

Goal Setting, Part 1

Before we delve into the “how” of real estate investing, think about the “why.” Where do you want to be three years from now? Five years from now? Ten years from now?

What Motivates You?

The number one determinant of your success in real estate investing is your desire: your motivation as reflected in your goals and your plan. Many people think success in real estate investing hinges on your understanding of contracts, laws, and financial concepts. I don’t believe that. The most successful people I’ve met have a lot of desire. Nothing stopped them.

As a matter of fact, many of the supersuccessful investors actually don’t know everything about real estate investing. Many aren’t familiar with a lot of the concepts you’ll get to know in this book, such as wholesaling, lease optioning, limited liability companies, advanced analysis, or different types of contracts. They simply

have a lot of desire; they go out and make things happen; they don't worry about it—they just keep working their Action Plan. When I started in real estate investing, I didn't know these things either. But I did enough activities to experience enough successes.

The most important part of your real estate investing career is desire and motivation—whether you've been in real estate for 10 years, or you're just starting out, or you've spent the last 10 years just thinking about getting started.

Where Do You Get Your Advice?

As you get started actually doing the activities of real estate and applying this 40-Day Plan, I suggest you share your desires and motivations with people. Be prepared for all kinds of responses, because you will get them. Probably, you have people in your life who support what you do, and others who ridicule you no matter what; some have a sense of humor and will make fun of your ambitions while still others will ignore them, thinking they're just more of your dreams.

For fun, take the most skeptical person's comment, write it down, and then, six months to a year from now, when you've closed on your first deal and are making money, give them some of your money. Just give them a \$500 check, saying, "You laughed at me when I said I was getting into real estate. Well, I just did a deal and made \$7,000." Then, see what they say. They'll be shocked. Suddenly, they'll become interested in real estate investing.

Most people get advice from *three groups* of people. It's important that you know this as you seek help building your business.

Group One includes people who have absolutely no clue what they're talking about, but love to give advice. Unfortunately, these are the people (often family members) from whom we get most of our advice. They love to say things like, "That doesn't work. You're crazy. That's another scam." They have a lot of negative things to say, but they haven't done any real estate investing themselves. So when you hear their advice, mentally put them in Group One, and don't pay any attention to what they're saying.

Group Two is made up of people who've tried something, failed miserably, and love to tell you about it. They might say, "I bought a real estate course from a TV show. I tried real estate, and it doesn't work, so don't you do it!" That's when you ask them, "How long did you stick with it?" You'll probably find out they

Goal Setting, Part I

never even read the course. These people remind me of a friend who's been divorced four times and still loves to give relationship advice. So notice when your advice is coming from someone in Group Two, and don't pay much attention.

Group Three, the last group we get our advice from (and the smallest group), is made up of experts. Those are people who've been doing something successfully for over five years. I hope that's why you bought this book—because you want advice from an expert. I've been investing in real estate for over 12 years, and people consider me an expert.

Whatever you do, make sure you're paying attention only to advice from Group Three—the experts.

Do What Works

As you launch your real estate investing career, notice what is working for you. I challenge you: If one thing works, do more of it. I go around the county, and I meet people who don't follow this seemingly commonsense philosophy. For example, one guy said, "I called my real estate agent, and he found a deal. I made \$80,000!"

"Did you call him again?"

"No."

"Do you talk to him anymore?"

"No."

"Have you got any other agents working for you?"

"No."

It's human nature. All of us do something that works really well, and then we quit. For example, have you ever been in a relationship, ended it, gotten involved with someone else, and realized how good the first one was?

I quit doing something that worked in my fifth year in real estate. I had been wholesaling properties at a rate of about one a week. I made a lot of money. It was unbelievable. I wasn't fighting with contractors; I didn't have to deal with tenants. My workload went down. I had free time. Then, the next year, I got into property management. I had 18 employees and was busy all the time. It was stressful. My company was very good, but we made no money. Still, I did that for two years. And I wholesaled only a handful of properties during those years, because I was so busy doing something that didn't really work well. So, if you're doing something that works, do more of it.

Warning: People love to complicate things. They want advanced techniques and fancy maneuvers. I could give you 300 pages of advanced information. But it's doing the basics that makes money. The problem is that most people are unwilling to do the basics. Stay with the simple. Do the simple things, and you'll be successful.

Mark a Spot

I encourage you to do the following exercise to demonstrate how your mind works and how you can put it to work for you in setting your goals.

Relax. Stare at the wall. Without moving your shoulders or straining your neck, look as far to the left as you can. Mentally mark the spot on the wall. Look forward. Then again, without moving your shoulders or straining your neck, look to the right as far as you can. Mentally mark the spot on the wall. Remember those spots. Turn forward again.

