

**EPISODE 1575****[INTRODUCTION]**

**Whitney Sewell (WS):** This is your Daily Real Estate Syndication Show and I'm your host, Whitney Sewell. Today we've packed a number of shows together to give you some highlights. I know you're gonna enjoy this show. Thank you for being with us today!

**[INTERVIEW]**

**WS:** Our guest is Pat Flynn. Thanks for being on the show, Pat.

**Pat Flynn (PF):** Absolutely, Whitney, thanks for having me.

**WS:** I get asked every week, numerous times a week, "has it been worth it? To do a podcast. Has it been worth it?" You can't put a dollar amount on it but I can tell you, it has given me so many connections to people that otherwise I would have never had, I would have never met you Pat, you know, if it wasn't for this podcast, you know?

You can do other things too, it could be a meetup or it could be a blog even or it could be a YouTube channel where you're interviewing people or things like that can also be thought leadership platforms that will kind of do the same thing if you're not into podcasting, but either way, I encourage people to have some type of thought leadership.

But you know, what about just the – of course, I was in the military as well and I relate a lot of the mindset that I have, you know, just like driving through. And I've got so many examples, even as like in boot camp to where you know, it's helped me to get through things now or to keep pushing keep driving forward and I'd love for you to elaborate on just your mindset of getting started and failures or rejections and things like that.

**PF:** So, if you had asked me that question six months ago, I would have had a very different answer. What I attribute it to now is the word grit. Have you heard the, I think her name's Angela – I forget the name, but she wrote a book and she also has a TED talk. It's grit, is the persistence to push through to a goal, even when things get bad, even when things seemed dismal. That persistence and mental toughness to push through is what it is and I agree with you, the military helps a ton on that. But that is what it is. It is having that mental toughness. That is what separates the people at least in the single-family space. I am sure it is in syndication, too. That is what separates the people that are successful and aren't. I get lunch with probably seven or eight new wholesalers a month that are looking to get into the game, probably less than 5% are successful.

What usually happens is they'll start sending me deals, they will start sending me stuff off Craig's, not deals. They will start sending me stuff off of Craig's List, stuff of Zillow that I am seeing already from five different people and when I say no, no, no to everything they send, they get discouraged after they send me 50 deals and then they'll just never hear from them again. But they don't understand having the big picture to know that you know how many deals I have to look at to find one?

Hundreds. Hundreds and hundreds. It is not like you look at 50 deals and you haven't made 20 grand on a flip, so you get discouraged and you know walk away from the whole business. It is having that grit, that resilience that mental toughness to push through when things don't go so well. Even today, doing 25 or 20 to 35 houses a month, I mean we lose on houses all the time. We have weeks that we don't buy anything. We have weeks that we just buy crap.

You know this business ebbs and flows. You have to have that mental toughness to push through when times are good or bad and that unwavering faith that everything is if you set your mind to it that have the confidence on unwavering faith that you reach the goals you want. That is what separates people, as I would say grit.

**WS:** Yeah, I couldn't agree more. What is it, you know during that time when it was so tough it's down, right and things are so tough, what are you telling yourself then? What are you reminding yourself off, how are you keeping your mind in check and, "okay, I got faith to keep going forward and doing this?"

**PF:** That is an interesting question. I haven't had anyone ask me that before. For me, I am very driven in that when someone tells me – you know when I hear, "no, no, no," on the phone it really doesn't affect me very much. Of course, I get down some days and I am like "why am I even doing it?" you know that comes, those thoughts come into your mind on weeks where it is rough and you think you'll never find another deal.

What gets me through it is just I have my daughter now and that is really all I care about is providing for her, providing for my family, and having those negative thoughts, trying to think of exactly how I push through it, but I just don't let them affect me. You have full control over how you react to things. I don't get emotional about it. I think it is that emotional intelligence has gone through knowledge and reading because I used to be a when I worked offshore on drilling rigs I was a hot head like everyone else out there.

You get pissed off if something didn't go your way, but if you get that emotional intelligence to not react emotionally to everything that happens and you know why you're doing everything,

which for me, is my daughter, you can push through those and it kind of doesn't affect you anymore if you know that it doesn't really matter. All that matters is the end goal.

