

EPISODE 1003

[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.

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Whitney Sewell: This is your daily real estate syndication show, I'm your host Whitney Sewell. So today our guest is Shelby Osborne. You are going to enjoy this show with Shelby if you are an entrepreneur, especially if you are looking to scale your business. And she's gonna tell us a couple of key things that helped her to do that well. Shelby was six-year Army vet who got out in 2018 to pursue real estate full-time as both an investor and an agent. Three years later, she owns 74 rental units, runs Five Pillars Realty Group located in both Fairville and Charlotte, North Carolina, has founded pine some properties reality investor meet-up located in several states throughout the country. Shelby also operates Life & Lens Photography, a company designed to showcase multifamily syndication projects and help investors raise private capital. So, Shelby goes through just building systems and finding the right people and how she has done that, how being authentic and you have to listen to your people but ultimately, how she found some key players and the importance of even some basic systems and things that you need to do on a daily basis as entree to scale fast.

Hope, enjoy the show.

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Whitney Sewell: Welcome to the show. Shall be happy to have you as a guest. Give us a little bit about your background, 'cause I wanna hear the story about how you became this awesome entrepreneur.

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Shelby Osborne: Sure, so all of it, it was not a plan from the beginning, I originally graduated

from the University of South Carolina back in 2012 and commissioned into the military. And I spent six years in the army in Washington State before there, before moving to Port Rag North Carolina where I built a lot of my business. But those years in the military really set me up for success in a lot of ways, 'cause they teach you leadership, aggressive actions, how to work with people, Standard Operating Procedures, all of those sort of things, and an aggressive mindset.

And that kind of laid the foundation for when I got out and decided to pursue real estate full-time as both a broker and an investor. So, I originally was like, I'm just gonna do investing, and then I was like, Oh wait, I need money, somehow decided to get my license because they nest really well, and that was back in 2018, where I did well on the Riverside. I was the caller Williams year for 2018 in all of Martinson. And by the end of that first year, I had 16 doors. And then you fast forward, we're at year three and a half now and have Five Pillars Realty Group, which is my... it was a firm. Two locations in Fairville and Charlotte as well as 74 doors.

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WS: No, that's awesome, 'cause I talk about my military background as well. First, thank you for your service, grateful for all our servicemen and women who are out there serving our country, so grateful for that. I'll also talk often about how the military helped me become an entrepreneur, just the mindset alone, it took me a little longer to make that decision and become an entrepreneur, but I'd go back to just a never give up mentality.

You talked about it kind of teaching you to be aggressive at times, and even just the policies and procedures and planning things out, so important as an entrepreneur. Let's jump into that a little bit. I know you... So, you leave the military, you become an entrepreneur... What was that transition like a little bit?

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SO: It was rough-ish. So out of school one would probably imagine going from a steady position with a W2 paycheck coming in every couple of weeks, security, over to 100% entrepreneur lifestyle, either based on commissions or anything I can make off of my properties is a big leap of faith in my own abilities and able to execute the idea that I have. So that was a challenge, especially starting out, a lot of the challenges are legitimacy and you don't have the experience to back anything. And a lot of the times your competence in what you're doing is what leads you to be confident. And it's really hard to have that confidence that you need to execute without that

experience.

So that was definitely a struggle, but a lot of different aspects of, again, the military... So in the military, you can't come back to whoever your leadership is and say, I couldn't figure it out, I just can't do it, that's completely unacceptable.

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WS: That lesson alone is so valuable, you have to go figure something out.

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SO: Oh my gosh, you gotta find a way to win, no matter how you do it, gets scrappy, get dirty, figure it out. And that being deeply ingrained in my mind helps so much because there are so many times when you're building a business and just getting started where it's super challenging and that it wasn't in my mind that you just have to figure it out. I guess it's why a lot of people don't stick around for too too long as entrepreneurs.

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WS: So important, I'm trying to teach my six and 8-year-old boys that lesson, I just constantly like, Nope, you gotta figure it out. Go do something. Make a decision, make it. Even if it's the wrong one, like go after it. You wanna think through that process a little bit, but as far as becoming that entrepreneur and moving forward in that, 'cause there's some key things that are important to any entrepreneurial journey, your business, and you've become really good at a few things that we all need to become very good at it.

