

EPISODE 968**[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]

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Whitney Sewell: This is your daily real estate syndication Show. I'm your host Whitney Sewell. Today, our guest is Dave Dubeau. Thanks for being on the show, Dave.

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Dave Dubeau: Whitney, it's a pleasure and honor. Thank you, my friend.

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WS: Yeah, I'm honored to have you on the show. I know your expertise in topic we're gonna talking about today is very popular and very sought after among our listeners, really anyone or any business for sure. But, Dave Dubeau has been an entrepreneur since 1994 and a real estate investor since 2003. After failing miserably at his first attempt to raise capital, he applied intelligent marketing to the process and discovered a way to raise money without rejection. Since then, he's raised millions for his own deals and has helped his clients cumulatively raise hundreds of millions for their own deals.

Dave, welcome to the show. That skill set alone is something that takes some time, take some thought, takes lots of hard work. No doubt about it. When I first started, you think there's all these people raising all this money, and what I've come to learn is that there's not as many people that can raise many millions as you may think. But you've created a process and intelligent marketing looking forward to getting into that give us a little more about how you got

to this point. Maybe what you're doing, our focus in real estate and then let's jump in.

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DD: Alright, perfect. Yeah, so basically, thank you for reminding me about that, I started raising capital by failing miserably. Like a lot of folks, I self-financed my first few deals, so that... This isn't all that long ago. This is back in 2010. I've been doing real estate investing since 2003, but when I first got started was a creative low money, no money down to ideals, did that for a few years, got out of that for a while and got back in, started doing single family homes and sell finance, my first couple of deals, then everybody around a cash... Right out of credit, hit the wall. And I don't know about you, but I heard this thing, it's like from the heavens above -- find a good deal and the money will magically find you. Have you ever heard that expression?

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WS: I have heard that. Many times.

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DD: So I drank that KoolAid for a while. Bbut I think, "Hey, you know what, I've got this deal, 'cause of course, that's when a really great deal landed in my lap, I've got this deal. It's a good deal. I had figured out what the split would be if I was working with an investor, it was a proactive," so I've got this good deal but I know I need to go out and start doing something to find some investors.

So I'd also heard, if you need to raise money, pick up the phone and start dialing for dollars, so I wasn't keen about that, we need to be perfectly honest with him, but I thought I'll give it a try, so I picked up the phone, dial, dial, dial, rejection, rejection, rejection, hang up, hang up, hang up. And to be perfectly frank, my fragile literally ego could not handle that much rejection, so I'm quite dialing for dollars after a while, not very long, actually. And then I also remember, "Hey, you gotta go deal, go out there and turn every conversation into a real estate conversation, go with their network, smooch, use your 30-second commercial, your elevator pitch, whatever you wanna call it, take their business cards, all this kind of stuff." So, I was under a bit of a time crunch, so I'm running around local chamber of commerce luncheon meetings, P and I groups, post masters wherever, there's a group of people, and they let me in the door, and I went and I was shooching up a storm, getting courage, 30-second comers galore. Zero. Alright.

Then I thought, you know what, it was just so stupid. But 2009, this is such a good deal. It just enough people saw it, it would sell itself. So, I put together a list of about 200 people that I knew, and I emailed them a PDF overview of this deal and waited anxiously for all the money to come rolling in, and this was the only thing that I did that showed any sign of life. So I started getting some email replies back, but basically they're saying, Dave, I have been heard for me five years or 10 years, one guy hadn't heard for me in 18 years, and here you are, hit me up for cash. Take A hike, Buckaroo, or some version there of us not that polite.

And bottom line, Whitney, I lost that deal, I had to back out of that deal, I couldn't close on it, and I live in a fairly small town, so I was a massive ego in my face that obviously seller was ticked off the realtors, mortgage borders, ticked off by client. This was tenancies rent, and I was doing what the client was super ticked off. And I said, You know what, I don't wanna be in this position again. This sucks, this was before you add smart guys like you with shows like this on podcast, and what do we end... Got some training and stuff and how all about, "Hey, you know what, get better at dialing for dollars, or get better at moving, or get better at sales presentations," all this kind of stuff. And I get my head and shake and I said, Dave, if there's one thing that you're reasonably good at is marketing, you've been doing marketing for your own businesses in other people's businesses for a long time, why don't you apply marketing to raising capital. So, Whitney that's what I did. I started applying what I call intelligent marketing, and since then, raise a bit of money for my own meals, but more importantly, I've helped other what I call mom and pop real estate entrepreneurs get started with raising capital by doing it in a smart way, going after the low-hanging fruit first.

