



THE LANDGEEK

The Art of Passive Income Podcast With Mark Podolsky, AKA The Land Geek

Mark talks with: Erik Peterson - LandOpia.com, Aaron Williams – BearLandProperty.com and Tate Litchfield - FrontierPropertiesUSA.com on the Land Geek Round Table

Transcript

Mark: Hey, it's Mark Podolsky, The Land Geek, with your favorite nichey real estate website, www.TheLandGeek.com and on today's roundtable podcast we have Erik – No Nickname – Peterson, second day of his kids having to be home from school. Erik, how are you?

Erik: Doing good, just trying to keep focus here with the kids running around, in and out enjoying the snow here.

Tate: Isn't it snow day?

Erik: Yes, it's a snow day today.

Tate: I never had one of those.

Mark: Not global warming; it's global weirding. And we got BearLand-Aaron Williams. BearLand-Aaron, how are you?

Aaron: Pretty good. We only had a two-hour delay so not quite as bad as Erik.

Mark: That's not bad at all. And then of course the Big Papa himself, I-love-it-when-you-call-me-Big Papa - Tate Litchfield. Tate, how are you?

Tate: Good, finally feeling recovered since boot camp.

Mark: Okay, seriously, because Erik and I are still dragging, how are you recovered?

Tate: Well, I'm tired; don't get me wrong. I had to take a nap yesterday because I was exhausted. I came home Sunday night and I slept. I went to bed at like 8:30 and I slept till eight in the morning. I was exhausted.

Mark: And you didn't get into any trouble with the wife?

Tate: No, she was understanding of the whole situation. I mean, we worked.

Mark: No, you work. It's work, it's hard work.

Tate: It's like the most stressful part of my life right now is boot camp prep. That's a lot of work.

Mark: It is a lot of work. It's a lot of talk, it's a lot of energy and you know, the older I get, the longer it takes me to recover. It used to be like... I remember the first few boot camps. I would actually have a few things going on Monday and now, Monday is total day off.

Tate: Yeah.

Mark: And then I come to Tuesday and I'm just like, "Oh gosh, I've got stuff to do." And there's no energy there. So, I'm tired. But Erik, you're a young guy, how are you feeling?

Erik: I'm tired still. You know I got in late on Sunday. By the time I got home, it was after 9:00 so I didn't get to bed till 10:00 and I slept in the next day—trying to catch up a little bit but still feeling it a little bit.

Mark: Yeah, absolutely. So, on the topic of boot camp, it was our largest boot camp. We had like what, 90 people in the room at one time including all of us?

Tate: Yeah.

Mark: So, it was big but didn't feel too big. It still felt intimate, didn't it?

Tate: Yeah.

Erik: Yeah, I think the room accommodated everybody very well. And yeah, it felt good. It was big but I think it was good.

Mark: Let's talk about the boot camp takeaways. What were the biggest boot camp takeaways for you? Let's start with you, Erik Peterson.

Erik: For me, you know, often times it's just about kind of meeting people in the business put in a... I guess you can't say a face to the name because we see each other a lot in Mastermind calls and things like that, but actually being able to have someone's hand or meet them in person. It just adds another kind of level to those people we see on a regular basis and then of course all the new faces as well. That's typically a big takeaway for me.

On top of that, you know, there's always something that I walk away from boot camp with and I kind of set myself to accomplish in my business over the next month or two. And for me, this time it's really focusing on the acquisition side and systematizing a lot of that and bringing in an acquisition manager and stepping out of a big portion of that part of my business.

Mark: Yeah, that's huge. That's huge. BearLand-Aaron, I think it's unfair to ask you what your biggest boot camp takeaway was from San Antonio. But how many boot camps have you been to?

Aaron: Two.

Mark: Two, okay.

Aaron: Or three. Two I think.

Mark: From the two or three, I think it's two... Wait. Or three.

Aaron: Orlando and Scottsdale.

Mark: Scottsdale. So, what were your biggest takeaways at boot camp?