And some of that, these systems and the people, if you can operate systems and people, then you could not have any business, nearly... There are many businesses, and so let's talk about that time period a little bit and some of the first systems you had to put in place, and maybe then some of the first people or that helps you to scale to where you're at now, very quickly, you've scaled very fast. I think most would say very fast, and so some of the first systems you had to put in place, what were they... And how did you do that?

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SO: Yeah, I was gonna say, so it's not even systems that people have a trouble with... I don't think it's building the system, and the systems are there, people can follow and check every block,

it's just that initial wave of you're getting into an industry where you don't know what you're doing, you have to build things from the ground up. So what I learned from military and instinctual do is I document... So in my mindset, I never wanna be the same work twice 'cause that's completely inefficient.

So, I would do research, I would compile that research into the cheat sheet, and then I would say that the cheat sheet for next time on my computer and you just use a little search bar, pull it up... Oh, that's how you do it. So, documenting lessons learned as well as correspondence as both a syndicator, investor, agent and you're sending a lot of the same emails again and again, and so I would think through in full every of information that I either wanted to receive from someone or push to someone, and then save it as a draft. And next time you just duplicate the email and you change out the name and you can send, and suddenly your business becomes a lot quicker, you don't have to worry about those little things that used to take a lot of time, you're 80% tasks. So you can really hyper-focus on the things that you're gonna build your business and make you scales on your 20% tasks.

So, that's one part of it, but also along with the emails and the lessons learns, documenting how you actually do processes. So, for instance, when you're buying the deal, you're going to do the same things before you go into contracts, underwrite contracts, post-closing, the same people to coordinate with, and so everything that as I did it for the first time was built into a checklist. But each time I went through it, I would add update modified to have this really good checklist so I don't miss things in the future...

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WS: Awesome. At some mindset shift, right? Of how you operate more efficiently. Like thinking that way. I love how you said, so I don't wanna have to do it a second time over in the same thing over, and over, and over, and over when it's very repeatable. And many things that most of us probably do as entrepreneurs, we're doing every day, so many of the same exact things about it, even something as simple as the same email you're sending, even if you're operating a podcast or you're talking to the same type of people in your industry, most of it are the same questions. Right, and I think even I was thinking about on the podcast example, well, I get a lot of guests have the same question. Well, that means I need to fix my emails that are going out to them or how I prepare them to be on my show, and so that's just one example.

So, what were some processes though now that you've been in this a couple of years, a few years now, that have been just crucial that you're so thankful, you know what, I'm so thankful that I did these processes, are these things, and now I have helped our team?

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SO: Okay, so basically consolidating their check is for... Basically, what I just talked about for the deal in particular is really, really helpful. Every time I'm gonna go do a deal, I duplicate our checklist and then I won't miss a step. And especially some of the details on there are as easy as putting things on the calendar. I don't know how much you guys use calendar reminders to check in, but calendar is really important as well as communication. So, when you use the checklist as a skeleton, what you do is you can plug things into the calendar, and then when you look at your calendar based on the events that are supposed to happen in two weeks from now, that cues you to say, "Hey, in two weeks we're doing this," "Hey, can we get this inspection on the calendar, and then check in to make sure that you're on track." So, things actually happen on time, so I learned that you should never trust your brain for everything if you don't have it written down in a reminder calendar checklist, counting it not happening, you can probably survive in the beginning, but when you're running multiple businesses or you're doing a large syndication or whatever the case may be, you need to be hyper-organized with your systems and processes, so that way you don't forget anything.

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WS: So, you're just mentioning to write it down, staying organized, and I was typing that so I could ask you a question because then you mentioned hyper-organized and I wanted to ask you, you're writing all the stuff down. Give us to even a system behind that, if you're writing an e-stand, but where are you putting that... Where are you writing that down? What does that look like?

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SO: I just gave a class on this actually to my team because I just know that everyone has that... You have on my capacity to do so much more as long as you don't waste your energy on the tiny little thing. So with organization in particular, I like to use Evernote. Have you heard of Evernote?

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WS: I have, but yeah, explain it to the listeners just a little bit.

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SO: So, Evernote is a tool that is essentially a digital notebook and it syncs to your phone and your computer, and I find that very important, a lot of people are a little more old school at have their hand on their calendar and do notes. But as you scale and as you grow, the idea is to plan now for what your future business will be. And, if you have everything in your brain and on a piece of paper, there's no way that you can properly share a calendar with your team or sync different to do list with people working on the same project, it's just not gonna work so it ever know in particular, because if you can think it with all devices and you can share it with multiple people...