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WS: You call it, you fail it on that first deal or rejected so many times, all that, and then you almost quit and all that. I just think that's so often that an entrepreneur, we get kicked right in the face and it shows that, keep getting back up and finally make it. And that's what really... You're a story is, it elaborates there. It's like, man, you're rejected so many times, you didn't give up even the email to 200 people, you get all these replies, however, most of they're really teaching you, "hey Dave, I haven't heard from you in 18 years, you know, sorry. see you later." Right? But, you learned so much from that. You learned a lot from all those responses are the lack there of...

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DD: Yeah, learn what not to do. Exactly.

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WS: That's right. Well, I wanna jump in to that marketing piece, you're talking about this intelligent marketing, I know the listeners ears are peaked thinking, "Okay, I wanna know how to do this, what Dave has done." Walk us through some of that and how you're helping other people also raise money like this...

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DD: Yeah, well, that's a really good point. So, a couple of foundational principles to go around this, and after that experience, I said, I don't wanna be in this situation again, where I've got a deal and then now I'm scrambling out to the investors, I'm scrambling up for the money. Because that's just really, really bad position, that's when you're needy, you're desperate and Steve Chandler says needy is creepy. And it definitely is. So your investment, even if it was a good deal, it kinda turns them off if you're chasing after that. Does that make sense? I mean the deal, I always say the money comes first, have your investors lined up ready to go, have a bench of a player, investors might have a bit to invest in your next field and then go again it... You now, you know you've got the money to back you. So that's the big picture there.

Now, the first step on this, it's really all about who are we going to be approaching and Whitney I know you've got a lot of big time syndicates, you've got people or as in millions and maybe even billions for deals, but when it comes to like mom and pops just getting started with raising capital, I think the smartest group of people to go after are people that you have a pre-existing relationship with, people in your sphere of influence -- your friends, your family, your co-workers, people from insurance, people from her civic organizations. You know them, they know you. In order for people to invest with you, they need to know you like you and trust you, when you start with this group, they already know you very lighted, now we just have to work on that trust factor. Does that make sense? As we start with, is that target group.

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WS: So people you already know, you already have part of that formula together, you hopefully have a lot of that trust in place. They already know you and hopefully they already trust you to some extent, but they may not trust you yet in real estate right?

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DD: They trust you to babysit the dog for the weekend Whitney. They might go, trust you with 100 grand yet. Alright, that's what we gotta work on that trust factor. But that's where you wanna get started, and then we want to avoid that clumsy blamed china shop thing that I did was, "Hey, it's Dave, I've got a deal, if you got any cash." And so, what would you wanna do first? This is the first part of marketing, it is marketing, but it's very strategic marketing. It's not an investment that we write that it's setting the stage for everything that's gonna come. So, here's what we do with our clients that works really well with me, and we do a very simple three-step warm-up campaign, right, so where we got that target group, let's say 150, 200 people that you got that pre-existing relationship with, let's start off by reconnecting with them on a personal level first, before we start talking business.

So, what I always recommend people do is get those in those contacts applied in some sort of email auto-responder system, there's a ton of amount there, a CRM or what have you, and then write a really personable kind of email, catch people up on once you've been up to for last three, four, five years. Very, very personal. If you're married a wife, the kids, remind people names and ages, what you're doing for work, what kind of trips you've been taking pre-Covid. Well, you don't, perhaps what's been going on with your life for the whole Covid thing is, you don't catch people up... I call this the Christmas letter from Aberdeem 'cause I don't know if you remember back in the day when people used to actually write letters before, inter web and all that stuff. And it's that idea. It's a nice thing. And at the end of it say "hey, well, that's what I've been up to. How about you? I'd love to reconnect. Please just hit reply to this email and let's connect." So say that out to your couple hundred contacts, and then here's the really important part of that Whitney, have a genuine reconnections with those people when they reply back to you.

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WS: Say that last part again. I think it's very important.

