



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

Mark and Scott talk with: Erik Peterson - LandOpia.com, Tate Litchfield - FrontierPropertiesUSA.com, Tate Litchfield - FrontierPropertiesUSA.com, Mike Zaino – TheLandGuru.com, Aaron Williams – BearLandProperty.com and Jeannie Morem 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 today's is going to be a special podcast. We're actually going to mix it up a bit and provide all of you land geekers a taste of the best of the best segments of our Round Table podcasts which have been immensely popular. So, sit back with a latte, or espresso, or Americano, or some kind of caffeinated drink. [00:00:48] [indiscernible] like me and enjoy the best of the best of our Round Table segments. All right thanks so much.

So let's shift gears here and talk about sustainable growth. What are the things that we see in one-on-one coaching Flight School are the I guess for lack of a better word irrationally exuberant newbie and what they want to do is they want to grow and they want to grow superfast. What happens, Tate, when that happens?

Tate: You know, I think we need to dive into what this means first of all a little bit further.

Mark: Sure.

Tate: This is not "I want to mail every single day" these are the people that come out and say, "I'm going to mail 2000 offers this month and I'm going to buy anything that comes across my table and I'm going to hire 50 VAs you know." If you do that you're almost setting yourself up for a bottleneck and not even failure because you can recover from all of this. It's just, you set yourself up for a lot of headache and a lot of stress. The kind of stress that's like oh I've got 20 accepted offers and I'm still perfecting the due diligence part of the business. How am I ever going to get through these? Oh I've got to renegotiate all these deals. I'm nervous about even answering the phone right now. So sustainable growth is huge, right?

Mark: Yeah. Scott Todd what are your thoughts on that?

Scott: Okay. So when I see somebody that comes out and they're like all the chips are on the table before they've even done like, I don't know, just even a couple deals like they're just going all in. I'm going to mail out a thousand offers my first month, I'm going to try fast forward this, I'm going to do all this stuff; I agree with Tate it's a train wreck waiting to happen. Like you can say like here's a train wreck coming, here's the next train wreck and it's not because the system doesn't work.

What happens is you don't have a foundation of what success even looks like, you haven't done a deal yet, you have got to own land-itis meaning you've got to buy all these land now. Now you're in a grab for it and then you tend to overpay because you're not entering this thing in correctly, you're not making your entry correctly. So now you're overpaying and then all of a sudden you've got this snowball that's just going to chase you down the hill and I think it leads to burnout. I think it leads to rapid burnout because you're not seeing the success that you want at the right time as opposed to, okay, look let me just start doing some deals, let me start mailing a hundred a week that's going to get me about a deal a week. Let me get my sales system down. Let me build these systems and then once you get those systems in place then scale but a lot of times people want to scale like from day one and that's bad.

Mark: Yeah, it can be really painful. There's a reason we say in one of our modules in the *Investors Tool Kit* it's more deals than you can handle. It literally is more deals than you can handle in the beginning until you get

your systems up and running. Bear Land - Aaron did you have any... does any of these ring true for you?

Aaron: Yeah. I don't know if you remember that but yeah when we first started and the thing is, we didn't start off putting out 1000 or 2000 offers. I mean we started off... I mean, you know we were in coaching and Scott was our coach he kind of set us off in the right track and we were doing like 20 mailings a day, a hundred a week and we hit this pocket this area that everybody wanted to sell and we still ended up so overwhelmed with the response that for a time it kind of buried us and I probably lost a couple of deals because of it. I probably bought a couple things that I maybe shouldn't have because of it, nothing that was catastrophic and that was doing it at a pace.

So, you know you go out and you start doing some of these things that are, you know you just think you've got to do everything today and I mean, you know, I guess like Scott said rapid burnout could be a thing. Just the total overwhelmingness of everything with the rest of life going on at the same time, especially if it's a side hustle for you while you're still working your 9-to-5 man, it just may be the point where you lose out on the ability to do something really great in your life because you got so overwhelmed and you shelf it and that's why we don't want anybody to have that happen.

Mark: Yeah absolutely. I mean it kind of reminds me of that Tony Robbins quote, "We overestimate what we can do in a year but we underestimate what we can do in five years." Tate what were you going to say?