I like to have on my Evernote, a master to-do list and then a bunch of sub-notebooks, so my son notebooks will be like one for my realty group, one for my investments, one for my consulting business, one for life. And then what I'll do is every morning when I get up in the morning, is I'll quickly go through my emails and pull things on to their appropriate lists, and then I'll look at my list and I'll identify the most important tasks that I need to do that day and pull them to my today to do this, and then I won't look at the rest. Because what you'll find as you're building businesses, so much is coming in, you can't stay focused on what is truly your most important tasks. So, I hide everything, and then if something super happens that I can actually, but overall, I'm focusing on my top three things that I wanna do today, and that's it.

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WS: So important, I love the focus or just the detail that you mentioned there around just focusing on the top... I think most people couldn't answer a question or the top three, or even one, the most important task you need to get done today, 'cause I'm as guilty as anyone. I have to work hard at eliminating distractions, putting the blinders on, and I talk to my boys about it again all the time, it's like a race horse, they put blinders on them for a reason, they need to just look forward. Just look ahead of you. What's the most important thing? Getting across that finish line.

And so, Evernote, I've heard lots of great things I have not used to ever know, but I've used One Note and similar things like it's handy, you can take photos and put them right in there where you want and track things like that. So, you organize it through Evernote... Now, you have these things written down, what are some other systems processes, and I wanna get to the people component too 'cause it's so important, but you're organizing all your notes, what are some other systems that have helped you to scale your business?

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SO: So we're kind of in the organization lane. But, I love that lane too. So, we can keep talking about it. Email is one of my biggest things that I find as incredibly distracting and detrimental to hyper-focusing on what you need to do, so within your email, following up later and then categorizing them into specific some sections, like to follow all of what I just said, my Realty grew my investment finances, whatever the case, adoptive it, because the same thing that I do, the same process, is I identify what my most important things are, and then I hide to the rest of the progress, and then I work offline.

That's so, so important because every ding, ding, ding that comes in as a distraction, you're really not able to get in deep and actually execute things the way that you should. So working online and then putting your phone on Do Not Disturb and putting it out of sight, even if it's face down, do not disturb. If you see it, it's this little trigger that pulls your focus, so literally next room... Forget about it.

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WS: Working offline. Yeah, I bet most haven't thought about that. How do you do that? Is there a technique to working offline, so you're not connected for a little bit...

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SO: Yeah, so I use Outlook and it's just a preference at the top where you can just drop down and it says work offline and you can still work all of your emails, you can see everything there, it's just new ones won't come in and you will be able to send one out either until you just for a second, go back online and let everything would populate and then go back.

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WS: Nice, so it kinda send, goes to your out box as soon as you've hit online and it sends it all out. The phone alone is such a massive distraction for any of us. Even with my wife and I were talking about it recently, it's like as an entrepreneur, you're just... my mind is just always going right, I always thinking about the business, always thinking about all these things that are happening like you're talking about, and it's hard to shut that off when it's like family time.

But I find if I can just... We were talking about it, it's like if I can just leave my phone in the office in the afternoon, it's like my mind is so much clear and I'm so much more into spending that time

with the family. It's like, I'm offline, right? I'm not connected. So important.

Well, who was the first hire that... to scale as fast. Who was the first hire? And how did you do that?

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SO: So I had a couple half as first hires that didn't work out, so that's definitely a lesson learned, is that when you're just getting started, you're a little nervous to hire anyone who is legitimate or dependent on you for an actual paycheck. So, you kinda tend to do... the neighbors kid, the person that you met, wherever to just hire them, and then you're disappointed with the performance.

So, I made two of those mistakes before I decided to hire an actual professional, and that professional has still with me today in this business and has helped grown almost all that... Her name is Megan. I hired her on to help with my contract to close part of it, so as syndication, the same as a real estate broker, as a regular investor is, as he doesn't get a property under contract, there's a whole long way to go until you close. There's a lot of things that happen with inspections, negotiations, appraisals, coordinating with the lender, with the insurance provider, there's a million things, and so I've hired her on, when I would get a deal under contract. She takes it until it is closed. So, she is literally the person who does every bit of coordination and just keeps me posted if I need to make a decision, she'll call me in, but otherwise it leveraged all of that off my shoulder. She is amazing. And so, after I had that off my shoulders, literally my business doubled the next month. It was an incredible.

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WS: Doubled... Wow.

