

The Big Picture of Taking Your Investing Business to the Next Level

As Vicki walked into the workshop on Saturday morning, she recognized several people who had attended the Intensive Training Workshop with her three months earlier. And while Vicki wasn't as scared now as she was three months ago when she did that first Level One workshop, she felt more than a little anxious this morning. The night before, when she met with her mastermind team of fellow investors, she shared a big decision she had reached about her investing, and the implications of that decision were starting to scare her.

"Vicki!" A bright, warm voice to her left called out.

Vicki turned and saw the wonderfully reassuring smile of Mary. "It's great to see you this morning Mary."

Mary cocked her head and asked, "You're not nervous at this one, are you? Why, after all you told us last night at our mastermind meeting, you should be strutting in here like you own the place." Mary laughed easily as she said this.

"That's what's got me so nervous. I'm having second thoughts about the decision I shared with you all last night," Vicki confided.

Mary touched her arm affectionately. "Don't worry Vicki. Didn't I say you'd be

great at this investing when we first met at the Intensive Training?” Mary’s laughter was infectious, and Vicki felt her anxiety ease a bit.

“Let’s get a good seat,” Vicki suggested.

They found a seat right up front, making sure to save a seat for Mary’s husband and business partner, Leon. Looking around the room, Vicki waved to Mark, Nancy, and Tim, who along with Mary and Leon were members of her mastermind group. As Vicki was getting settled in, music started playing over the speakers. Vicki and the others instantly recognized the song as the words floated out over the room.

“We are the champions, my friend . . .”

Just then, the room burst into applause as a tall, athletic man in his mid 30s stepped out onto the stage.

“Welcome everybody!” David said with a warm smile as the applause and music faded into an expectant silence. “Are you ready for three days to revolutionize how you look at your real estate investing? Are you ready to take home with you a whole new game plan for taking your investing business to the next level?”

“Good,” David continued. “But as we start here today, I want you all to realize that you are already champions. You are already among the elite of real estate investors. I know this to be true. After working with literally hundreds of thousands of wannabe investors I can tell you, the gap between them and you is huge. You want to know what the biggest difference between the wannabes and you is?” David waited a moment as everyone sat forward expectantly.

“The difference is that you showed up! I don’t just mean that you showed up to this Level Two workshop. I mean that you show up each day in your investing too. The thing that stops the wannabes is their long list of excuses and rationalizations that they hide behind.

“They say things like,” David switched to a whiney voice now, “*‘I can’t come to the workshop because I can’t afford it.’ Or, ‘I don’t have time to do my investing.’ Or, ‘That real estate stuff won’t work for me, in my area, for people who have negative friends and relatives like I have . . .’* I think you get the idea here. The reason you are so special is that you showed up. You made no excuses. You took full responsibility for your life. Somehow you found the money to travel here. Somehow you arranged your life to make the time to be here. Somehow you sold your family on the idea of supporting you to be here. And because you did all that—because you showed up—I know that you also show up every day in your investing.

“Here’s the key point to this.” David turned and wrote on the board:

The way you do anything
Is the way you do everything!

“I know that you are able to consistently move forward with your investing because you are someone who doesn’t give in to the little voice inside your head that whispers from the shadows. You have dealt with those excuses and rationalizations and blown right past them. In fact, from our work together in the Mentorship Program and reading your pre-attendance surveys, I know that each one of you has an inspirational story of how you earned the success that you are enjoying and that will be coming to you in the future.

“For example, I know that a third of you who are here are just on the front edges of your investing. You’ve either done a few deals or maybe you’re still looking for your first one. The reason you’re here is because you want to boost your confidence so that when you’re out there in the real world doing your investing you move with assurance and certainty. Plus, you recognize that the best way to succeed is to start with the end in mind, and you want to get all the insight you can as to exactly what a successful real estate business looks like, smells like, and breathes like.

