

Flip2Freedom Podcast How TJ Made \$450,000 in 2015 Flipping Houses

Hosted by: Sean Terry
Special Guest: TJ Sayers

Intro: Welcome to the Flip2Freedom Podcast. I'm your host Sean Terry.

who is a wrestling coach/lawn business.

Sean: Hello again, this is Sean Terry from the Flip2Freedom Podcast, and we are on episode number 132 and I've got TJ Sayers, from Birmingham, Alabama that is absolutely crushing it. He went out, got his first check. And he tells the whole story, it's amazing, and you'll absolutely love it, but went out and went to a real estate seminar, dove in, found all this stuff and didn't know what to do, got started. And in 2013, got his first check in December 7, 2013 of \$6,252, then made over \$200,000 in 2014, made \$450,000 in 2015 and he's on track in 2016 to make \$1.25 million. He went from a guy

He was in the lawn guys, mowing lawns in Birmingham, Alabama, making \$50 grand a year to now doing amazing things in this business. So this interview, we get in deep. We talk about how he got his first check. We talked about how he scaled the \$200,000 in his first full year in the business, how, what he did, what his \$450,000 look like with him and his partner, and what he is doing to generate \$1.25 million in 2016. So we go into the details of this phenomenal interview. He talks about mindset, talks about tithing. If you don't know what tithing is, he talks about that, teach about tithing, and how that has impacted his life which is amazing.

So cool, so if you are brand-new and you don't know what the heck I'm talking about and how someone could go on and become that success with such a young age, 30 years old, it is the concept of wholesale or flipping houses and it's where you market for a distressed seller. And basically, 95% of the people are going to sell retail. This is what's going to happen. They're going to... when they want to sell their house; they're going to contact a realtor friend. They're going to find out what it's worth. They're going to put it on the market. They're going to fix it up. They're going to clean it up. People are going to come through. They're going to make an offer and they're going to sell at market values.

So 95% of people, there are 5% of the people, a very small chunk, 5% of the people that are in a distressed situation where they don't have the money to fix up the house. They don't have the time to wait the 100+ days on market for the property to sell. They need to sell, they need to sell now and they don't want to wait. So what we do is we can market to those, market means you send letters to, which TJ talks about, to these particular individuals that want to sell their house. And they call us, and then we set an appointment with them. We go over the house and we make an offer and if they accept it, we can get it under contract.

Now, let's say theoretically, you have \$100,000 house, but it's trash, it needs work, right? Now, fixed up, it's \$100,000. And we get it under contract for \$50,000, well guess what? Now we have something that's very valuable, that's a contract. Now you have equitable interest in the property, now you have it under contract, and then what you do is now you can, let's say the contractor's \$50,000, now you have the right to market the property so you can now talk to other buyers about it at a higher price, say \$60,000 and you talk to cash buyers. Now he talks about how he found some of his buyers but you can find cash buyers off of posting the property on Craigslist.

You can find cash buyers meeting with other real estate investors at real estate investment clubs, off MeetUp.com which I talked about in earlier episodes. But the bottom line is there are tons of cash buyers out there that want to buy properties with equity. It's like buying Apple stock at 50% off. You can't do it but you can in real estate. So now you have a contract for \$50,000 with the seller. Now you get a contract with a buyer for \$60,000. You bring both of those to a closing table, an escrow officer, a title company and attorney, depends on whatever you state in. They handle all the paperwork. They handle all the money, and what will happen is the buyer's going to wire in \$60,000 of which \$50,000 goes to the seller and \$10,000 goes to you. Well, what TJ's talking about, his first deal, he made \$6,252. That was his first deal doing just that.

Now, interesting enough, he goes, listen, this business is simple. It's not easy, it takes work to find buyers and work the sellers and work to talk and stuff like that, and negotiating, getting the properties under contract. It takes work to do that but it's very simple concept which it is. So now what it is, he took that first deal, understood the process, and now he went out and he's done it over and over and over again to where guess what? If you're doing, you're making \$5,000, \$10,000, \$15,000 a deal, well guess what? If you do that four and five times a month, then you can make \$450,000 or \$1.2 million in revenue by having a team of people that work with you, that just continues to grow.