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SO: I doubled her. I'm talking about my, in particular as the agent side of the house. But my investments as well, there's no way I could have done it if she wasn't handling the contract to posing all of those. And so, from having her there, our business has grown in the sense of... So on the agent and investment side of the house have been able to bring in partners, have been able to bring in more agents, she on the admin side of the house has brought in more administrative help, and help to train and build their systems out on that, realm. And so two of us working together and growing to the point where she's now my COO, and literally we oversee

everything.

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WS: Nice. How did you find her?

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SO: Mutual friend.

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WS: Somebody in your network?

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SO: Yes, and that's something that I was gonna say too. So, I have an amazing team. It's not just her it's amazing, truly am incredibly fortunate by the people who are on my team. And I would say that it's due to the environment that I put myself in and the community of people, like for instance, we have a real estate investors meet up. We do a lot of community providing value, and that's how we just attract the best people. Because those people are the ones who are interested in what you are, their goals are already aligned to the vision is there, the work ethic is there. And it's just a seamless set.

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WS: That's awesome. Hiring the first person, I just get questions about it all the time, it's like, Am I ready to do this? I might know, I'm like, most likely, yes. Like you need to hire somebody, even if it's a virtual assistant for a few hours a week. You can start getting some things off your plate, like those emails like your time, I get some help. And that's been such a load off my mind as in emails alone and just having a system behind that, somebody to help with all those that somebody else can really answer.

But you, you finally found some class A talent, you hired somebody who was a professional. And now you said, I mean like the next month, your business had doubled, I mean now in... Since she's really moved up the ranks, really a vital person in your business, give us just one or two thoughts on a little more about finding that person or maybe it's something you were looking for at that time, some way that you've vetted her, something...

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SO: Yes. Okay, so actually we have a whole system on how to find and hire talent and we're really big on, so the Myers Brigg. Have you heard of this Myers Brigg? You know not a guarantee, we're not putting anyone in a box, but it is good to see people's natural indications as to the areas that they excel in, in the areas that they don't. Because there's a place for everyone. There really is, but we're going to put you in an area where you can double down on your strengths and feel naturally alive and energetic in the position that you're doing. And then have an alternative person you leverage out your weaknesses because their weaknesses or someone else's strength. And by really putting the right people in the right places, it allowed everyone to thrive where they naturally should be.

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WS: No doubt about it. Would you just say the names of those tests and briefly what that is?

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SO: Sure, yes. It's the DISC assessment, and then Myers Briggs assessment. So, they are too different. I wish there was just one that could do everything. Okay, so the disc is basically like your work, whether or not you're going to be aggressive in action or whether you are going to hold back, it's whether or not people bring you energy, or whether introversion brings you energy. And then how comfortable you are with risk and how likely you are to follow and build systems. So, those are really important when looking at a person, especially whether... What part of the team that they're gonna be on? Are they gonna be a partner with you who is really into the details and running numbers on deals and the fine blender, all of that stuff? Or are they the person who's out there building relationships and finding potential people to raise money with? Or do more deals with? So that type of thing is really what we are looking.

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WS: How accurate have you found those to be?

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SO: Well, we give the guidance that you should fill them out as honestly as possible, and with that, I would say very accurate overall. I had two cases where I'm like, This isn't that you need to reach to. But overall, very, very helpful and accurate. They also help you understand the people's motivators, which I find incredibly helpful because you're not gonna speak to the same person the

same way. You need to find how they communicate, and you need to find what motivates them as a leader, especially, if you're the entrepreneur who's building your business, it's not about you ever. It's always about the other person and being a chameleon and being able to shift yourself to meet their needs is what's gonna help you connect with more people in the faster.

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WS: Shelby, I know you also mentioned before we get started, one of your... A great thing that you are skilled at is helping people get on board with your ideas, talk through that a little bit as an entrepreneur, as fast as you've grown, how do you do that? What are some things we need to remember when we're speaking to our team about maybe ideas we have, getting them on board?