Aaron: Well, the first one is always huge just because it's all new. So, you're trying to assimilate all of that information. The second one was really cool because you get to reinforce the things that you've learnt previously at a previous one or through coaching, through Mastermind calls, that sort of thing. But you always get those things that kind of can help bring you back to basics that you forgot. Obviously not the main parts of the system: the

mailing and marketing and that sort of thing. I mean, that's an obvious, but those little things you're like, "Oh yeah, if we do this, it will help us with that," and that kind of thing. I totally forgot about that. And bringing those little things home and of course, you always get the nuggets that Scott talks about. Boot camp is just an amazing experience no matter which time you go I think.

Mark: Yeah. How about for you, Tate?

Tate: You know, one of the things that I found really interesting was the fact that in the VIP rooms, somebody mentioned that when they have that initial contact with a seller, one of the things that they do is they walk them through the closing process ahead of time and they say, "Listen, here is how we're going to close the deal," and they tell them... They don't even give them the option to look at using a third party for the deed or recording or anything like that. They would just say simply, "Mark, when we agree upon a price, I'm going to email you a deed, you're going to print it, you're going to take it to the nearest bank near you, you're going to send it back to me and I'm going to record it."

I thought that's really, really good advice right there because how many times have people gone all the way through the due diligence process only to find out that their seller won't sign a deed unless they get paid ahead of time, right? And they run into these hiccups with one simple phrase on the initial contact, all of a sudden you know if that person's willing to play ball with you according to your rules and you can decide right there and then if it's worth your time or not.

Mark: Yeah, absolutely. You know, I had an observation and then I had a takeaway. My big observation that was different from this boot camp from previous boot camps are the Flight School people. And the Flight School people, there's a different dynamic because their level of knowledge coming in is like crazy deep. And then they're getting reinforced with the fundamentals at boot camp and there's that different feel in the room now where it's they're kind of like, "Yeah, now let's go a little faster, a little deeper here." And sort of like into the deal flow and getting a list, scrubbing the list where it used to be like the big pain point that everybody would have like these questions about the list, the list, the list. The Flight School people don't have that. Their questions are more macro now—all about just the systems and the automation and the delegation and the closing. It's really interesting to see how that has evolved. Like pain points are evolving after bringing in Flight School people and doing all of that.

And then my biggest takeaway I think was just how much money is being made in this little niche, right? Because like the [00:09:05] [indiscernible] brothers are like, "Oh yeah, we're going to make about \$200,000 on this one deal." And then [00:09:09] [indiscernible] is like, "Yeah, yeah." She's closing these big \$30,000 flips and John Montero is like, "Yeah, I'm doing like a million dollars on eight deals this year." So, you've got people who are the bread and butter deals, like the wholesale deals and then people who are doing these bigger deals and it's just really interesting to see how that has sort of evolved where there's something really for everyone as long as they'll execute, right? There's just kind of like the bottom line there. Did you see that guys? Did you feel that at all in the room?

Erik: Yeah, for sure. Absolutely, there's so much opportunity; it's ridiculous.

Mark: Yeah, it was kind of this overwhelming at some points. Some of the stories like, you know, Regina [sp] comes up to me and she's like, "We closed six deals this week." I'm like, "Six deals?" She's like, "I love Tate." I'm like, what's going on? And then you know, I'm like, "We didn't close six deals this week." Comparison is the thief happiness.

Erik: Yeah. I think the one thing I noticed in terms of the room, like you were talking about the Flight School and stuff, I mean, I was very impressed with the knowledge of the room. I mean, thinking about the interactive sessions that we go through and the presentations that were made and how thorough and thoughtful they were. I mean, they did a great job.

Mark: Yeah. Alyssa Rapier and Brian Rapier. I like big lots and I cannot lie. So, here and this is like on the Saturday interactive session where it was like the winning headline. It was awesome.

Tate: I love that little Sir Mix-a-Lot.

Mark: Sir Mix-a-Lot?

Tate: Yeah.

Mark: Yeah. But everybody else, the depth of knowledge in there was crazy and it was almost like we saw on the surveys. The interactive sessions we need to kind of make tougher for them and we need to kind of do that differently because the Flight School people need something just a little bit tougher, it sounded like. Like it was too basic for them which in past boot camps we haven't had that issue. Like people love the interactive sessions and it reinforces all this information that they're learning throughout the weekend, but Flight School—they already kind of have it. It was interesting.