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DD: Yeah, have a genuine connection with those people when they reach back out to you, I have some back and forth, because there's money in those reconnections... Right, that's the first one, we have a three-step. Second on the same idea, but a very short little video message, it's just a lot more personal, engages a lot more the other person's brain, and again, at the end of

it, say, "Hey, that's what I've been up to, please have reply to this email, I'd love to reconnect with you." Okay, so dang, first one goes out three or four days later, and the second one goes out, you're replying back to people, and then the third one is where the magic starts. So this is the transition message. So there's last message again, I recommend be a short little video message is you give people the heads up that you're gonna start switching gears and you're gonna keep in touch with them, but are you gonna start letting them to know what you're up to with real estate investment, so it might go out, I guess, "Hey, it's Dave, it has been really good reconnecting with you last week or so, I wanna let you know the moving your hand or playing or doing a much better job of staying in touch and letting you know what I'm up to is real estate investing. Real estate is where I am really passionate about. I'm doing really well with it. In fact, I think real estate is the best way for everyday folks like you and myself to make it above average return on our money backed by a solid tangible asset or a real piece of product and who knows, maybe sometime in the future, you might wanna part with me and share in the profits on a deal. But you know what, if you really got into real estate investing, that's okay, you can always click unsubscribe at the bottom of any of my emails, you'll be taking off my list immediately. My feelings might be here for a little bit, but I get over it eventually. Alright, in the mean time, if you haven't had a chance to get back to me, please reply to this email, I'd love to catch up." Send that one off. Alright, and now what we've done there Whitney is we've had some genuine reconnections, we've got the ball rolling and we primed the pump to start the marketing. Does that make sense?

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WS: It does. So is this, we only move forward if they've gotten up to that third reply is that people who have never responded to the first time... What are you doing with them?

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DD: I keep them in there because again, this isn't a cold list, these are people that you have a genuine reconnection with. To be perfectly frank with you, if you've got 200 people on your list, you're doing pretty well if you get 30 or 40 replies. Alright, it's not like all 200 are gonna jump in the bed, reply back to you. Plus you're in on songs it individually using an email auto responders or some of them end up and junk mail and that kind of thing, but you're... On average, you're probably gonna get 30 to 40 replies there. Surprisingly now, if you're probably only gonna get the four or five people opting out of your 200, that's the pleasant surprise, very few people actually opt out because you already have that connection right? Now they might opt out a little bit over time and again, you have some people bringing them in. So it's an ongoing process, but

it's nice, it's the first kick of the can, that's kind of the pre-marketing marketing.

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WS: Okay, so now you've told them, I'm gonna keep you up to date. I'm gonna tell you about my real estate deals, maybe we can partner in the future, what's next?

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DD: Here's what's next, you're gonna be ready in case some of them actually went out and say, "Hey, Whitney, what is this real estate thing you're doing? Cool, I'm interested." 'cause most people...aahhh. Now what, right? So the next step is make sure you got a good investor presentation put together, so when somebody reaches out, if you've got something to show them. And I usually recommend, especially for people who just getting started, a slide show presentation, a little PowerPoint presentation, it doesn't have to be too long, but it walks people through the whole process. And here's a really important for your listeners and viewers that you can find is at least, especially at this level, most of the people that you're reaching out to, are not, and don't take me the wrong way, they're not real estate weirdos like us. Okay, I say that with love and affection, but you know what I mean, right? You know, we spend a lot of time in podcast, we're talking to other real estate investors, but the general public isn't like us. So we gotta keep that in mind.

So all of our communications, all of our marketing needs to be pretty Reader's Digest level. For adults, but it's written at a level that an average 13-year-old can understand it. That's my philosophy around all of our real estate marketing. Keep it pretty simple, keep it *edutaining*, a little bit educational, a little bit entertaining, because again, the people that are getting this, they're not real estate keeners necessarily like us, their average folks.

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WS: I think that right there is very wise. It's just great advice to keep it simple, 'cause if your investors confused at all, what's their answer gonna typically be?

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DD: No.

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WS: No. That's right.

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AB: Yeah, a confused mind always says no. So, have that presentation ready, goes. So when people start reaching out, it's great. Whitney, my whole philosophy about raising campaign without rejection revolves around this, that we do all of this marketing and we encourage people to reach out to us instead of us chasing after them. We encourage people to click on our calendar and book an employment with us because that conversation is a complete 180 from you or I desperately chasing after somebody trying to convince them to take a look at our presentation. Does that make sense? That's the whole thing to get them to come to us instead.

So have that presentation ready, that next step is, okay, let's start kicking things in the year with some marketing, so all sorts of things you can do here. I suggest everything should start with a really good investor-focused website that could be your online marketing hub, everything comes from it, everything brings people back to it, to consume your marketing. And then everything leads people to click on that big green or blue button, Contact Us, which is that takes them to a booking page to book a meeting with you.