“Another third of you are solid Level Two investors. You’ve done five or ten or fifteen deals in the last year or two and are making good money with your investing. You’re here because you recognize that up until now you’ve been winging it, flying by the seat of your pants. You don’t want to *just* be an investor anymore. You’re here to learn exactly how to build a successful investing *business* so that you can secure your income streams and earn more money with less of your time and effort.

“And the final third of you are seasoned pros who are on the verge of going passive with your investing and transitioning into Level Three. You’re here because you want to learn strategies to solidify your investing business so that you can put it on autopilot.”

David paused for a moment. “How many of you in this room realized that there are several investors here who already earn over a million dollars a year with their investing? Some of you might ask why in the world someone earning a seven-figure income would take a full three days out of their lives to be here this week-

end. However, here's an even better question for you to ask. How do you think these investors built their investing businesses up to the point where they generate over a million dollars a year in profit? By *making* time to attend workshops and learn from their peers. I learned this lesson a long time ago when I attended a workshop like this—and yes, I want to make it very clear, I still attend at least two workshops a year to upgrade my knowledge base and sharpen my skills. I believe that to be truly wealthy you have got to be green and growing, and this means being open to learning new ideas and gaining new insights.

“So now we know why we're all here. In just a moment I'll give you an overview of what you're going to learn over the next three days. But before we do that, let's get three or four of you up on stage to briefly share your story. You're going to learn and benefit so much from the people you network with here so let's start getting to know each other.” David quickly rounded up four volunteers to come share their stories.

“Okay,” David said, when all four volunteers were up on the stage. “Who is willing to share your story first? I want you to tell us who you are and the two-minute version of your investing story.”

A handsome man in his early 40s stepped forward and volunteered to go first: “My name is Mark and I'm a pilot with United Airlines. I joined the Mentorship Program about five months ago after reading David and Peter's first book. For me, things in my investing have just happened so quickly, it's almost overwhelming. Since the Intensive Training three months ago I have done five deals. Three houses that I purchased subject to the existing financing and one house that I picked up on a four-year lease option all have tenant buyers in them. These four properties generate about \$800 per month of positive cash flow at this point, they netted me \$12,000 in option payments from my tenant buyers, and I have over \$90,000 of back-end profits waiting for me. The fifth deal was a duplex that I put under contract and flipped to another investor for an \$18,000 profit.

“My biggest challenge has been time. Originally I had planned to transition into investing full-time over twenty-four months, but with all that's happened and the growth I've experienced as part of the Mentorship Program I've decided to make that transition over the next three months. I think this has been my biggest lesson, that in order for me to really grow as an investor I am going to have to make the leap of faith into doing my investing full-time. That's one of the reasons I am so excited about the Advanced Investor Workshop this weekend, because it will help me make the transition into being a Level Two investor much easier and faster.”

“Thank you, Mark,” David said. “Who wants to go next?” A tall, well-dressed man raised his hand.

“Hi, my name is Tim. My wife Nancy and I have worked in corporate America for the past twenty years. Nancy works as an IT manager for a Fortune 500 company, and I worked for the last fifteen years in technology sales. At least I did up until about six months ago when my company was bought by a larger company. I was laid off with about a hundred other people in my division. It was really a blow to my ego and self-esteem at first. But after joining the Mentorship Program a few months ago I realized that this was the push I needed to get out there and pursue my investing dreams. I was just way too comfortable with my old life and I needed that kick in the pants to get moving. It’s been hard going for Nancy and me. We really struggled for the first month or two, with our biggest obstacle being ourselves. For me, it was all my old sales habits working against me when I was negotiating with sellers.