Aaron: Now you're going to have to balance that between people who are coming to boot camp with you know, very little knowledge compared to people that have been through Flight School. Will you start to lose the people who are just beginning and that sort of thing?

Mark: Yeah, I mean, maybe you just pair up with a Flight School person and at networking times you just talk to them and... I don't know. I don't know how you bridge that because we only have so much time and we can't kind of meet... We can't be like at Flight School level if you just got down with the Tool Kit. You'll be drinking from a firehose and your eyes will start bleeding, you know.

But I do think that there's always value. We've heard from the Flight School people like it's always valuable to reinforce the fundamentals, the fundamentals, the fundamentals because they start getting into the weeds as they start growing their businesses and building the systems in automation.

So, one of the overarching questions that we kept seeing time and time again with the Grill the Geeks module were our business expenses. Like what are your business expenses? Yeah, I see the gross numbers, but what are the net numbers in this business? So, Erik Peterson, when you first started out, what were your biggest expenses?

Erik: When I first started, I mean, probably mailing and it probably is still one of the larger expenses today. I think what a lot of people kind of begin to worry about or get cautious about in our businesses is that we use a whole lot of different subscription-based services; whether that's your Lob for your mailings or you're using the various land sites or Land Modo or you've got Convert Kit or MailChimp or... I mean, there are so many different arenas where we have to basically pay to play and those add up.

So, I think early on, it gets a little bit hard to make some of those decisions as to which ones to use and which ones to wait on and things like that but yeah, I think mailing tends to be one of the biggest expenses but it's also one of the most important things. On the marketing side, we have kind of small subscription fees for different pieces we use to be able to post to those Craigslist accounts, right? So it all adds up.

Mark: Right, right. Looking at your numbers, what are you like net? Are you at 30% you know [00:14:51] [indiscernible] business 40%?

Erik: I don't have a good answer for that right now. I don't have that in a way I can give you an idea. I can say...

Mark: [00:15:03] [indiscernible] because usually an average company rent is the biggest expense.

Erik: Right. I can say that outside of my VAs right now, my current monthly expenses are probably around 1,700 bucks with all my subscriptions and mailing. I don't know what that works out to on a net basis but at least it's a figure to look at.

Mark: No, I think that's a good figure. How about you, bit BearLand-Aaron?

Aaron: Expense-wise, at the beginning it was definitely the mailing and the acquisition of the land itself. Now, obviously land acquisition is still a pretty big expense, if you really want to call it that. I don't know if you really want to call it that though because I would say now really our largest kind of expense is still actually mailing and you know, my VAs – those are my two big ones. I just pulled up my books here. Cost to goods sold, which is going to be the land for the most part may be a little bit for paying back taxes when you purchase the land, that sort of thing. That's pretty big too but that's the land so that's...

I don't know like Erik, I'm not really sure on percent-wise. I don't have really that information broken down. But yeah, we do have a lot of subscriptions and stuff. So VAs, the cost to goods sold and software as a service are you know, what you're really looking at. Now depending on how many boot camps you do, continuing it and or travel can get it up there from time to time but you can control that, whether you go or not.

Mark: That's not an expense, BearLand-Aaron; that's a huge investment. That's a 10X ROI.

Aaron: I know. I know.

Mark: Education is a great investment. But I get it. I get it for sure. How about you, Tate?

Tate: You know, it's a good question.

Mark: I just want to tell everybody I stole Tate's name for his office now because I am now... The two of us are working out of the garage Mahal, not

the garage office, the garage Mahal. I love that. I've got incense burning, I've got chicken tikka masala over here. I mean, it's the garage Mahal.

Tate: Have you set up your Zen den area though?

Mark: No, no. I have not set up the Zen den area.

Tate: You need to set up the Zen den area. That completes the garage Mahal, right?

Mark: I will.

Tate: Yeah, it's a must have. It's a must have. And it will definitely increase productivity. I guarantee it. 10X it.

Mark: Okay. I'm in it. I'm doing it.

Erik: So, my business is...

Aaron: Is that a bean bag and some curtains or?

Tate: Bean bag, maybe you want to have a little Bonsai plant going on, a nice tranquil area with I don't know...

Mark: I'm going to get like one of those little rock waterfalls.