So now the good thing is you're giving a positive outlet for a seller that has a distressed house that he just wants to get rid of. You do a positive thing for the buyer now that has a property he bought below-market. He can fix it up. Now it's helping him build his goals and dreams and lifestyle and stuff like that, and you're helping the community. A lot of these houses are trash. We just got, we just sold the property and actually closed on it literally five minutes ago. I just got the mail that came across in this house that had 25 dogs in the house. It was in literally... The Humane Society came in, had to take these dogs awake because it was such a bad environment.

The lady living there, she was still living in the house. The city came and said, "This place... you had to condemn it because it was that bad." It's just one of the worse houses you've ever seen. Now the house's was worth \$300 and she's like, 'Hey, I just want to get rid of it at \$100,000," Boom, contract to \$100,000, and turned around and sold the property. But the bottom line, it made a good chunk of money, but the bottom line is, is that is possible. There are deals out there all the time where sellers have houses they just want to get rid of, because they just don't upkeep them and you can market to those sellers and be able to help them out of the situation and be able to make a profit and do it as well.

So, the bottom line is that in this interview, we're going to go in-depth, and now if you want to learn more information about me, you want to go to the website. I actually wrote a free book that you can download for free if you go to Flip2Freedom.com. You go there, you can download the book for free and that's 129-page book. I've had people tell me that they spent well over thousand dollars for the same information for free that I give away. It details this process step by step by step by step on exactly what you need to do. Go to Flip2Freedom.com. All right, let's get into the interview with TJ Sayers and I know you're absolutely going to love it. All right, here I am with TJ Sayers. It's Sayers, right?

TJ: Yeah, that's right.

TJ:

Sean: Sayers, okay, sounds good. TJ Sayers, Birmingham, Alabama, is crushing it out there, did \$450,000 between you and your partner in 2015. 2016, you're looking to do over \$1.25 million. That seems hard to believe, doesn't it? If you're saying that going from where you were, to where you are now.

Yeah, it really is hard to believe. Our goals for this year are extremely lofty, Sean. But we believe that it can be done, just through the hard work and going through the system that you taught us through, the mastermind groups we're in, and really just listen to all

the podcasts and go to the Flip2Freedom Academy. It's just unbelievable how much that we actually believe that that is possible now.

Sean:

Yeah, yeah and it's... Yeah, and it's scaling it to that level. It's just literally more marketing and adding team members and that's in strategic marketing and adding team members but that's what is possible, which is cool. All right, so let's take us back. You first started in October 2013 in where, what... where were you at and how old were you in October 2013? What reversed your head at, and what was your current situation back then?

TJ:

Back then, I was, I guess 29 years old, and I was coaching wrestling at a private wrestling club. About six months earlier, I had started a small lawn care business that I was running but my primary income was through a wrestling club. I actually coached wrestling at a high school several years before that here in Birmingham and I wrestled in college at UT Chattanooga for five years, so that was kind of my background. I thought I would be a wrestling coach but then after a few years of it, it was kind of, it was to the point where... I knew it wasn't what I was going to do forever. There was really not any way to make a living out of it, and I've always been intrigued by real estate just from buying my own house. I got a really good deal on it and knew that. My original plan was to flip it, and I got married like a year later, so that kind of... We're still here in the same house, but I hope we're going to be moving soon, but so...

Sean:

Cool, yeah... So it's, it's like, you go from...

TJ:

We just need something little bigger. We got a baby on the way. Actually, three weeks is our due-date.

Sean:

Wow, congratulations, that's amazing. So imagine going back now where you're a wrestling coach and you have a lawn business in Birmingham, Alabama, where it probably gets ridiculously hot and cutting lawn. I can't even imagine where I'm going back and having to pick up a lawn mower and start mowing lawn, that would suck. So what was your first introduction to real estate?

TJ:

Well, like I said, I bought my house, got to a really good deal on it, and I watched TV and seeing how people flip houses and that's kind of what I thought it was all about. So one day on the radio here in Birmingham, I heard there's someone coming in town with a seminar, so I went to the seminar for a weekend and that's when I was first introduced to wholesaling. At first, I didn't really believe in it, it sounded a little... I just didn't know about it. So when I came home, I just started researching and learning as much as I

could about it and I got on forums, different things and read about it. There were a lot of negative things about wholesaling on forums like Bigger Pockets and things like that.

