process, how soon that started to happen and how that functioned a little bit?

[0:06:46.6] JF: It honestly probably took about a week, about five to seven days before I really had a legitimate offscreen call scheduled with someone. I remember those first few days, I was never really on social media previous to the challenge so getting on there, I guess I was just entering back into the algorithms of people actually even being able to see my face and see what I was posting.

I got a couple of likes and maybe a comment or two. "Wow, I didn't even know you were in aviation." They didn't even know what my day job was, nevertheless the fact that I'm buying multi-family deals and so, it was some of those really old high school friends or something, just wanting to know more about me and what the heck was going on in my life, wanting to catch up and touch base.

I might have had a few offscreen calls previous to day five or seven with some old high school buddies just asking me what I'm doing but they're not interested in real estate. They just wanted to catch up and chat and it was fun, it was fun getting to talk to old friends but when it really got into the depth of people like, "Okay, I'm legitimately interested in the fact that you're providing an investment opportunity. "I actually have capital," or, "I know someone with capital or, "I got an IRA," because now I said somewhere in there like "Hey, did you know you could invest through an IRA?" They're like, "I had no idea, I thought I had no money but I've got 400,000 in this IRA that's been sitting there for 20 years. I didn't know I could do something with it."

Now, the phone calls were starting to come in and they weren't coming in, I didn't even have Calendly or any kind of calendar scheduling set-up, it was just like, "Hey," just texting and then looking at my calendar, seeing what was good for me, texting them back.

I should have had a little bit more systems in place because it was a little chaotic of trying to schedule all these phone calls.

[0:08:30.7] WS: It worked either way.

[0:08:32.3] JF: Yeah, but it worked, we made it happen. Yeah, probably about day five, day seven, I was actually starting to get phone calls with people. Then, like we just mentioned, it wasn't until day 11 that I was like, "Dang, I should reach back out to those people and ask for referrals. We should go backwards and make sure we're getting as many connections here as we possibly can."

[0:08:56.5] WS: Do you know a or have a rough percentage or idea of the people that you talked to, or even the number of people that you talked to, but how many of them were people that you already knew like from way back when sometime or just somehow, versus brand new connections?

[0:09:14.1] JF: People that I already knew was probably, the total that we raised, the six million, probably about a million of that came from about 25 to 30 investors and then, from one million to six million was all referrals.

The 25 to 30 people, that was strictly people that I already knew, people that were already following me for however long and they had no idea what I was into and they just wanted to know more about me and so the Lives were allowing them to know more about me without having to be on the phone with each individual person. It's like having a personal conversation with hundreds of people, them getting to see this life video of you.

Then they see that, they get to know more about you and that's when they want to learn more about you, they're commenting on your posts now maybe to start off, to see what you're all about and now they're direct messaging you to see a little more of what you're about and then

you finally get them on the phone and then that's where the magic happens. The rest of the – the majority of the money came from newer investors.

[0:10:18.3] WS: Just wondered about that because I knew that something that's on people's minds as they're hearing this or they're trying to do the same thing that the majority of this was people you did not know yet, you built that relationship on Facebook and then in person or over the phone I mean.

It's interesting too, one million from 25 to 30 investors but then, from the one million mark to six million, it was often referrals. That's very interesting and it's just good to know who you need to be asking, you need to be asking for referrals.

Any tips on that ask? During your first conversation with someone, typically, it's hard to ask for some of you, you feel like you shouldn't ask for something like that, right? They just met you, how can they refer somebody else or what are your thoughts about that and how did you handle that?

[0:11:04.3] JF: I think going backwards from even getting on that first call, it comes from what we were just talking about earlier with the mindset of realizing that you are actually providing opportunities. Even if they don't know you extremely well or even if they say no. I was surprised, some of the people that said, "No, I'm not interested in investing," or, "I don't have the money right now, I don't even really like real estate as an asset class." That was a weird conversation like, well then "What?" I couldn't fathom that one but some of the people that even said no, still had referrals like, "Yeah, well actually I do know someone that is interested in real estate," or, "Yeah, my uncle's been talking about it every Christmas or whatever that he's trying to invest more in stocks or something, he wants to invest more. Maybe he'd be interested in real estate."

It was crazy that even the people that weren't interested, whether if it was at that specific time or they just weren't interested at all, they had people that they knew that did have access to capital. I think the biggest thing is first realizing from a mindset perspective that you are providing an opportunity. Then realizing, you're coming from a place of helpfulness. You genuinely want to help this person, you genuinely want to help whoever they have connections with, you're not actually begging for their money or for someone else's money. When you ask

the referral question, it has to be coming from a place of true desire to help someone and to benefit others and if you know that you're always coming from that place and maybe they're turned off and they don't like the question or they get antsy then that just is what it is. At least you asked and don't be rude about it by any means. If they get antsy or don't want to give you any referrals that's fine. At least you asked the question, at least you came from a place of wanting to help someone.