Tate: I was just going to you know something similar to that. It's when people get started in this business, how do they measure their success, right? They measure it by the amount of money that they make or the deals that they do and sometimes I think we're measuring with the wrong size of the yardstick. Like maybe we need to measure our success on a more realistic basis, right? Oh my 20 offers went out today, I contacted these five individuals, I posted X number of ads. Maybe we need to bring it back it down to a manageable scale and if we do that we'll start to feel like we're moving the needle.

Mark: Yeah absolutely, absolutely. Scott Todd what are your thoughts?

Scott: 20 and a day baby. I think that if you're going to start you start off with 20, 20 offer letters a day. I don't care if you want to do you know a hundred on a Monday. I prefer you not, I prefer you do 20 a day but 20 a day keeps the bat away like they like to say in Flight School all right. Like

literally just the 20 a day just gets the momentum going. Once you've perfected then go full steam.

Mark: You know it's so funny because I actually take that 20 a day philosophy and it actually ripples out for every area of my life including with my kids. So I'll tell them "Hey look we've got to cleanup on Sunday," and I'll set the time. We're really going to do this for five minutes after five minutes we're done cleaning okay, inevitably they get the rhythm of it, and they'll go for like 15 minutes and everything is done and I don't have to like hassle, "Hey Noah, take the trash out." Like he already did it because he's gotten in the mindset of cleaning. It's always the hardest thing to start.

When I work out in the morning I'll do like the seven minute work out if I don't feel like doing it, and then I'll do another set of seven minutes. So that's 14 minutes but I'm breaking it down. I'm breaking this thing down that's big into these small chunk and I really think it was just this... it was so brilliant of Scott to like take that philosophy of taking this big piece, it's overwhelming in the beginning and just making it really manageable. I mean how long does it take to send out 20 offers? I mean I could handwrite 20 offers in 20 minutes. I mean Scott, how long did it take in the beginning, less than an hour?

Scott: Ah yeah. Look it took less than an hour to like handwrite 20 offer letters and look we don't handwrite. I don't handwrite them today but in the beginning I did and I would sit there on the conference call and I would just write, I would go to lunch and I would sit at lunch outside probably a Panera bread Mark but you know I don't know something like that.

Mark: I'm sure it was Panera bread.

Scott: I'd sit there and I'd handwrite the things and like it looked like I was just sending you know I don't know birthday cards or letters, I don't know and it was kind of like therapeutic as well. Like to just handwrite 20 it sucked that's why I don't do it now but at the beginning it was like ah is it this one, is it this one and then you see the name come back. You know like I wrote them up a letter.

Mark: Let's say it's like little lottery tickets.

Scott: Yeah, you don't know which one.

Mark: You don't know which is going to come back. Bear Land - Aaron what about you?

Aaron: As far as what?

Mark: Like when you first started did you like feel overwhelmed with the 20 offers? Like it seemed doable.

Aaron: No. Yeah, it was completely doable. When we first started we weren't on LG Pass which makes it unbelievably easy but you know we just had a spreadsheet and you kind of... what's the thing where you get Excel over to Word you know create your document and then bam. You know it was really easy. It probably took 20 offers it probably took about 20 minutes to half an hour.

Mark: All right it's not bad, not bad at all.

Mark: Underestimating efforts, Scott what do you see underestimating effort? What does that make you think of?

Scott: I think that we live in an instant gratification society and I think that people think that I can just do this one little thing or two little things and success is going to come to me and that's like just not the case. I mean you've got to take more effort and do more work to complete the task that you want to complete than what you really think. You've got to overestimate it.

Mark: Yeah. Tate Litchfield, what does that make you think?

Tate: I mean you know it's the amount of work required when you're starting it especially it's I mean it's ... We see it all the time on the marketing side of things. People think, "Oh I'm going to post my first Craigslist ad and boom my phone is going to be ringing off the hook and people are going to be throwing money at me." Or, when people send out their first deal of the week or letter to their buyers list they think, "Oh, great, the guys on the podcast they say this is the Holy Grail. They send that email out and it's crickets." But they don't realize that it requires more than just an email. It requires picking up the phone, follow up emails, hounding these people to make them realize that they want this. So the amount of work required I mean you can't even measure it. It's daunting at first but then it gets slowly more manageable.