So, I would say the long answer to your question, I would say it is knowledge and reading mindset books, reading philosophy books about how to react to things in life and just reacting the right way would be my answer to that one.

**WS:** Great and no, it is a good answer and I am pretty sure you are elaborating a little bit but yeah, having full control over how you react to things. You can't please everybody right? You can't please everybody. It is going to happen emotionally intelligent and yeah, I like how you said all that matters is the end goal. You know really keeping that in mind and obviously when you have a child, things change right? You know how you perceive things and see things in the future.

But what would you say as far as whether it is in a partnership or finding the right partner or scaling now or something that the hardest part of this business or the real estate business, what has that been for you?

**PF:** I think the toughest part has been that grit piece. Because in the single-family space there is always a lot of competition and it is always a cutthroat game to find deals. So, it is tough when you're first getting started and you fail, fail, fail over and over again. You go through a bunch of weed, through a bunch of stuff and you finally find a deal, right? And you go and you're bidding and they are also talking to other people. So, you think you have them, you think you have a great rapport and then they sell to someone else.

And that is the toughest part is going through the failure and having stuff or stuff you think is under contract these things are going to close, fall out last second that's the toughest part to me having that mental toughness to push through and just keep going. That is why most people end up dropping out of failing is because they're like, "this doesn't work. This is too hard," or they don't understand how much failure it takes to have success.

That is the hardest part is keeping your head right during the beginning and keeping that unwavering faith that it will work out. For me that was the toughest part.

**WS:** You said they don't understand how much failure it takes to have success. I love that. Is there a great book that you would recommend that maybe that you have read recently as far as around the mindset?

**PF:** My favorite one recently that I have been talking a lot is The Compound Effect by Darren Hardy. I like it because it was a quick, easy read and it makes so much sense and it gives you a

lot of perspective about doing the little things each day and how the little things grow and grow and compound and it had so many – it is the same as like he talks about flossing your teeth somewhere in the book and how compounding and flossing your teeth over the time, how that changes things.

And it is the same as like buying rentals. I remember I bought my first rental at the beach. I over paid for it probably by 50 grand or so because it was networking with people. So, I bought a rental at the beach, overpaid for it, it was a pain in the butt to get the loan at 20% down conventional mortgage. Me and my girlfriend at the time were in there working every day, sweating, painting walls, doing flooring. I had no idea what I was doing, spent a bunch of money wasted a bunch of money.

Had a contractor screwing me over, it was such a pain and I finally got done and it finally got rented and I felt like my child was going out into the world as the house got rented. And it made 150 bucks a month, right? It's like nothing. All of this work, \$240,000 mortgage, all this time and effort into this house that is now making \$150 a month. And I'm like, "yeah, but buy another one and that is 300 bucks a month. Buy another one and another one and another one and that compounds."

To the point where you have more money than you could ever want. Now we are at 60-something rentals and that compounding of 150, 200 bucks a month, all the appreciation, depreciation and stuff compounds to where it is you could never imagine. But it is hard to see when all that work on the first one makes an extra 150 bucks a month. So, that is why I really like that book. Put stuff in perspective and talk about compounding, which is crucial in this business.

## **[INTERVIEW 2]**

**WS:** Our guest is Bill Allen. Thanks for being on the show, Bill.

**Bill Allen (BA):** Whitney, thanks for having me. I'm excited.

**WS:** Yeah, I'm excited too. I'm excited to get to know you a little better. A pleasure to have you on the show and thank you. I want to say firsthand thank you for your service. I appreciate your service. For those that don't know you, a Navy pilot and real estate professional, CEO and owner of 7 Figure Flipping and host of the 7 Figure Flipping Podcast, where he leads the top house flipping and wholesaling mentoring groups in the world.

Just a few years ago, started flipping one to two houses per year and doing all that work himself. But since then he's built a systemized business that runs without him. Wholesaling and

flipping company, Blackjack Real Estate is based out of Nashville, Tennessee and does upwards of 200 deals a year throughout the Southeast with a staff of 15 people.

I love just building systems. I'm a systems guy. I love thinking that way. How can we do this? How can we optimize things? How can we make things happen without me having to do it, right? I love just that mindset, and it sounds like you have just mastered that in this business and not only in flipping. But you also – As we were talking about, it's allowed you to do lots of other investing in larger deals and syndications just to create wealth for yourself and your family.