“For the first two months Nancy and I would argue over whether this would really work in our area. But even while we argued we kept at it. Every week I kept up my marketing efforts and made sure I met with at least two new sellers about buying their properties, no matter what. Even when we finally signed our first deal but had to give it back to the seller after we couldn’t find a tenant buyer for the property, we still kept at it. We were scared about whether we could do this, but we knew this was the best chance we were ever going to get, and I did *not* want to have to go back to work for someone else again! Nancy and I had lots of long talks about what we wanted to do, and we came to the decision that no matter what, we are going to make this work—if it takes us another three months or three years, it doesn’t matter. We are totally committed and know that this will happen for us. I feel like even though we haven’t done a deal yet, we are already into the beginning stages of Level Two investing because we *know* this will work for us. It’s just going to take a little more time.”

David looked out at the room and asked, “Is there any question in your minds that Tim and Nancy are going to succeed with a commitment like that? Tim,” David said, turning back to face him, “I admire your willingness to get yourself to show up week in and week out. All I can say is that when the door opens, success is going to come pouring out for you and Nancy because you’re planting the seeds that can’t help but yield fruit.”

Tim handed the mic back to David, and Vicki stepped forward to share her story.

“My name is Vicki. For the past ten years I’ve been a full-time nurse. I’m also a single mom who is raising my two kids the best I can. It was really hard for me

finding time to do my investing. I work three or four twelve-hour shifts at the hospital each week and my kids, who are seven and nine, take a lot of energy and attention to raise. The reason I got started with the Mentorship Program is because I want to be able to provide for my kids and to be there when they get home from school. When I look back, I realize that the biggest thing holding me back was my fear. But with the support of the coaches and my mastermind team who I met at the Intensive Training, I just kept taking action in spite of my fears. They encouraged me even when I felt overwhelmed taking care of my kids, working at the hospital, and then fitting in my investing around both those things.

“About six weeks ago I met with a motivated seller who was going through a divorce. I guess she and I had a lot in common because I’m divorced too. She agreed to sell me two houses at about 65 to 70 percent of their as-is value. The first week I had those houses under contract I felt paralyzed trying to find another investor to flip the deals to. I was scared that I wouldn’t be able to do it, and I was even more scared of what it would mean if I *was* able to do it. It would mean that all the excuses I’ve made throughout my life were just that—excuses. And that the only one responsible was me.” Vicki looked around the room and saw the caring looks she was getting.

“Well, four weeks ago I actually flipped one of the two contracts to another investor who paid me a \$12,000 assignment fee!” Everyone was stunned. They could only imagine what this money meant to Vicki, who was struggling to raise her family on her nurse’s salary. “I guess getting that \$12,000 cashier’s check in my hand gave me the boost of courage I needed to know I could do this. I approached my sister, who is an attorney in Chicago. I explained to her about my two deals and how I had just sold one contract to another investor and that I had one more house left but that I needed to cash the seller out in four more weeks. To make a long story short, she agreed to be my money partner on that deal. We actually closed on the house three weeks ago and immediately did all the cosmetic fix-up work and put the house back up on the market. We decided to sell it ourselves at a discount, and nine days ago we found our buyer! The escrow is set to close in three more weeks and when all is said and done, my sister and I will split a check for \$58,000!” Everyone cheered Vicki.

“I’ve also just made a decision that I told my mastermind team about last night when we met here at the hotel. It’s really scary, but it’s also exciting too. I’ve decided that when I get my half of that \$58,000 I will take a leave of absence from the hospital and do my investing full-time. That means I’ll have more time to do

deals and, because I can arrange most of my investing around my schedule, I'll have more time with my kids."

Again the room applauded as Vicki handed the mic to the last volunteer on stage.

"Hi, my name is Carl. I'm an ex-truck driver who got my start investing about six years ago. I bought my first few houses the old-fashioned way, with 20 percent down payments and bank financing. They were dinky little three-bedroom rental houses that I fixed up and rented. About three years ago I met David at an investor conference he was speaking at. After listening to how organized and simple he made his investing ideas, I joined the Mentorship Program. At that point I had already done fourteen deals, but I knew that I needed to learn how to make my business more organized because I was running around like crazy, driving a local route and doing my investing at night and on weekends.