[0:12:54.1] WS: No, that's a great answer because it's very true, you gotta come from a mindset, knowing that you're adding value to this person and hopefully someone else as well. Yeah, you're not just asking for money, right?

As successful as it was, I mean, wow, right? You did so good at this capital raise. Knowing what you know now, is there any way that you could have improved it?

[0:13:16.5] JF: Wow, is there any way I could have improved it? I guess, at the end of the day I could have raised more money. I think I would have already had the systems in place at that time of entering into the challenge because like we talked about previously, entering into that challenge, I had never really raised any money. I had a podcast at the time, it was just kind of growing, we had only started it a few months prior. I didn't really have a big audience. I didn't have any CRM or automated emails or ways to keep in touch with people, it was all just me having to remember all the stuff.

That's a horrible way to go about it. I mean, it turned out good and it turned out alright but if you're trying to go about life remembering everything then it's just not going to work. I wish, to make it better, I would have had things in place where, "Okay, someone's interested in investing, let's put them in a funnel over here."

Once they get in that funnel, let's send them a card to their house, let's send them some brownies, let's put them in this email list, let's make sure that I have some type of automated thing that goes on my phone that says, "Hey, touch base with this person again in two weeks, touch base with this person again in a month." And then make sure I was always taking notes on every investor that I was talking to so I knew what to talk about with that specific person when the time came to re-touch base.

Those were some of the things I was not doing, I was not continuing to touch base with these people. I added them to our monthly newsletter list which was about the only form of communication I was having with these people at the time.

For all I know, it could be going to spam, they could not even be hearing from me for months on end. I would have definitely had more touches and more continued connections to create a truly genuine connection with these people so that I could stay top of mind when they're thinking about investing or when they're talking to their uncle at Christmas or when whatever is happening in their life that has to do with wanting to grow their financial freedom, financial independence they think about us. That's something I would have done.

[0:15:14.5] WS: Great, I would have done the same. When we started the podcast I did not have a great follow-up system and it is something that we have been working on non-stop still. I mean it's just always this evolving thing that you're always improving or trying to, attempting to improve so you can provide better content and educate people, stay in front of those investors. Tell us now a little bit about that machine or that system that you've created for marketing or for follow-up. What did you put in place? Did you hire people? What did you do?

[0:15:40.9] JF: Yes, so I wanted to create more. I wanted to do everything I just mentioned and that was for some of the things that were coming up from people I was talking to, podcast interviewees that I was having on the show that were giving me all of this great advice and reading books and all these other stuff. I was getting these ideas and this knowledge, this education of different things that I could implement and do. At that point, I realized, "What the heck am I doing and why am I not doing all of these things? How much further along could I be if I just had some systems in place?"

Initially, I was like, "I'd love to implement some of these systems, let's see what we can do," and I started doing some research and realized it was going to take a lot of time to go through that learning curve of how to set-up automations and do all of this stuff on the CRM and pay for a good CRM. That was going to cost money and then I didn't really know what the heck I was going to do. Like, "Okay, I've got the CRM, I'm paying for it, maybe I know now how to implement things but what's my strategy? What the heck am I supposed to do?"

Those were some of the things I was trying to learn but at the end of the day, I was clueless and so I was like, "Okay, it's going to take a little bit of capital to really get this thing up off the ground and get us to where we need to go." At that point, we'd started closing some deals and I'm like, "Okay, now I've got some financial backing. Let's start dumping some of this money into the business so we can continue to grow."

Initially we hired out all of the backend podcast editing and marketing because I was doing every – from April of 2020 to December 1st of 2020, I was doing everything from creative, getting guests on, doing the interview, all of the editing, video editing, all of the communications with the guests. It was ridiculous, the marketing, everything.

It took about six hours per episode for me to continue doing that. It was so time consuming, I couldn't fathom it and so I knew I needed to get some more time. First of all, so that I could have time to continue educating myself on what I needed to do otherwise, while the podcast brand continued to grow. That was the first thing I did. I outsourced that to free up a ton of time and that was fantastic. It was one of the best decisions, I do not regret it at all.