Tate: Yeah, yeah, definitely a waterfall, lots of plants, calming colors. I think we could all take a page out of Scott's book and get some lights. You know those lights he has that change colors?

Mark: Yeah. The Philips Hue Lights.

Tate: Yeah. Maybe we need those in our Zen den.

Mark: It's not a bad idea.

Tate: Oh wait ...

Aaron: Yeah. Some of them play music.

Tate: Are we even talking about Zen den? What are we talking about right now?

Mark: No, no. You were talking about your expenses. What's your biggest expense?

Tate: Well, the Zen den doesn't... No, I'm kidding. My biggest expense would be mailing still. You know, we're mailing out 1,000 offers a month and I'm set up through a plan on Lob; I think it costs \$800 monthly. But I don't even view it as an expense anymore, Mark, because I just know that it's something that has to happen in order for the business to grow. And all I need to do is get one deal out of that and I'm going to make my money back, right? My VAs are expensive but...

Mark: Yeah, yeah. I think the answer is for everybody to go through Scott's accounting course where he kind of walks you through this Profit First method of here's what he allocates to reinvestment and here's what he allocates to fixed expenses which are going to be your mailing, right? Everyone is going to have some type of internet connection, right? But otherwise, there will be other variable expense like if you get more than two notes, you may have a Geek Pay subscription of \$49 a month, right?

Tate: You should have a Geek Pay subscription.

Mark: Yeah, but that's automating that. Now you're saving yourself time and actually Geek Pay, if you do it right, it's a profit center so that's not even an expense. But if you have let's say Convert Kit or AWeber, that would be a monthly expense. So, your SAS expenses could get up there in the beginning and then you've got to figure out your owner's pay so you can take money out of the business as well then profit.

Tate: Another expense could be simply requesting deeds from the county, right? That's \$5 here, \$5 there and depending on the volume that you're doing, that can add up and it's something people forget but I don't know. It's a mindset, right? If you go into it knowing that, "Yeah, I'm going to have to spend a little bit of money," it's still cheaper than closing through title but ultimately, it'll be in my best interest. I'm okay doing it. In fact, I'm looking for ways to simplify my life and if that means another subscription, then bring it on, right? I've got no problem with it.

Mark: Yeah. What's great about this business is that it has such high margins, such really low fixed overhead because you can do it from anywhere in the world. You need an inexpensive laptop, you need internet connection and really, that's about it. You don't want to mail? You don't have to mail. You can go buy wholesale deals, right? If you didn't want to. So, there are lots of ways to do it but I think ultimately, you need to kind of look at it from a profit-first perspective for long term planning.

I'm like Tate now. I'm like, I'll buy almost anything that will save me time. I can always make more money; I can't get more time. What's interesting is like you look at a note... I was having a conversation last night with my buddy who's like sort of in the Mr. Money Mustache mode of just having no expenses in his life. He wants to pay off his house as fast as possible; he wants to have no car and no expenses. I'm like, my customers are paying my notes for my land—they pay everything in my life. I don't pay for cable. John Smith, who's paying \$100 a month for this five-acre parcel, is paying my cable bill. And so, once you have that in a good place, you see this kind of differently. Does that make sense or am I just rambling?

Aaron: No, perfect sense.

Mark: Erik's like, "zippy the lippy". Let's get to tips of the week. So, that brings us to tips of the week. Erik, what's your tip of the week?

Oh, before I go to the tips of the week, Phillip Ma had a great suggestion at boot camp. He was like, "No more tips of the week. No more new tips of the week. It's \ too many. It's overwhelming. I'm in the car and there's five or six tips of the week. I can't even write them down fast enough. I'm overwhelmed. Enough." So, I think we should reinforce our favorite tips and stop giving all these tips and maybe once a month give a new tip of the week. If you disagree with this, email us at Support@TheLandGeek.com with the subject line, "New tips please". Okay, Erik. If you say JotNot Pro, man. What's a favorite tip?

Erik: Actually, I think our theme this week is going to be quotes. So, I am not going to bring back an old tip. However, I'll be prepared for that next week - JotNot Pro.

Mark: Okay.