Mark: Yeah. How about you Erik Peterson, what do you think about when you hear the word underestimating effort or the phrase I should say?

Erik: I think what comes to mind immediately is just kind of as Tate was saying we often see it in a community where someone will start off strong

whether that's on mailing or marketing or what have you and they don't see the results right away whether that's right away being a week later or two days later and then they get discouraged. Rather than continuing to plug away at it and just keep going because you're going to get there if you keep going they instead either taper off or just pull back completely and kind of lose the effort that they put into it by giving up too early. So that's kind of what it means to me I think.

Mark: Yeah. Yeah, I agree. How about you Mike Zaino? What do you think about it?

Mike: Well I think it's consistency. I think that people want instant gratification. But the thing is some people do it right? But they realize we're doing the same things over and over again it's the consistent effort we're putting in. So you can do that thing once, you can mail out once, you can market once, you can send to the neighbors once, you can send to your buyers' list once but what separates the people that succeed and those who don't is the consistency and the consistency is what brings about the result. So if you do it like, "Hey I put five ads out why is no one buying my property or I sent 100 mailings out why am I not buying land or whatever it may be." It's just it's the false expectations. It's like you're doing the right things but are you consistently doing the right things? That's what's going to move the needle and that's what separates the people who succeed and don't.

Mark: Yeah, yeah absolutely. It's funny it's kind of made me think of when I was younger and I was getting into like weightlifting, bodybuilding and I had a personal trainer and I was you know getting into it and I remember saying to my personal trainer, "How long is this going to take before I see any results?" He kind of looked to me like, "First of all it's taken you years, by the way, to get to where you are right now right years so your expectation of any kind of change, yeah like you might see a little bit of change after 90 days. I'm like, "90 days?"

I worked out really, really hard, everything he said to do I didn't see any change for 90 long excruciating painful days. Then I didn't really see any really you know like my friends would look at me and they are like you know it was like a year later that I saw any kind of improvement at all after consistently showing up at 4:30 in the morning, working out really, really hard with this guy pushing myself to the limits. It took a long you know to me what felt like a long time and a lot of it might just be poor genes or whatever it is but it took a long time.

It made me think like when you think about things in your own life like all the bad things happened really fast, right? You get that horrible call in the

middle of the night you know your grandmother just passed away. Boom, that's fast, right? All the bad things happen super, super fast. All the good stuff, all the things that we're proud of, all the rewarding things in life take a long time. It takes time, right? I mean gosh nine months just to have a baby, Tate. I mean you know?

Tate: It wasn't that long.

Mark: Right. I mean you know or just I mean think about like your own lives right? Like I mean like what are some of the proudest things? I mean it takes a long time. Nothing is effortless or instant gratification rarely will provide that type of reward. So I think when we are talking about underestimating effort, I know what I'm talking about, by the way, so feel free to jump in.

But when I think about underestimating effort I think about that like get rid of the timeline and focus on okay if I know that Scott and Tate and Erik and Mike are posting 16 ads a day and they've been doing this a long time and they're successful I should probably be doing 32. Like there needs to be a baseline of a minimal amount of effort. I think a lot of times correct me if I'm wrong people don't know what that is sometimes especially they're not in coaching. I mean what do you think Tate?

Tate: Yeah, I mean you got to know what other people are doing to get their success and either match it or exceed it. The thing that a lot of people forget is it took Scott a long time to get to where he's at with his land business. It took you a long time. It took Mike a long time, right? They put in the work. These guys were all willing to do whatever it took to achieve success. If you have that same mentality all of a sudden spending all day posting ads isn't that hard to do.

Mark: Yeah, yeah. Erik, how about you? I mean I think we're all sort of you know we're all sort of seduced by the ease of someone's success, right? The overnight success sort of myth when in reality you might see an outlier here or there. I'm thinking of like Instagram, right, the guy sold out for a billion dollars after a year. But when you think about it, I forget his name, but like he's a Stanford grad like he had to do a lot of things even to get to that point to even do Instagram. But Erik what do you think about that?