But, Bill, give us a little more about maybe who you are and then let's just jump in to some of the systems and just the mindset behind it.

**BA:** Yeah. Before I do, I want to say thank you for your service too. We know each other through a military connection, right? I can't get off this without thanking you. It's been my honor to serve and everybody that's gone before me. It's just amazing. We have a bond through service. It's awesome.

My background is, I was an engineer, so I have an engineering background. I was a test pilot in the Navy, so some of that stuff comes into play in the things that I do like the systems and operations side, what's working, what's not working. I just got frustrated with the stock market. I wasn't making enough money and I have no patience. I want my net worth to go up. I would constantly track it and I got into – I was buying a couple houses, fixing them up, renting them out when I would move from the military. Sure enough, I started to see my net worth go up, and my bank account started to rise, and I can control that.

I got into real estate, flipped the house. It was a rental actually, and my realtor said, "You could sell this and make some money." I made \$43,000 and said, "That was half of my annual income. Let's do it again." That's when I kind of started down that journey. I struggled like a lot of people do to try to figure it out my own. I found a mentor. I found somebody who's doing what I wanted to do. I kind of latched onto that group, that person, and just started taking the systems that other people were using and implementing it in my business.

I know somebody who's systemized when I see one and I've gotten about 15 email updates to be on time for this podcast, so you're definitely a systems guy. You have backend systems that are really great. I'm actually going to hack some of that stuff myself.

**WS:** Cool. Well, I appreciate that. Appreciate that a lot. Yeah, you have to. I mean, you have to think that way. You have to think that way. It amazes me. People have been in the business for so many years, and there are some simple things that could make your life so much easier. But

I'd love to dive into when you started thinking that way and some systems that's helped you to scale what you have.

I know leadership is a big deal, and maybe the military helped you with that. Maybe you could you teach us a little bit there as well about what that's looked like to lead your team and to be this successful with a team of 15 and so 200+ deals a year.

**BA:** Yeah. I think like you asked where to start with systems. And I feel like a lot of people think that it's like a software service or something that you need, right? That's the thing that's going to get you where you need to go. It's like, "Give me the system." I get people all the time come to me and say, "What's the system? I want the system. Give it to me."

I don't want to like take the air out of your balloon too early, right? But to me, the system is the people, right? I think when you talk about leadership, first you lead yourself, and lead your family and your community and your church group and everywhere that you go. But then you start like casting a vision and figuring out where you want to go.

I think the first step is understanding who you are, what your skill set is, and then building things around you. There are strengths and weaknesses that we each have, and a lot of people say, "Okay, work on your weaknesses." I think that's a load of garbage. I think that you need to like focus on your strengths, really be strong there, and then figure out how to like strengthen – Outsource your weaknesses for other people or systems or processes. That's what I did. I was like going to the houses and banging the hammers. I was doing all the things. I was working in the business instead of figuring out what I'm really good at.

What I found out now is what I'm really good at is kind of casting a vision, giving direction, seeing the future, and then helping people get there. Motivate them to put them in the right seats in the right place to motivate them and lead them to their great aspects, like what do they do really well.

Then, what I find is for each of us when we're working, what kind of systems can we bolt on? Now, I'm talking software, automation, things like that to reduce the workload of that human being? Because I would like to do like 400 deals with 15 people, instead having to make 40 people build 40 people in the company to do double what we're doing, right?

I think back to like my flying time as a pilot. We have something in the airplane called trim, and all it does is make small adjustments in the elevators, the ailerons, the rudder to reduce the human workload. When you're flying, you're multitasking. You have to fly. You have to talk. You have to listen to radios. When you just go start flying for the first time, you are all over the place. You have no idea what's going on. I've seen students shut down. They can't even talk.

They definitely can't hear. All they're doing is motor skills. All that trim and all the different features and things that are inside of an airplane are designed to reduce the human workload.

The same thing in our businesses. We can take it to our business to – If we can reduce the human workload to the point where they can focus on the bigger stuff and other things happen automatically, how many hours do we get back? Then they can either work a little bit more or make more money. That's kind of how I looked at it.