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SO: A couple of things. So, you need to be authentic. People will be able to see if you're trying to be someone who you're not. Be unapologetically authentic, that's what I found like I am pure, I'm here, I curse. I'm that girl who's jumping off the boat over there crazy, but because I still have my shit together, it's like this weird dynamic where people are super drawn to it, the people who are off cuts in general, I will look around and it's because the people who are listening to is not, they're faking it. So, that's one thing, and then the other thing is you have to listen. So, my team says, is all the time, it's like, the best thing about what I bring you a problem is I know you're going to take it seriously, and so we're gonna talk through and come to a decision and then you will implement, whatever problem I bring to you, I am fully confident that the change will go into effect, it may be... So, a lot of the people will be like, I know it's fast, I'm gonna make the decision. I never, ever make decisions without talking to my team, I'm like, Hey guys, this is what I think... I don't know your perspective, I don't know what you're dealing with every day. I would love to hear, come on, give it me, and we just talk it through and then it helps buy into because they help make the decision. They're a part of the process and now they're rested because it's their idea.

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WS: So important. To be authentic. You have to listen, I just think that says so much about your relationship with your team as well, when they know you're gonna listen to their ideas and you're even asking for their ideas as you shows you care. And I love how you said too, they are vested, they're part of that decision. It's very different than sometimes as the leader, you do have to lay things out and say, This is what we're gonna do, but we do want to include them, the team and moving forward like that. What are some habits, Shelby, that you have, some daily habits that you

are disciplined about, that it helped you achieve success?

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SO: I'm definitely a morning person. I find that the mornings are magic, I read the Miracle Morning Millionaire by Hal Elrod and David back in 2018 when I was drowning in business and didn't know how I was gonna survive and it changed my world. It really did. So having like starting your days with Sabers is the acronym, but most importantly, silence, I think most people wake up, they grab their phone, they check their email first thing, and already your brain is in a reactive mode. You're like, Oh God, there's so much coming in at all, but if you wake up and you don't look at that stuff when you think... You just have some silence, your peace of mind type of thing, and then think about what's most important in your world, now you can actually action on those ideas without being distracted and constantly reactive. You can be proactive as opposed to reactive. That helped me so, so much, and then also maintaining fitness in the morning and enough sleep and eating right. That holistic has allowed me to continue being this crazy follower, I really do a credit to treating my body.

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WS: Could not have said it better myself. I'm also, I just believe so much in the morning routine being up early, everything you said, silence, even to the exercise as a nutrition. Our nutrition changed drastically a few years ago, and so did my morning routine, it kinda happened all at the same time. And I just think I changed our business in a big way, no doubt about it, just the way I feel, and man, your productivity level can go so much higher, right, when you feel better and you've got sleep, you're rested, you can think so much better. What about the number one thing though that's contributed to your success?

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SO: A number one thing would have to be the mindset of finding a way to win. There is a way ,when people say No, it's okay, cosmos, who can I talk to the HR people? It will be like, I don't have the authority to do that. I'm like, okay, no worries. Who does? Can you put me on the phone with them? And so it's just like, never stop fFind a way that's been my number one thing...

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WS: Who is your second hire?

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SO: Who was my second hire? Not technically a hire, he's an independent contractor, Michael Glasby, he should really get on this show, he has over 130 doors now than he was my very first agent and has totally helped build, we have tons of investments together, he's still with Five Pillars and has a huge piece of the puzzle and why it's blowing up the way that it has... So you know what, it's funny, the same connector, that same person, grouping Garcia in North Carolina, he's kind of a tight, he knows everyone through networking and positive energy and can piece people together, and he brought me... Actually, both of my first two hires who are still here and... Amazing.

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WS: Nice. How do you like to give back?

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SO: So I love building communities where people like us in the circle can exchange ideas, share projects, I talk and grow in a positive environment, so we do kinds and properties, which is a real estate investors meet up, totally free, free education. Have fun... And the concept is, it's once a month at a rotating free or the same brain trial to do the same one, and we get a speaker to come in, someone's super cool and educate us on a little bit, and then we hang out and have a couple of clients talk about properties and love community, so that's all.

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WS: Awesome... Shelby, it's been a pleasure to get to know you. It's just... hearing entrepreneur for military and how that's helped, and the systems and the teams, and how important those things are really any business, no doubt about it. And how you have created those skill sets that have helped you to grow very fast but very systematically, it's not just random that these things happened. You really took action and made these things happen and... Congratulations to you, by the way. Great show, just importance of systems and teams and people on how to put those things in place, how can the listeners get in touch with you and learn more about you?

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SO: The best one is probably social media, on Instagram or Facebook real estate with Shelby Osborne or fivepillarrealty.com for my team, you can contact us and find me on there too.

[OUTRO]

0:26:28.0 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 www.LifeBridgeCapital.com for free material and videos to further your success.

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