Erik: Well I think that's pretty true. I mean we look at people's success that especially when we don't know them. We don't kind of have regular interaction with them and we see that what seems to be yesterday they were an average Joe and today they're successful. I mean that's how it looks to the outsider, right? Because we hear about it in some form whether it's

news or people talking or what have you and it seems like well it was just a switch that was flipped and now this person is a success and they've achieved what they wanted to achieve but missing everything underneath the surface that got them there. You know all that work they put in before that and maybe depending on their situation are still putting in to achieve those results and maintain that success.

Mark: Yeah. I mean you know here's the question Mike if I offered you a pill a magical pill right and it offered you unlimited freedom, unlimited flexibility, you never had to worry about money again, okay? That bucket of stress is gone. You work when you want, with whom you want, where you want, and travel the world you just got to swallow this one pill, okay? How much would you pay for that pill and how long would you even think about it also before swallowing it?

Mike: It's a good analogy. That's a good analogy and I think that that's there for anybody who ... I mean there's a lot of things that come into play, right? What makes you happy in life and what you know what you need to have to be happy that's individual. But I think what you're saying is so true because you do have a certain point in this business with the fact that our business is boring, serves us well, because the fact that it's boring is you can systemize and automate it and that's exciting right? Now we can make money doing hardly anything. When we say an hour a week we lie it's less than an hour a week we are not doing... it doesn't take that long.

I think the effort to get there reminds me of like I've already told you of my Tai-Chi teacher, "How long to get good at Tai-Chi? "10 years." I go, "10 years?" He's like, "Well 10 years is coming either way. You are going to be good at Tai-Chi or not?" So a year from now is coming are you going to sell land? A month from now is coming are you're going to do 40, 50, 60, 70, 80, 100 ads or are you going to send out 500000 mailings? Time is coming.

But the consistent efforts that you're going to put in are going to either bring results or are you going to be sitting there going, "Man I didn't get any properties." "Well, how many letters did you mail?" Oh, I mailed over 100 three weeks ago. How come nothing has happened?" Or I sent out two ads. You know I'm not trying to make fun of anybody but the reality is the efforts we put in bring results, right? If you're going to do consistent efforts you're going to have ... Everybody here that is doing this, everybody we know successful, has consistent efforts they've developed consistent behaviors and you know a year from now is coming either way. Did you sell land? Did you buy land? Well it's up to right now and your daily habits

Mark: Yeah, I love that. I love that. Scott Todd any final sage words of advice?

Scott: I just love that Mike said. You know 10 years is going to come one way or the other what are you going to do with it? You know just keep going. Keep moving your feet even when things look like they're not working. I think that's the problem is people look at something they are like oh it's not working and then they just stop and the minute that you stop it's so much harder to do it again. It really is.

Mark: Yeah I mean I think a lot of it is fear and I think a lot of it is you know frustration tolerance. Like hey you know Tate's like you know he looks like he's 14 years old. He's like why is this so hard? The reality is that comparison is the thief happiness. Like you need to have almost like this faith like if I just do these things it's going to eventually happen. Go ahead, Tate.

Tate: I was going to say I always tell people this business is an if-then statement, right?

Mark: Say that again because you got like-

Tate: I always tell people, I always tell them it's an if-then statement. If you do this you will have this as the result right? If you post ads on Craigslist then you will sell your property, right? If you mail then you will have the opportunity to buy. It's a very simple equation. If you do this the result will be this.

Mark: Yeah. It's so true. You know how many businesses can you really say hey there's a one to one ratio between effort and results, right? There's not that many. I mean a lot of it luck is involved or you know not so much in this niche. There's just such a massive market, no one doing it. It's kind of crazy.

Mark: All right well let's get into it guys. Let's talk about a pain point or something we're seeing a common mistake and it's pricing, right? So Scott why don't you like kind of give everybody the high-end view of this big picture view of what the mistake is?

Scott: Well I think I think the problem that we see a lot of people make is that they're leading with the wrong price. You know like what they want to do is they want to lead with the cash price. So what they first try to do is they struggle to figure out what they're going to sell the land for. So they go

in and they are like, "Okay, well I'm going to sell the land for \$5000 cash. That's why I want, \$5000 cash. That's what I want."