Erik: So, my quote today is, "It is better to conquer yourself than to win a thousand battles. Then victory is yours." To me, that speaks to just establishing good habits, right? You know, conquering the battle of distractions and all the other things we have going on and establishing good habits that enable us to make progress in our businesses. So, that's what I got today.

Mark: I love it. I love it. BearLand Aaron, what's your tip of the week? Do you have a wise quote?

Aaron: Well, first, first, I have to tell everybody that after my irreverence towards Mark last week, I used his tip of the week with was the Unsubscribe Robot on a particularly unruly email account I've had since college and I would get about 20 emails a day in there mostly junk. It would become my junk mail box and I started using that and now there are like crickets – in just a week. So, I think I've recovered a mail box that is now usable for good stuff. So kudos, Mark.

Mark: Thank you. Thank you. You know what, I really appreciate it because so often I get mocked and rarely does anybody come back and be like, "You know what, that little tip was actually useful." So, thank you. I appreciate it. Too bad Mike Zaino is not on this podcast.

Aaron: I know. I know. They needed to hear that.

Mark: He's usually the one doing the mocking. "Hey Mark, great tip last week. Really wasted two hours of my life. Thanks." By the way, I apologize to everyone in Massachusetts for that accent.

Aaron: Okay. So, my quote, it was actually from *Reader's Digest*, a lady Laura Vanderkam who wrote *Mosaic* and *168 Hours*—she had this little thing on there on time management and this is the quote, "I once interviewed a woman named Theresa Daytner, who owns a construction company and has six kids including twins. She told me that she never tells herself 'I don't have time'. Instead she says, 'It's not a priority. I could say I don't have time to make handmade valentines for my children's classmates, but if you offered me \$100,000, I'd do it quickly. Since that's not going to happen, I can acknowledge that this is a matter of priority, not time.'"

So, I thought that was really useful because a lot of things that we do, we say, "I don't have time to do that." Well, it's really just a matter of priorities. So, get your priorities, decide what they are and we talked about it in a previous podcast about the 12-week year and the one thing and you know, getting the priorities right in your life or in your business and then decide what you're going to give your time to. Because you do have time, you just have priorities. So that was my quote.

Mark: Great quote. I love it. I love it. Tate wants to jump on you, BearLand-Aaron. Are you going to do it, Tate?

Aaron: Give it, Tate.

Mark: Are you going to attack the quote?

Tate: No, I actually like that quote. I think it's really true. I think that we can do anything we want to do; it's just whether or not we want to do it, right? I kind of have a mindset approach to today's tip of the week and it's "The mind is everything. What you think you become." Right? That plays in perfectly to what kind of everyone said thus far and if you want to become something, start telling yourself that you're that way. Start telling yourself that you can do anything and I guarantee that success will follow. I know it. So, that's kind of my tip and I'm feeling that way after boot camp. There are some changes I want to make and some things I want to do better and it's not that it's too difficult or it's too time consuming. It's just I need to do it and it starts up here, up top, right? Mindset shift.

Mark: Yeah, I love that. I love that. My tip of the week is going to be from Mark Manson, *The Subtle Art of Not Giving a F**. In there, he talks about most people wait for inspiration then motivation and then taking action and he's like, "That's not really how things work." Because really, it's action leads to inspiration which leads to motivation. So, my tip of the week is take action now and give yourself... Set a timer. Five minutes taking action, right?

Like I can imagine Erik Peterson is like, "Okay, I want to edit my website." But when he starts thinking about all the things he has to do, he's like, "Ah, I don't want to do it." And he procrastinates, right? Whereas if he's just like, "Okay, I'm going to take action just on the header. I'm only going to work on the header." Once he starts taking action, it leads to an inspiration, like, "Oh, wait, that only took a minute. Now I can see this little sidebar here. I'll work on that." And that leads to inspiration and motivation and becomes an interesting thing. So, I'd say start with the action and the inspiration, the motivation to follow. Don't wait to when you feel like doing it because it isn't going to happen, right? Tim Ferris talked about this guy who wrote like 57 novels and he's like, "All I write is 200 crappy words a day and next thing you know, it leads to beautiful, prolific novels." You like that tip of the week?

Erik: Yeah.

Mark: No mocking, Tate?

Tate: No. You're good.