Then after that, I said, "Okay, now I need to hire someone to help me with social media," because going back from the challenge, it was like social media was huge for us and if I've already got a presence there I just need to continue growing my presence and continuing to allow people to know what it is that I do. Then we hired a social media manager at the beginning of 2021 and a lot of times when I tell people I hired a social media manager, the first thing that goes into their head is thousands and thousands of dollars a month, this is a giant corporation, this is a giant company, they know what they're doing, they're handling everything. That is not exactly the approach we took. First of all, we didn't have thousands and thousands of dollars to throw away every month on this company. I actually got some referrals and some connections. Going back to referrals, some referrals from other people that were either doing something like this or a company that I thought looked very reputable and that had great reviews on their platform, like, "Hey do you know anyone that is doing the social media thing? That has this?" Then I'm getting a referral from someone from this one woman show that she runs her social – she's a social media manager and she does all of our postings for us. I –

[0:19:04.4] WS: Are they in the States? How did you, you know, are they full-time?

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[0:19:07.5] JF: Yeah, so they're full-time I guess but what they do I guess, that will be a better answer if I just tell you what they do. She is on each one of our social media platforms every day for 30 minutes a day and we have got three platforms we're on now. Instagram, LinkedIn and Facebook, so for an hour and a half a day minimum she's on each platform commenting on people's posts, liking people's posts, direct messaging people, finding new people to talk to. Just trying to stay interactive on all of these social media platforms, then she's also coming up with creative content. I help a lot with the creative as well just as far as like the how-to's of syndication and making sure that she's representing our brand properly but she comes up with captions, graphics and she puts all of that stuff together. We have it all scheduled out for like a month in advance, it's kind of nice.

[0:19:57.2] WS: Yes, good for you.

[0:19:58.0] JF: She does that and then she's kind of the strategist as well, helping us decide what it is we need to do, "Hey, we've got a few personal posts here but maybe we should incorporate some more educational," or vice-versa like, "Hey, you're blasting out too many graphics, people want to see your face. They want to see a video of you, a picture of you, you and your wife eating dinner, whatever, like let's make sure that we have a good mix here."

She helps with that and then she puts together all of the hashtags, so that's what she does and then to wrap this up real quick, then we've got the marketing manager and he's kind of like our – he's got a full-blown company behind him. He's the strategist and really has all the knowledge and education on what it is we need to do as far as back in CRM's, email automations, integrating like every platform that we use like Calendly and SendOutCards and ZenDirect and all of these other –

[0:20:47.5] WS: How did you find that guy?

[0:20:48.2] JF: That guy I actually found from Active Campaign, so from Michael Block I found out that Active Campaign was what I need to be using for the CRM and then Active Campaign has like a referral network or like reputable license contractors or something and so I just used his company.

[0:21:05.6] WS: No, that's awesome. Yeah, a lot of those CRM's will have people that they're trained to buy that CRM system and whatnot and they know it very well and so they'll have people they recommend. That's incredible Josh, it's been great just to hear your story and your ability or what you were able to accomplish there and I hope it's been very inspiring to the listeners also and even as if it – it wasn't extremely successful, you know you talked about just ways you could improve it, right?

If you would have had those systems in place but I think it was probably some limiting beliefs there and it would have been anybody, you didn't expect that kind of response, right? If you'd have raised half a million, you probably would have said, "Man, that worked out well," right? It was a success to say the least but it went so much better than that. Again, congratulations but a few final questions before we run out of time. I like asking about just some daily habits that you are disciplined about that have helped you achieve success.

[0:21:58.1] JF: A few daily habits, so I started *The Miracle Morning* routine about a year ago and then I incorporated the miracle morning routine with Brandon Turner's *90 Days of Intention* journal. *The Miracle Morning* routine, it was just like any journal with blank pages you could just write on. Then instead of just doing blank randomness, I said, "Well, I'll be a little bit more intentional about it with this intention journal," and it has a lot of pre-set out things of like what are your top three goals were trying to achieve in the next 90 days? What's your goal for like the next two months? What's your goal for the next month, next week, next day, next hour, next minute? It just reverse engineers everything.

Doing that every morning has been a huge help making sure I stay consistent and exercise and just lifestyle things helps a lot and doing it in the morning has been huge for me because it allows me to center my mindset and my day on, "What are my goals, what am I trying to achieve, you know, what am I waking up for every day?" It's Christ, it's my family and then it's business and it's like I got to get this thing going and we've got to make this thing happen so we can get out of this W2 and live a life of freedom.

[0:23:07.3] WS: I'm grateful for you sharing that. My morning is the same, I have very similar, Christ, family and business. I just love that but yes, up early every morning and I also, *The Miracle Morning* is one of the first books that I read. I don't know if it is like five, six years ago

now but I remember reading that book and that – just creating that routine in the morning is just crucial. You don't know what that morning should consist of at first exactly but at least try, right? Then you could edit it and you could change it around but get started.

What's your best source for now Josh for meeting new investors?