"That was three years ago. Since that time I've quite driving my truck, and built my foreclosure business. I now have two rehab crews working for me with a full-time rehab manager. I buy about fifteen to twenty houses a year, mostly from sellers in foreclosure or pre-foreclosure, and I rehab and sell them. Some I sell to cash buyers, others I sell with owner financing or on a rent-to-own basis. Last year I made over \$250,000 from my investing business, and this year I'm on pace to make over \$300,000. I still pinch myself to see when I'm going to have to wake up and find this is all just a dream. I can't wait to learn this weekend how to get myself out of the day-to-day operation of my investing business. I'm not complaining, but right now it feels like it all revolves around me. I want it to work without me needing to drive it every day."

The room applauded all four of the students as the volunteers took their seats again.

David now put them to work networking. "Turn to someone you haven't met before and introduce yourself. Listen to their story and share yours with them. You've got four minutes—go!"

The room went into a frenzy as people scrambled to find a stranger to partner up with. After letting it go for a few minutes, David got everyone's attention back to the front as he continued, "So let's talk about this weekend. Once you've reached the place that you know real estate works for you, either by doing a deal or by collecting all the powerful experiences and references of other investors who've done it, it's time for you to begin the process of building a successful investing business. Remember,

just being an investor isn't enough to make you financially free. To be a Level Three investor you need to build an investing *business* that works so you don't have to.

"You'll accomplish this in three stages. Stage one is called Early Stage Level Two. This is where you develop your investor skills and become a fluent and competent investor in your own right. Middle Stage Level Two is where you refine these skills and competencies and begin your first tentative steps to leverage yourself and your business. The final stage—Advanced Stage Level Two—is where you aggressively work to build your investing business to perform better when you're not involved in the day-to-day operation of the business.

"Most investors never reach this place where they can walk away from the daily operation of their real estate business, and as a consequence they are always tied to the business. Sure, they may be making a lot of money with their investing, but they are still limited. The real goal of your investing should be to create time and freedom so that your passive real estate cash flow pays for your desired lifestyle and at the same time your business, cash flow, and net worth grow—year in and year out.

"I urge you to raise your sights from just making money with your investing to building a profitable business that makes you money so you can have the freedom you've always dreamed about having. It's not easy, but what's worthwhile that is easy?

"I want to be clear here. This is *not* about getting rich overnight and never working again. This is about getting the specialized knowledge you need to secure your future over the next few years so that you have the freedom to enjoy the lifestyle you and your family deserve. You'll know that you can make this happen because you'll have the know-how to *make* it happen.

David asked the class, "So what are the qualities of those investors who make it *big* compared to those investors who only make it small-time? What are the top five things investors who earn \$500,000 to \$1 million per year have in common that enable them to earn big money investing in real estate? What skills, expertise, understanding, and qualities?"

Vicki raised her hand and answered, "I think that the really successful investors have the ability to make great decisions. They don't get stuck in analysis paralysis because of their fear. They trust their gut and also train their brain to accurately analyze deals."

Mark raised his hand and added, "The best investors also know how to ask the right questions so that while they can't know everything, they can get the key

information they need laid out in a systematic way that supports them in making a decision.”

Nancy nodded her head and said, “Yes, and the best investors know how to leverage themselves through other people, whether employees of their investing business or through their referral network of contacts.”

David listened intently to their ideas, then said, “This is a great start. So what I’m really hearing you say is that the best investors are willing to make decisions, and the best investors are skilled at making decisions. By the way,” David looked around at the whole class, “how do you think you develop the skill of making decisions?”

“By making them,” two students shouted at the same time.

“Exactly! You become a savvy decision maker by making a ton of decisions and reflecting on them afterwards. This allows you to match up the decision, the process you used to reach that decision, and your intuition’s message as you made that decision, with the actual outcomes of your decisions. This is how you train your intuition. Remember, your intuition is really just the accumulated total of your life experiences that you tap into in an instantaneous, holistic way instead of the linear, verbal process most people use to make decisions. It’s the gut feel or flash insight or inner voice that you have learned to trust.