The thing is this business is not about what you want because if it is you're never going to sell the property. It's about what the marketplace will bear. So I think that a better way of looking at this is to go back to the marketplace and just figure out okay well what are other people selling the land for on terms? Is it you know \$500 down and 200 a month for 36 months? So do the math real fast. What is that? \$7,700, right? So now I'm at \$7700 for the terms price. Now let's back into the cash price, right? Now give a cash discount.

That's what the Investors Toolkit teaches. That's what a lot of a lot of people are missing is that it's not the cash price first and then the terms. It's figure out what the terms price is, what's that irresistible offer and then figure out what you want to do to offer a discount. Is it a 20 percent discount? Is a 25 percent discount? In that particular case, it's all about what you want to offer but then it's a negotiation point, right? So the reason you put the cash price out there is not like I'm going to get this cash price. It's to tease the difference between the terms price and the cash price.

Mark: I mean Mike as far as like how you do your pricing are you do the Warren Buffett's margin of safety of 300% and then just listing it?

Mike: Yeah. I mean we are always looking for that golden 300%, but we do go... and that's where we make our money on the buy side. But I think what Scott brought up was a really valid point. You know we see it a lot at the Bootcamp, we do these remember the breakout groups and the teams come back and they want to present their ideas to selling a property? It is like, "Oh we want to get \$1000 down, we are going to get a \$500 doc fee and then pay the initial payment of \$500." It's like there's all these things sound great but then there's the market and what's really going to work.

So the irresistible pricing I mean that's how we get ... Yes, we do make cash flips 200%, 300% regularly but the terms deals when you get up approaching ... We just sold one on eBay, I bought it for 150, I sold it 2000 on terms. That's because you make your money on the buy side and you make it irresistible price. I mean it's only \$55 a month but it doesn't matter. I only paid \$150 for it so it doesn't matter.

Mark: Yeah. I mean your money is out probably on the down or within three months of the down and you can use GeekPay.io to manage it.

Mike: Yeah, it's \$100 right now.

Mark: It's a set it and forget it automated financial CRM and it works great.

Mike: Yes.

Mark: So Erik Peterson when you come up with your pricing, how are you listing it? Are you doing exactly what Scott says to do and you're advertising the terms price and then you will discuss cash or how are you doing it?

Erik: Well, I kind of take a different approach and honestly I've had some pretty good feedback on how I present my pricing. But on my website, I actually offer a cash price and typically three different options for seller financing and that's just with different term lengths and higher payments or lower payments depending on the term.

But my customers generally will give me feedback along the lines of I liked the options you had for pricing. Sometimes we'll discuss other options that they might want to put more money down or different things like that. But that's how I've approached it and it's worked well so far. I mean I think that this idea of presenting the terms price upfront and offering a cash discount I do take that strategy but I just I present more options once someone gets to my website. But if they're finding my ad on Craigslist they're not going to see all those options until they've actually looked at all the details on my website.

Mark: Yeah. I mean I have mixed emotions about the options because there's that study done about the jellies or the jams. You know there's 40 jams in one store and there's seven in the other, right? The jams that had 40 got three times the traffic as the store that had only seven jams. But for sales, the store had seven jams did three times the sales as the store that had 40 because it was simpler for the customer to make that decision, right? So I think to make it as simple as possible you give them that one terms price and then you talk to them about different options. But as far as advertising it I think you could confuse your buyer. But your results speak for themselves so you can't just drop the mic on me Erik and be like, "Well take that study and stuff it."

Erik: Well, I really think it comes down to how it's presented too. It can be confusing if it's not presented in a clear way on your website or however that's presented. So I mean it's just like any of the Software as a Service website that they present their pricing in a tiered kind of schedule. As long as it's presented in a way that's clear to the consumer and they can understand the benefit of one over the other and certainly I mean you cannot give 40 different options, you know? Then you're going to have a

problem, but if you keep it reasonable say between two and four in my experience it works okay

Mark: Scott Todd how are you advertising?

Scott: We just do we do the terms price first, low down, low monthly, and then back into a cash price.

Mark: Yeah and I think you know the theme of this is that we're all making our pricing irresistible right and we don't care what we want. I remember having a coaching client saying, "Hey, I'm tight on cash I need to sell this for cash." I'm like, "Well it doesn't matter what you want it's what the market wants." As soon as he changed the pricing terms it flew off the shelf. Otherwise, he was sitting there for 30 days waiting on this cash prize that never came.