[0:23:39.7] JF: Best source now, I think one of the huge things that we've just been hitting on continually is that referral base. I mean one of the big ways that we're getting new audiences to get new referrals from currently is the podcast and social media. Social media has probably been the biggest thing for us. We also hired another – I mentioned we hired a social media manager but we also hired a social media – I don't know what you'd call them, basically, they go out and send out like 600 to a thousand new direct messages over the course of 90 days to new potential investors just to try to get the conversation started and then I go on the back end after they've done all the scheduling and actually have the phone calls with them.

I've probably created like over a 100, 150 new connections just from social media over the last 30 to 45 days just from being active and making it a point to go out there and meet new people.

[0:24:36.7] WS: Are those people in the States or are they in another country?

[0:24:39.8] JF: They're all in the States, just all throughout the United States.

[0:24:42.3] WS: Okay, I just wondered. What's the number one thing that's contributed to your success?

[0:24:47.6] JF: I'd say probably my drive. Probably the will to never give up because there's been plenty of times that I could have given up and that if you looked at it from the outside in, probably should, have especially way back when at the beginning stages when we were going through the whole fourplex thing and how it ended up taking a year and a half to finish the renovations when it was only supposed to take six months. We only had six months of reserves set aside. We didn't have the money to pay the mortgage, so where did the money come from? I don't know, Jesus just made it show up, but it was like we should have not been doing what we

were doing but just continuing to work at it and continuing to know that if I just don't quit like I'll eventually win. Eventually, this will be good.

[0:25:29.7] WS: Awesome. Yeah, I appreciate you sharing that and it reminds me, we watched The Chosen and if listeners haven't saw The Chosen, you should look it up. You have to have the app or download the app though and we're watching the one last night where Peter is just at his wits end and he's out fishing all night long, no fish, no fish, no fish and then all of a sudden, you know, anyway, you should watch it. It's an amazing episode.

Jesus is there and his cashew nuts over there and he has no – I mean he just doesn't believe anything is going to happen, right? Of course they could hardly get them all in. Just an incredible story but I appreciate you sharing that. Tell us how you like to give back?

[0:26:02.8] JF: How do I like to give back, I like that you asked that question because it's been something I've really been thinking about. The whole purpose of us getting into this was to give back, was to have more time with family, so that we could also have freedom of time so that we could give more financially and give more with our time, whether it be with a charity or with the church or whatever. My wife's been challenging me and shout out to my wife, she's been the leader that she shouldn't have to be in our spiritual life over the last year of me really diving into this, so shame on me but she's been like, "I really want us to get into some more charities," and she has a passion for human trafficking and so like homeless shelters and that kind of thing. She wants us to get more involved timely with those things because my initial goal of getting into it was, "Hey, let's get to the point where we got hundreds of thousands of dollars that we could just give away."

You know, that would be huge. That would be such a great help to all of these different industries and organizations that we want to help and she's like, "That's great. Yes, when we get there I want to do that but what are we doing now? Why are we just waiting for the what if and the when and the when this happens? We've got time now, let's get out there and let's start helping people with what we can do," and I'm like, "You're so right." The way we like to give back is spending our time since we don't have a whole lot of money right now.

[0:27:15.1] WS: Awesome. I appreciate you sharing that. It's so important, yeah, if you are not giving now, you're most likely never going to give no matter if your income increases, so I appreciate that Josh. Great show, great story, I appreciate your dedication and just your drive and congratulations again on not quitting when you were in the middle of that fourplex and even just pushing through the 30 days and learning so much and now being willing to share it with us.

So many things about your process that I hope the listener is taking away and myself and so tell them how they can get in touch with you again and learn more about you?

[0:27:45.5] JF: Yeah, so you can check out our website, ferraricapital.com. We've got a free eBook on there that just teaches you what the ins and outs of syndication are because that is our primary niche. Then we've got our monthly newsletter you can get in and a lot of people like to get into that sheerly from the standpoint of wanting to learn market specifics of our local area. We also have what new investment opportunities we have going on and typically some type of educational piece of information. We also provide what's the market data and Mobile, what's the cap rate? Are new businesses coming in or they're leaving? What new businesses are coming in? How many new jobs? People just seem to just soak that up. Sign up for that and you'll get all the updated market data on Mobile and this Gulf Coast panhandle here.

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[0:28:43.0] WS: Awesome, that's a wrap Josh. Thank you very much.

[0:28:45.7] JF: Sweet, talk soon.

[0:28:47.1] WS: All right, bye.

[END OF INTERVIEW]

[0:28:48.2] 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]

[0:29:29.2] ANNOUNCER: Thank you for listening to the Real Estate Syndication Show, brought to you by Life Bridge Capital. Life Bridge Capital works with investors nationwide to invest in real estate while also donating 50% of its profits to assist parents who are committing to adoption. Life Bridge Capital, making a difference one investor and one child at a time. Connect online at <u>www.LifeBridgeCapital.com</u> for free material and videos to further your success.

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