Mark: All right man. Well, I want to thank all the listeners. I want to remind everybody that today's podcast is sponsored by [GeekPay.io](https://geekpay.io), the only set-it-and-forget-it system to get paid automatically, notifications automated as you can always make more money, can't get more time. It's going to save so much time, it eliminates all the headaches of collections, down payments, and it is a true set-it-and-forget-it system. You can log in, your borrowers

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Tate: Yap.

Aaron: Actually, hey Mark, before we end, we should once again plug Scott’s accounting for land investors’ webinar that’s coming up. I took it last year and it was amazing. I’m taking it again this year for the updates. If you’re on the edge, man you need to do it. I got my books straightened out because of that program, I can talk to my accountant at a much higher level and on my books in this business. It’s just an amazing program he’s put together and I can’t say enough good things about it.

Mark: Yeah, I think if you go to ScottTodd.net/Accounting, you can register for that and I agree. Especially the people that are sort of fuzzy about the actual expenses involved in this business, you can see how you can account for everything and what it’s really looking like on a sort of Scott’s profit first system. So, that’s a great plug. So, ScottTodd.net/Accounting I believe. Anything else? No? Erik and I need to go take a nap. One, two, three.

All: Let freedom ring.

Mark: Oh my gosh.

Tate: Can we delete that?

Erik: We didn’t have Scott counting us off. I don’t know.

Mark: I know. I have a feeling we just lost a bunch of listeners for next week.

Aaron: We need a metronome.

Tate: You know, I was really good at the end of boot camp though when we did it.

Mark: No, it was great. It was great having like the attendees do it.

Tate: You know, for how musically talented Erik is, he should have recorded it and had it plug in and it would have been awesome.

Mark: I love when Mike Zaino's at dinner, he's like irritating Erik. He's like, "I'm playing my guitar."

Erik: "I just sold 10 properties."

Mark: "I just sold 10 properties; I'm just playing my guitar."

Erik: Where's Mike when we need him?

Tate: We're not doing that justice. We're not doing that justice.

Mark: How about Damion Lupo? Who wants to meet Damion Lupo? That guy's like, "Oh yeah, I was just in Japan." The guy is like, "The sushi chef is like, 'Do you want fresh sushi?' He's like, "A real-live shrimp." He chops the head off, chops the tail off, and puts it on rice. Like the head's still moving." Damion Lupo is the most interesting man in the world. I never get tired of that guy's stories.

Tate: His stories are... Who was he playing poker with the other night? Remember?

Mark: Some celebrity.

Tate: Yeah. He was like, "Oh yeah. It was for charity so it's no big deal."

Mark: Yeah, yeah. He has like these endless cool stories. He's like, "Oh yeah. Hanging out in Madagascar." I'm like, "What?"

Tate: The most interesting man in the world hands down.

Mark: Yeah. I mean, whatever. The only thing that gets me to sleep at night is knowing that I have three children and he has zero. I'm like, "Ha! I win Damion. While you're out doing safari or some other crazy adventure, I get to, you know, have my teenagers completely ignore me. Ha, I win."

Aaron: I know that.

Mark: Yeah, yeah. "Damion, how many eye rolls did you get today? Oh, that's right, zero." I don't know. Tate, you've got this to look forward to. So do you, Erik.

Tate: You're selling me on it.

Mark: You know what though, they are fun. I have to say like they are really fun when they get to the teenage years. It's really different.

Aaron: Yeah. You have a lot better conversations with them, you know? You kind of get into that adult level and you get to help them experience life and guide them at an adult kind of level and the conversations make it definitely worth it. Then you go into dad mode and say something and you get the eye roll but it's all worth it.

Mark: Yeah, it really is. It's great. What were you going to say, Erik?

Erik: I was just saying I have the eye rolls to look forward to.

Aaron: Oh yeah.

Mark: I mean, yeah. But that's normal. When you're a teenager, you have to rebel. Otherwise, why would they ever leave the house, right? It's like part of development, "Oh, mom's going to do my laundry and make me all this food?" It's like they're too comfortable. They have to rebel otherwise they can't leave the nest. So I love it. I'm like, I only have to deal with this for another two years that's great. It's awesome.
All right, well thanks, you guys. See you next week.

Tate: Thanks.

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