“Interestingly enough, a key part of this idea—the willingness to act, to decide, even when you’re scared—is encompassed by the first of the five key qualities of successful investors that I have on *my* list.”

David smiled as he said this, letting the anticipation build. “So just what is my list of the five most important investor qualities? In a moment I’ll share my list with you, but before I do, it’s important that you understand that great investors are made, not born. All five of the qualities I am about to share with you are learnable skills. This means that with the proper plan and coaching you can cultivate all five of these critical qualities so that you too can be a world-class investor.

“The first quality is in many ways the most important because without it, you won’t be able to develop the other four. But if you are willing to work to foster this quality, the world of investing is yours. I call this quality **personal power**. The very best investors have learned to discipline themselves to consistently take action and do the things that they know will make the difference, even when they don’t feel like doing them or are afraid of doing them. Basically, this is the quality that gets you to show up each day for your investing, no matter what.

“One of the best examples of this quality is Patty, a Mentorship graduate. When she first got started investing she was terrified. She was quiet and shy and scared to death to go out and meet with sellers. She had no background in investing and was intimidated by the contracts and negotiating. But she had personal power, and even when she was scared and her mind made up all kinds of excuses about how she could avoid doing those things that scared her, she got herself into constructive action anyway.

“As a direct result of her willingness to act in the presence of her fears, Patty made over \$200,000 cash plus \$300,000 of equity with her investing in just twenty-four months. You can too, if you are willing to do the things you are scared to do.

“Make no mistake about it, the biggest differentiator between wealthy investors and poor ones is that wealthy investors have a much higher tolerance for coping with their fears and taking constructive action in their presence.

“If personal power is the fuel that propels an investor forward even in the face of their own doubts or fears, then this second quality is the foundation that all great investing success is built upon. All great investors have developed **a strong affinity for and with other people**. Affinity simply means having a connection or attraction to and with other people. The most successful investors have both a deep understanding of how people work and a sincere enjoyment of connecting with other people.

“With the sincere enjoyment of people, you’ll find that most of your interactions with people will flow smoother and produce better results. For example, many of you have worked with Emily, one of the coaches for the Mentorship Program. One of the reasons that Emily is so good with sellers and buyers is that she genuinely cares about other people. All the negotiating techniques in the world won’t cover up for the person who is only out for themselves and has no ability to relate and connect with other people. All successful investors can quickly connect with other people, and the very best investors can connect at a very deep level. People intuitively trust them because these investors truly do care about and listen to the people they are working with.

The third quality of the world’s best investors is that they have all developed **outstanding negotiation skills**. Notice, however, I didn’t say they were outstanding negotiators, but rather that they had developed outstanding negotiation skills. Many people mistakenly think you are either born a top negotiator

or not. This is total bunk. If I've learned one thing over the past decade mentoring so many thousands of new investors it's that negotiation is a skill and, like any skill, it can be learned. In fact, it's a skill that *anyone* can learn, provided it's taught the right way and provided it's practiced frequently enough so that you can develop fluency.

"In real estate, just like anything else in life, you don't get what you want, you get what you *negotiate*. Negotiation skills are what allow the highest earners to translate their people skills into tangible profits.

"I remember one Mentorship student I worked with who came from a sales background. He was engaging as a person, but he was incredibly pushy when it came time to negotiate with sellers. And to make matters worse, when he negotiated, he got nervous and began talking a thousand miles per hour and rarely listened to the other party's side of things. But over twelve months of working together, we got him to learn the mechanics of negotiating, which for him including coping mechanisms like forcing himself to breathe slowly at certain key points in the negotiation, slowing down, and repeating certain key language patterns that literally forced him to listen to the other party. By the end of that first year he had fifteen deals completed, and over the next twelve months he went on to buy over forty-five more houses!