**WS:** I'm taking lots of notes. That's good stuff. Good stuff. Let's first talk about how you found the right people. I've struggled with that in a different time, numerous hiring processes, and trying to find that person, and then to obviously train them. Or do I find somebody that has these skills or do I just find somebody that has a work ethic and then just put the time in to train them? I love to know just what's been your philosophy to finding those people who've been the rock stars in your 15.

**BA:** Yeah. I did the same thing. I struggled as well, so it's not – What I've learned along the way is that I've got to know who I really work well with if I'm going to be involved in their day-to-day operations, they're going to be on the team. I define my core values. That's step one. Everybody gives that lip service. If you come to any of our events, you ever heard me speak on a podcast, you probably heard – Or a webinar or anything. That's all I talk about. Core values, core values, core values. Because if you don't know what they're walking into and who they need to be, then let's take it back a step.

Do you ever have somebody in your company who you can't put your finger on it? They're just not the right fit. They do an okay job. They're pretty good, but you're like, "Something's a little off. I can't really place it but something's not right. Their performance is okay. They seem to be nice, but something's off." It's typically a core value violation of some sort to you. You can't – Or you go to a party and you meet somebody. You're like, "I just really don't like – We don't get along."

That's where the values come in. It's not the skill set, because I feel like the skill set can a lot of times be taught. You have to have some sort of background in what you're doing, but the core values can't change. Basically, they're ingrained in you since you're like some people say five years old. Some people say 12 years old. I really think like in your early ages, you've got these core values that you're moving forward in. I look for that.

I define my core values in my company. We have five core values. Every single person in the company can say what they are and define them. Then what we do is we hire based on that. That's what I look for. We write an ad that's specifically based to that core value in profile. We also look for certain personalities and certain roles. There are some roles that I need somebody

who can't – I don't want them to see the future. I don't want them to see 10 steps ahead. I want them to be dialed into what they're doing and be very detailed. Then I want somebody who's a really good salesperson who probably isn't that detailed, but they're really good with people, and they're really driven and money-hungry and things like that. Core values is number one.

Number two, we define the role and then we define a personality around that role, like what does that seat look like and what kind of personality fits it. Then we write the ad. So, we write the ad based on the bullet points and the adjectives that we want to attract to that kind of person.

If I want somebody that doesn't see the future, I don't want to see, "Are you a forward-thinking visionary that wants to change the world," right? I'm going to say, "Do you love working from home? Do you like to be focused on one task and not be distracted? Do you like working in groups?" If I want somebody who's really social, and we write it to that. I attract that person and I also – What it does is it reduces my workload. It detracts the person who it's not. I don't want somebody to apply if it's not going to be the right fit.

Then we have a couple of other hoops that they jump through like they have to apply to our certain link. They have to attach their resume to our personality profile software. If they don't jump through all these hoops, then we don't even talk to them. I don't talk to anybody until I have perfect personality profile fit. I have a resume that typically has a background of something that I'm looking for. Then I get on the phone with them or my COO gets on the phone with them.

That's our structure, and then the interview process is very much diving into who they are, not necessarily their background or history. I mean, if they bounced around from job to job 10 different times every six months, that's something we might not even entertain but we dig into who they are. What do they want to do? What's their future look like? All that stuff before we start talking about the job role.

**WS:** You mentioned personality fit. How do you test that?

**BA:** We use a software called Culture Index. It was like my ace in the hole for a long time that I actually read – If you read Traction by Gino Wickman. They also wrote a book called Rocket Fuel. In Rocket Fuel, he talks about this thing called the culture index. It's a personality profile. It has pretty high fidelity and it's basically an index-based personality survey, so 160, 170 words. They just click the words that they're attracted to in there, and it's designed to show a couple of dots that I'm trained to read so that I can see who they are.



We used DISC for a long time, and what I found with DISC is very manipulative. I can manipulate it very easily. If you gave me a job description right now and gave me the DISC assessment, I would create the profile that you would be looking for for that job role, just knowing what I know.

**[END OF INTERVIEW]**

**[OUTRO]**

**Whitney Sewell:** Thank you for being with us again today. I hope that you have learned a lot from the show. Don't forget to like and subscribe. I hope you're telling your friends about Real Estate Syndication Show and how they can also build wealth in real estate. You can also go to [LifeBridgeCapital.com](https://LifeBridgeCapital.com) and start investing today.

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