So different things you can do for that. Monthly electronic newsletters are very, very effective. So every month you got a newsletter that are going out. Again, keeping it *edutaining*, not too heavy. Have some fun stuff in here. Ideally, some people kind of look forward to even getting it, they get... Again, let track a lot of it, put your personality in their biggest mistake I see, we make it to their marketing is they're boring, boring, boring. And it's charts, and pie charts, and analytical stuff, and numbers, and all these kind of stuff that the average person doesn't really care that much about like analytical, but most people are not analytical. So keep it Reader's Digest level, so we've got electronic news, other things that work really, really well, video logs. I'm a big fan of video logs, and it's not because I'm so darn good looking. Although my wife says I am, but I think she's biased. It's because videos work really well, so a short little video log' two to three minutes long where you're explaining one basic concept. You don't go too deep, you don't go too wide... You just kinda have a little video stamped where you explain a concept or maybe use an example to show how that works.

So, for example, if we're doing syndication for multifamily properties, which I think a lot of your folks are, well, you can explain what the different profit centers are in a real estate deal and a

multifamily real estate deal. So depending on how you come, there could be six, seven, eight different profit centers, well, that could be a seven or eight different video logs, each one, just kind of explaining that particular project. For example, cash flow, what is cash flow? Don't assume that the other person automatically understands what cash flow is, so you explain what it is, and then you show a little example of how this has worked and one of your deals and ideally how it has benefited your investor partners. So try keep it all about what's in it for them. So your video logs, blog posts are very effective as well. If you wanna get fancy pants, you can actually do direct mail to your investor list or at least a portion of it as well, again, so just do a printed version of that newsletter sent out by mail, very, very effective, especially these days Whitney because nobody's doing it. Right? So, you're lucky if you're sending out emails, if you're getting a 25%, 30% open rate. You send out a direct mail, you're gonna get 100% of those people actually looking at that, so there's a few solutions for you.

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WS: Great suggestions. How often are you sending this out to them, whether it's email or hard mail?

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DD: Emails, I'm perfectly comfortable with communicating at least once a week with the list. Alright, rock bottom, minimum, get started with once a month, but I feel that people are just way too freak out and they're gonna overwhelm people with too much information. No, you do a daily podcast for grind out. Look, and people consume that. So once a week is what you wanna be working towards, and don't worry about people being overwhelmed as long as your marketing is as you can, you're providing some value and a little bit of fun with people will look forward to get.

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WS: Tell me a little about maybe your choice of CRM and how does someone, I mean there's so many, I've gone through a few and it's a big process, but it's crucial, if you're gonna start managing, say a list of 200, obviously you're hoping that grows to a 1000 and then many more thousand. Right, how do you manage that and what kind of CRM do you recommend them to use?

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DD: Well, we've actually just started our own kind of in-house CRM, I won't claim that we've covered from the ground up, 'cause I'm not a tapping kind of guy, but it's a white labeled CRM, we called it MOJO investors, not available to the public at this time. But there's lots of different CRMS out there. You don't have to start with a really robust CRM. The one I've kind of most familiar with it personally is Infusion Soft, but that's actually wait on what most people will ever need, and confusing as Excel. You know, find something that is just simple and works for you. What have you found that works better? For you and your team.

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WS: Yeah, we personally use HubSpot, but even that is way more advanced than what I would ever encourage any of our clients to start using, 'cause it's very expensive, but it can do so many things in one place, but there's other... there's even free software, even HubSpot has, I think of free platform, it's much more scaled down, but even that out or MailChimp, I can do most things that a lot of people need to get started.

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DD: Oh, okay, yeah. So MailChimp if I am not mistaken is more of just like an email auto responders, you're not really gonna be able to do much as far as customer relations.

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WS: Yeah, there's some like Active Campaign and there's numerous. Active campaign seems to be a pretty popular one as well, we use it for a short time. But Dave, what about just the biggest challenge you find most clients have in getting to that, that first raise and being successful?

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DD: It gets down to confidence. Really, Whitney, at the end of the day, not feeling worthy. Right, this is the big thing, right? They listen to your podcast, they see these rock stars come on and raise his millions of dollars and have thousands of units in their portfolio, and they go, How can like me, how can I get started raising capital? I've only got two properties in my portfolio on... I'm not worthy... If you remember the old wage world, right?

So what people need to realize is that the vast majority of the general population has never invested in a revenue property in their lives, the stuff I've seen is 95% of the general population

has never purchased an investment property, their own house does not count. I'm talking about an investment property. So if you've got one deal under your belt, you are already light years ahead of 95% of the non-real estate people that you know, so that's it. It's kinda like, if you remember way back to kindergarten, Whitney, I don't know if you remember way back that you looked at a kinda was in grade two or grade... The ones on three is like, Oh my goodness, this kid is amazing, they're super hero. They can tie their own shoes, they can write their name, they could add two plus two, compared to you in kindergarten where you still have a nappy time and cookies. That seems amazing.