"So no matter where you are starting off on the negotiating skill spectrum, don't worry, we can help you develop into a great negotiator if you just listen to our coaching and go out and practice what we teach you.

"The fourth quality of the top investors is that they have a **wide spectrum of deal structuring tools** to match to different seller and buyer needs. Remember, the more options you have, the easier it is for you to mix and match and find creative ways to structure a deal in which everyone wins. The highest earners in real estate consistently invest more time, energy, and money into increasing their knowledge base of investing tools than average investors do.

"The final quality of the most successful investors is their unwavering **commitment to leveraging their every action** in their investing business. Leverage simply means a way of magnifying the power of a specific action to create a bigger result with less effort. We all have limited time, money, and skills. The best investors leverage all three through systems, outsourcing, and modeling proven winners. They have a drive to consistently hone themselves and their investing business to produce bigger and bigger results with less and less energy.



The Seven Keys to Working Smarter, Not Harder

1. Systems

The first key to working smarter is to use powerful *systems* to help you get the results you want with less work and effort. A system is an organized process or tool that helps you and your team consistently produce an excellent result in an area of your business.

A system can be a script of what to say, a checklist to follow laying out a procedure, a sample document, a spreadsheet of key information, or a worksheet to fill out. **A system is a shortcut to help any person you have on your team, with very little training, succeed in getting a desired result in a specific area.**

Ultimately, to take your investing business as far as you want it to go, your investing business will need to be *systems* driven, not people dependent. You never know when a key person will leave your business. The key is to capture all the most important knowledge about how to successfully run your business into clear, simple systems that guarantee your business healthy profits, year after year after year.

One very important final point about systems is that the best systems empower your team to produce exceptional results. Systems are not about control, but rather freedom. The right systems free up your team from worrying about the details so that they can keep the bigger perspective in focus and spot unique opportunities to generate greater profits for your business.

2. Specialized Knowledge

The second way you can work smarter is to gain the specialized knowledge you need to more ably get results with your investing. What do you think makes the most skilled investors able to structure a hugely profitable deal while a beginning investor struggles with what he could even do with that seller? It is one thing and one thing only. The highly skilled investor has a stockpile of powerful experiences from which to draw on.

In today's complicated world, it's the investor with the access to the most varied and powerful storehouse of specialized investor knowledge that has the greatest ability to make big money investing in real estate. The key word here is *access*. You don't need to learn it all by trial and error. The biggest shortcut is to gather the best information on investing from the experience of other successful investors.

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The Seven Keys to Working Smarter, Not Harder *(continued)*

While we learn from our successes, it's when we fail that we tend to really search for the core lessons from our painful experiences. In fact, it's been said that pain is the greatest teacher of all. If this is true, the key question is, whose pain would you prefer to learn from—your own or someone else's?

That's the power of specialized knowledge. It can easily be borrowed from other successful investors without having to directly experience the pain yourself.*

3. Cohesive Action Plan

One of the most costly myths in the world of investing is that the best investors fly by the seat of their pants and go purely on intuition. The opposite is true. The best investors all have clear action plans that tie together all their investing activities. One of the best benefits of having this cohesive action plan is that it allows you to intelligently decide whether to step off of the plan to take advantage of an unexpected opportunity when you see it. The best investors all understand the power of quickly seizing an unplanned opportunity, and they have the ability to improvise to leverage this opportunity for maximum gain with minimum work and risk. But they will quickly modify their action plan to accommodate this new opportunity and tie it into the larger goals of their investing business.

4. Open Mind to New Ideas

The world of investing is constantly changing. New lending programs and legislative changes come at an ever accelerating pace. Breakthrough investor technologies are invented for you to harness to make your investing business grow faster. In order to work smarter you need to constantly be on the lookout and open to new ideas that you can tap into, whether they be directly from the field of real estate or from some totally unconnected field.