Do the same thing again, but this time you can move your body. Turn all the way to the left, moving your shoulders, turning as far as you can, and mentally mark the spot you can see on the wall. Look forward once more. This time, look left again, keeping your shoulders still, as you did the first time. Notice the spot you're looking at. Is it farther away than the first spot?

What's the difference between the two? You set a higher goal. Your subconscious mind realized that you could see farther than you did the first time. That's the only difference. Your subconscious makes a record of everything you say, do, and take in.

Use this mind-stretching activity in your goal setting. Set your goal today, then after doing real estate for one to three months, come back, review your goal, and notice how much farther you see.

Included in these 40-Days to Success is the opportunity to meet a lot of other successful real estate investors. You'll be getting to know people just like you, who had no experience in real estate; they were just beginners at one point, and now they're creating a lot of wealth. Their insights will help you realize your potential.

The Secret System

I'm sharing with you a secret system for becoming a successful real estate investor. It took me seven years to discover it. Most people do real estate backwards. They try to figure out what they're going to do with the property before they even have a property. But the secret is this: First, find a motivated seller. It doesn't matter what you're going to do with the property (wholesale, fix and sell, lease option, rent). In every case, you have to find a good deal. Making money in real estate hinges on that. Second, analyze the deal. Third, once it's a deal, immediately control it by putting it under contract. Then, you have time to figure out how you'll use your deal to make money.

That's the three-part system. Most people worry about the end before they do the beginning. They analyze themselves out of everything.

Right Attitude—No Emotions

Real estate investing is a business, but it doesn't have to be an emotional one. Try to remove all of your emotions from your activities. It's just real estate; no one will die if you mess up (unlike performing open-heart surgery). I know it's human nature to worry. But realize that the most successful business people remove their emotions when doing transactions. I suggest you not become attached to the property. Don't get attached to the neighborhood. Real estate is just numbers and contracts and systems. If you keep working the system, you'll eventually purchase some property. If you don't believe me, you can keep yourself busy with worry and analysis. Be assured of one thing: Worry will paralyze you.

The Small Business Administration did a study of all the reasons people succeed in business. It considered education, background, experience, family, where they lived, and what type of business they started. The study concluded that the number one determinant of success was desire. Desire, motivation, and goals are all different sides of the same thing.

40 DAYS TO SUCCESS IN REAL ESTATE INVESTING

All success takes is the right mental attitude—realizing that real estate is just a business, and you’re just conducting business transactions. Don’t allow yourself to get emotionally attached to the properties or the deals. And remember, you don’t have to know everything to get started.

DAY 1 Action Plan

It’s Up to You to Make It Happen!

Write down what motivates you. Remember, there are no wrong answers. Whatever you desire is correct.

- ✓ Why are you interested in real estate? What motivated you to purchase this book and learn more about real estate?

Here are some common answers to these questions: make more money, be my own boss, become financially independent, be able to take more vacations, get rid of my boss, tell my boss I’m leaving and feel good about it, create wealth for future generations of my family, build retirement savings, take control, make up for losses in the stock market.

- ✓ Whatever your answer is, write it down on a card and look at it every day.

Goal Setting, Part I

- ✓ In the exercise above, you might have written down, “I want to make more money.” That’s an excellent goal; there’s nothing wrong with making more money. The question is this: What are you going to do with the money? So if you wrote down, “I want to make more money,” be more specific and write down exactly what you’re going to do with it. For example, are you going to pay off some debt, take a trip, buy a toy? Whatever it is, write it down.

- ✓ Now it’s time to get specific about how much money you want to make. Be realistic. If you’re just getting started, maybe you want to make an extra \$10,000 to \$20,000 to \$150,000 this year. Or an extra \$2,000 a month.

Go back to the particulars. What will you do with that money, if you could work part-time and make an extra few thousand dollars a month? What would you do with your extra cash? How would it change your lifestyle? Write down what difference that would make for you and your family.

- ✓ Next, find a specific example of a motivating factor—what your success would look like exactly. For example, if your goal is to take a vacation with your family, then find a picture of the island location, and post it in your kitchen or bathroom. If you’re motivated to make more money, write down the amount, and describe what the money is for. Look at your written statement often. Perhaps you want to buy a new car. Locate a picture of your dream car, put that picture on your desk, and look at it every day.

Determining that motivation will remind you of why you’re getting into real estate.

40 DAYS TO SUCCESS IN REAL ESTATE INVESTING

Remember, your number one determinant of success is your desire, your motivation. This visual reminder will encourage you weeks down the road. If you're having a bad moment, don't get frustrated. Just reread that card with your goal written on it, and look at the picture of what you want. You'll be motivated again to keep on going. It will reignite you.