So, it's the same thing, you don't have to have a ton of deals on your belt to start raising capitals. As long as you're doing good deals, as long as you're providing massive value for your investors, as long as you've got radar communications with them, you should go for it with confidence and start raising capital. In my mind, the other big hit up a lot of people have as they say, I don't wanna make friendship in business, family and business. That's a recipe for disaster. Yes, it can be, if you do it wrong. However, here's my suggestion for that, if you're working with friends or family, even if it's your brother, even if it's your mother, even if your adult child, whatever it is, treat it as if they're a complete stranger. So what would you do, how do you have things set up if that person were a complete stranger, you wouldn't be doing a deal on a spit and handshake, you'd have the appropriate legal paperwork put together, joint venture agreements, contracts, what have you... You would have the other person there getting independent legal advice. Well, make sure your friend or your family member does the same thing. They would wanna get regular reporting. They would have regular meetings. So do all of those same things, even if it's your parent, even if it's you're sibling. Does that make sense?

So do it professionally, and then have the conversation at a time, let's say Whitney you're not really good friends, you weren't a real estate expert that you are, you're just a regular person, and we decide to work together. The conversation I would have is, Whitney we're gonna be working together on this. That's great. We're gonna be meeting on a regular basis or earlier, whatever it is, right? So let's do that, let's keep business business, and then when we get together for the 4th of July, long weekend, let's not talk business, let's just have our friendship be our friendship, or relationship our relationship, does that make sense? Have that conversation upfront. Do all of that. Set it up for success and you'll be well on your way.

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WS: I like that, I like that advice of just being upfront with them in the beginning that we're gonna keep this separate before we ever enter into this agreement, but also having the agreement, having the documentation in place. So it is documented, everybody knows what to expect or they should if they read it, right, 'cause more times than not, you're gonna find that it's gonna come in handy. But Dave, do you have any daily habits that you are disciplined about that have helped you achieve success?

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DD: Yeah, I have Whitney. This whole Covid thing really kinda kicked me in the head and forced me to be a lot better about habit, so just having a morning routine, and I know there's a lot of people talk about this, but I'd like to get up fairly early, I'm usually up here on 5:30 in the morning, and I had started a little bit of a breathing, meditation type thing, light exercise, better reading to get me started then by the time I've started by day, I've already accomplice a lot. So I like to get started early and do those things day after day after day, and then the other thing I do is I've started tracking everything, so that way I can't let stuff slip without knowing about it because I've actually got a checklist. Did I get up on time? Did I eat the right way? Did I drink as much water as I wanna be doing? So it sounds very anal-retentive and it is... And that's not my nature. But if I track that, I find that I make much better progress.

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WS: Nice. You have to track it to know you're making progress, right, but what's your best source right now for meeting new investors?

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DD: Well, lots of different things, so I do have podcast, so that's a great way to get the word out and be seen up there. I do a lot of joint venture work with other people, and they're in the real estate realm who have followers. So my main business is, I have a real estate guy, but I am more of a passive investor myself these days, so I actually kind of either go in with my own capital with quite off my appliance on their deals or to help raise some capital for their deals that way. So I'm not actually that active in finding deals myself at this point.

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WS: What about the number one thing that's contributed to your success?

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DD: You got to have persistence.

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WS: That's awesome. You have to be persistent, no doubt about it. Dave, how do you like to give back?

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DD: Oh, well, I say you need to be as generous as you feel comfortable to me, I don't believe in feeling quilted into charitable endeavors. I believe in helping organizations that are doing good, and they're doing good with the money that is donated. So it kind of depends. I do some work with clients on raising money for their charities of their choice through book Lances and things like that, so it really kind of depends on what's going on at any particular time.

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WS: Nice. Well, Dave it's been a pleasure to get to know you better and just really hear your money partner formula, how to reach out to this list or a group of individuals that you already have a relationship with, and how to nurture that well, say you're not that bull in the china shop, right. And so, just appreciate you walking through that, I know that's helped many listeners today to really think through how they're going to approach that so they do it well and are successful, how can the listeners get in touch with you and learn more about you?

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DD: Whitney is it okay if I give you a list, a copy of my book, The Money Partner Formula, that'd be all right?

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WS: Yeah, tell them we're to find it?

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DD: PDF copy that. Well, I treat it to them for their name and their email address, that will get them into my world, and I can get that at, I spared no expense on this sign here Whitney, investorattactionbook.com, name and email address, the will get you the book, that will get you in our world. And then if you're interested in finding out more and spending some time really

taking a deep dive into this all process if they can take a look of that as well.

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