I had the same experience on a deal in Texas. I mean I bought the whole subdivision and it's got power and it's got water and there's roads and I got this sweetheart deal and I'm going to sell these lots for \$10,000 because you couldn't even develop this for that low anymore, right? Like we people are paying these for 20, 30 thousand dollars back in the day. So I advertised for \$10,000 crickets, right? I lowered it to eight, crickets lowered, lowered, lowered. Next thing you know my sweet spot was like two grand to sell it. But that's what the market deemed worthy of those lots. Mike, how about you? How are you offering your terms?

Mike: When we do the wholesaling a lot of times we'll do the same idea really is we show people what the returns can be. So we'll have some sales examples that we've had and you're going to make for 400% to 500% then we back into the cash price and the cash price so shows them how they could buy it and they can make that same return. So I guess in essence we do the same thing wholesaling. We give them you know that example of a term sale and how much money they can make on that and then we back in and they see a value of the cash deal is of wholesale.

Now when it comes to the same thing on eBay like this property I just sold we've done this a number of times where okay he bought it for 2000 on terms. I may back down and say, "Just say you know I'll offer you a quick cash price if you'd like to make this real simple." I'll give them a discount and he may or may not jump on it. So we do the same thing eBay when we sell on terms we'll go back in as soon as the deal is close and right at that point give them an opportunity to save a bunch of money and pay it off cash which could still be a larger term for us. It won't be the same as three years of \$50 month but we do that same philosophy.

Mark: Nice, nice.

Mark: Scott Todd, what's your tip of the week?

Scott: Mark, my tip is a is an app that I truly came to appreciate and love during the recent hurricane. You can find out more about it at WindyApp.co, windy like windy like it's windy outside WindyApp.co. This thing is pretty cool. I was looking for applications for land and it does exist. To me you could you could easily go and find out where some of your properties are, look at kind of the weather conditions over the next 240 hours. What I think is cool is it shows a depiction of how the winds are flowing with speed. It's all graphic and it's kind of cool to have a conversation with someone I think about, "Hey, let me tell you what's going on at the property right now. Let me give you some real-time weather." You know we're trying to sell this thing and we're trying to say like, "Hey, what's it like out there?" Well, I don't know what it's like right now but you can just take this map and go right to where the property is and it's really the coolest thing ever.

Mark: I mean I've been doing this since 2001 nobody's ever asked me what the weather is at that point in time before they bought the property so...

Mike: He just went through a hurricane.

Scott: My point is not that they are asking you what the weather is like right now, my point is if you're struggling to like write ads, if you're struggling to tell someone what's going on at the property, if you're struggling to find the features and the benefits like Apple would. You can talk about right now, right now it's you know 70 degrees and it's like a nice westerly breeze of like 10 knots

Mark: Okay, all right. I mean I know Erik Peterson loves it so ...

Scott: Everybody loves it except for you.

Mike: He just survived a hurricane and geez.

Scott: I just said this thing was very beneficial for me.

Mark: I know

Scott: It's okay, Mark. It's okay.

Mark: Look, you know the hash Team, Scott thing I guess I got to work on it now. You know, I'm sorry Scott.

Scott: It's Okay Mark. It's okay.

Mark: I'm sorry. All right, my tip of the week is...

Scott: Here we go.

Mark: What! Am I in trouble?

Scott: Oh we're bringing out the Team Scott army.

Mark: Oh gosh, all right

Scott: Here we go.

Mark: Here we go. All right so my tip of the week...

Scott: Look, he's having a hard time getting it out too.

Mark: I know. I'm like and I just want to thank everybody for being on the podcast. I want to remind the listeners...

Mike: For those who can't see right now he's blushing.

Mark: I'm blushing, yeah. So I just want to remind the listeners the only way we are going to continue these Round Table podcasts where everybody gets to gang up on me based on my tip of the week is if you do us three little favors. You've got to subscribe...

Scott: Wait, what's your tip?

Mark: I'm going to tell you. You've got to subscribe, you've got to rate, and you've got to review the podcast. Send us a screenshot of your review to Support@TheLandGeek.com. We are going to send you for free the \$97 *Passive Income Launch Kit* and maybe a hashtag Team Scott Shirt.

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