I can remember how when I redesigned my investing business to make it a passive enterprise, I took the technology infrastructure from another business I had and used that as the technology backbone. The result was a 1,000 percent savings in time! Great ideas to use in your investing business can come from anyone, at any time. Always be open to evaluating these ideas and ask the key question, "How can I use this?"

*As a reader of this book, you get FREE access to a special online program called the Investor Fast Track Program™ (Value: \$2,497). For details on how to register see Appendix A, or go to www.InvestorFasttrack.com.

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The Seven Keys to Working Smarter, Not Harder *(continued)*

So if openness to new ideas is so important, why do so many investors struggle with it? The sad truth is that far too many investors are locked into archaic and habitual patterns of running their investing business, even if these practices are inefficient and far too costly.

In any time of great change, one of the most important tools for you to cultivate is that of a powerful eraser. It's not always what we know that gets us into trouble, but sometimes it's all the things we know that just *aren't* so that causes us so much aggravation. To work smarter, constantly look for places to prune and delete old practices and outmoded ideas to leave room for fresh ideas and strategies to thrive.

5. Integration of New Information

With all the change and explosion of information you have at your fingertips, as an investor, one of the keys to working smarter is to systematically develop your skill of integrating and putting new information to productive use. Remember, it's only the ideas that you profitably harness that actually matter. If you can't use the information and integrate it into your existing knowledge base, then all the new ideas are just fancy diversions. Information becomes power only at the point of application.

Here are five techniques to help you quickly integrate and apply new information:

- **Technique One: Fail Fast.** To make sense of new information usually involves trying it out. Average investors let fear of failure slow them down, but remember, the very best learning comes out of learning from what doesn't work. Look for ways that you can quickly do minitrials with the new information to get some real-world experience with which to make sense of the information (e.g., try out a negotiating language pattern the next time you are shopping at the mall; brainstorm three creative deal structuring techniques the next time you are structuring an offer before meeting with a seller).
- **Technique Two: Chunk It Down.** Don't try to learn it all in one large chunk; instead, break the new information into smaller, more manageable chunks. There is a reason why Mentorship students take weekly classes on investor skills in addition to the real-world help the coaches provide them on the deals they are putting together. We've learned that there is a practical limit on how much new information a Mentorship student can take in at one time. That's why we created the structured curriculum that layers in the investor knowledge chunk by chunk.

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The Seven Keys to Working Smarter, Not Harder *(continued)*

- **Technique Three: Layer It.** Just like a coat of paint covers best when applied in layers, so too does information work best when it's applied one layer at a time.
- **Technique Four: Daydream.** It's a powerful tool to visualize and use your imagination to see yourself using the new information that you are learning. It allows you to integrate the new knowledge at deep levels in an accelerated fashion.
- **Technique Five: Consistent Feedback.** The faster and more regularly you can get feedback in the real world by trying out a new technique or strategy, the faster you will begin to own the new ideas. After each trial of the new idea, ask yourself what you did that went really well, and what one or two things you will do differently next time as a result of what you learned this time.

6. Leverage

Leverage is when an effort produces a magnified result. In real estate, leverage is the greatest key to working smarter. It's what has allowed top Mentorship students to generate large and growing monthly cash flows while working fewer and fewer hours.

The Six Leverage Points:

- **Network Leverage.** Who do you know, or who do you know who knows someone, that can help you create a breakthrough in your investing? Do you know someone who can refer you deal after deal? Do you know someone who can connect you with a source of private funding? Leveraging your contacts is one of the critical steps to super-sizing your investing success.
- **Time Leverage.** How can you get more from your time? What activities give you the greatest return for the time and energy you spend on them? How can you leverage other people's time—either team members you hire or business contacts you tap into?
- **Information Leverage.** The right information can save you from going down the wrong path. The right information can give you a huge edge in your investing. Consistently ask yourself how you can leverage any new piece of information to create a magnified return in your investing business.

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The Seven Keys to Working Smarter, Not Harder *(continued)*

- **Skills Leverage.** Certain key investor skills you'll be learning about can be leveraged to produce amazing results. For example, take the skill of negotiation. Since you'll be involved in thousands of negotiations over your investing lifetime, one unit of effort invested to improve your negotiating skill will literally produce a thousandfold return.
- **Money Leverage.** One of the best features of real estate is the ease with which you can leverage your own money and other people's money. Whether it be by financing 90 percent of a new purchase with outside funding, or investing some of your money in a proven marketing campaign to find motivated sellers, intelligently leveraging money will make you a fortune.
- **Creativity Leverage.** This is perhaps the most overlooked form of leverage. Creative ideas are more valuable than just about any other resource you have as an investor, yet far too often new investors and rigid old pros forget this. One of the reasons I think all investors should learn to buy without cash or credit is because it forces these investors to get creative. We tend to grow in direct proportion to the demands we put on ourselves.

7. The Discipline to Let Go of the "Good" Things

"The biggest enemy of the *best* is the good."

As you blaze your way into Level Two success with your investing, you'll find that your biggest challenge won't be finding enough opportunity, but rather having too much opportunity to choose from. At any moment in time you are faced with choices of how to use your time. To work smarter you need to cultivate the "best and highest use" mind-set. Constantly ask yourself the question, "What's the best and highest use of my time here?" Then develop the capacity and discipline to do the best things and let go of the lower-order possibilities. This takes courage and a clear understanding of the end toward which you are working.

For example, as I've enjoyed success with my real estate investments, many investors now bring deals to me to either joint venture on with them or to lend them money to complete. I've learned certain rules that are now disciplines that I will not violate, because the cost in terms of wasted time is too great. For example, I won't even discuss partnering on a deal for more than two minutes if the person who brings the deal to my attention hasn't faxed me a copy of his or her signed contract. And I have learned that I simply won't lend money for a deal unless it's on an apartment building or single family house. Why? Because I've streamlined and systematized my business enough that I can safely and accurately lend on houses and apartment buildings quickly and easily. This means a higher return for the time and energy I invest. This is a form of leverage.

(continued)

The Seven Keys to Working Smarter, Not Harder *(continued)*

Time is your most precious resource. You need to start valuing it by investing it like your cash—with care and respect. Value your time like your cash, and value your cash like you would if you didn't have any. Then you'll learn to maximize your opportunities.

There is a key concept called “opportunity cost,” which is the cost of the time and money you have to put into a specific opportunity. Every opportunity has a potential reward, and it also has with it a specific expense—time cost, financial cost, emotional cost. The final key to working smarter is to remember to choose carefully to maximize your finite resources. The real risk of an average deal is not the money you have in the deal. The real risk is the potentially lost profit because you put your focus on this deal rather than on a great deal.

David continued, “This weekend is about taking your investing to the next level. You’ve already learned how to take the first step and get started investing in real estate. You learned what stops most people and how you can find and close your first deal in 90 days or less. Now you’ll learn how to take your investing to the next level and build an investing business that leverages your efforts to give you maximum results. You’ll learn how to build an investing business that magnifies your returns so that you earn more and work less. Make no mistake about it, ultimately your wealth building is not about working harder; it’s about working smarter. It’s about only doing those things that bring you closer to your end goal of being a Level Three investor.

“So it’s time to get started learning to build a Level Two investing business. The first step is for you to develop your investing skills so that you have gained fluency in the five core investor skills. Then in the Middle Stage Level Two investing, you’ll work to fine-tune these key skills while you also begin your first tentative branching out to build your investing business. Finally, in Advanced Stage Level Two investing, you’ll build in earnest your profitable investing business.

“Ultimately, the only way to use real estate to become financially free is for your business to prosper without you there to run it day-to-day. This is the road to real freedom—cash flow that flows to you while you are not there working, in such a way that both the business and your net worth are growing day by day, month by month, and year by year.

“Tall order? Yes, but infinitely worthwhile. So let’s roll up our sleeves and get to work.”