But at some point, I came across your podcast and started listening to it, watching the videos, listen to that, all the free stuff and I kind of followed you and several other people for several months. And so I was kind of halfway, maybe send out a few letters here and there. I'd handwrite letters, send them out and at that point I was just not really focused on it, not really... Yeah, I was very timid about it, and any time I would get a call about it, I really didn't know what to say. It was very... just because I wasn't a 100% committed to it, it was kind of just something I was trying out so...

Sean:

So what was the point where you went... because a lot of people dabble in things and they dabble. So they kind of stick their foot in the water, they kind of test the temperature, "Is it cold? Should I jump in? Should I not jump in," right? So, there are a lot of people listening right now that they heard about real estate. They really don't know what's going to work for them. They don't know. They have a lot of questions and they're wondering, "Can I have success," like you're talking about, but they don't believe it can happen, and so it's the dabble. When did you go from dabble to I'm in?

TJ:

Well, that's exactly what you're saying, that's exactly where I was. And at one point, I don't remember the exact date or time, but I know it was in October 2013. But I was watching your podcast and you were talking about tithing and I think I actually sent you a Facebook message and I asked you, I was like "Look, I'm trying these things and it's not working" and you sent me a Facebook message back and said "Watch this video" and it was a video you had done about tithing and I think you had the Hobby Lobby CEO talking about it too.

And so I grew up in church partially, so I knew the concept of tithing, but I didn't really know. I've never committed to it so at that point I was like "You know, what? I believe in what you guys are talking about. I believe... You're quoting Scriptures so I knew and I believed in what you're saying. So at that point, I was like, "You know what? I'm going to follow this guy" and you had a 30-day money-back guarantee on the Flip2Freedom Academy, so I signed up that day. I was like, "At this point, I'm going to tithe, I'm going to try this for 30 days, the Flip2Freedom Academy and I'm going to no matter what, I'm going to tithe." And so at that point, I looked at my bank account, not that I had a lot in there, I wasn't. I wasn't about foreclosing my house or anything but I wasn't...

Sean:

You weren't rich. You didn't have a hundred grand in the bank. You said, "Oh, I'll just give a couple of grands," right?

TJ:

Right. I was living paycheck to paycheck. And giving 10%, I just gave 10% of what was in my account at that time. And it's funny actually, about two weeks later, after I signed up for the Flip2Freedom Academy, I've been... I started writing letters religiously just every day as many as I could and I didn't got a deal yet in two weeks and I know that... Now that's like, that's not going to happen in two weeks. In most cases, it probably does in some cases, but in my case, I had not so I thought, "Well, this may not be for me" so I actually e-mailed Chelsea and tried to get a refund and so.

I never heard back from her, but after that point when I asked for the refund, things started getting a little bit of traction, so I never thought about it again. And on December 7th of 2013 about a month and a half after I signed up for the Flip2Freedom Academy, I got my first deal. It was a little over \$7 grand and then I paid, I got a referral fee till it got above the buyer to me. And from that point, I never looked back. But it's funny that the e-mail never went through because I sent it from an app on my MacBook, the little mail app and for some reason that wasn't working. I've never realized it.

So like five months later, I got my computer fixed and all these old e-mails just sent, but it never sent before. And I didn't use that mail app a lot so I'd never realized that all these e-mails had not been sent. So, Chelsea gets that e-mail like five months later and she called me and she was like, "TJ, it was a 30-day money-back guarantee" and I was like, "Chelsea, you know what? Don't worry about it, that's long past and I'm very grateful that that e-mail did not go through."

Sean:

Wow! Wow! You talk about tithing which is obviously a biblical ritual that God talks about in the Bible but then you kind of think about, "Isn't that weird?" He was kind of looking out for you, right? In spite of you, yeah, it was in spite of you that, that you didn't know it and all the things. Things happen for a reason, so it's amazing where, so you were like "I don't know" because you're having doubt and you had fear and you didn't know if it's going to work and for you but then you know what? You sent the e-mail and God had his hand and make sure that e-mail didn't go through. And now imagine that, I can imagine if it did go through, so...

TJ:

I would be cutting grass right now...

Sean:

You'd be cutting grass right now, which would be so... Oh, no possibilities, future dreams or what could happen. All right, so let's go back to that first check right there. You handwrote letters, and did you just...? Was it just a typical yellow letter, what was it?

TJ:

Yeah, it was just a typical yellow letter. I just wrote, "Hello, I'm a real estate investor and I'm looking to buy your house, and..." just the basic, yellow letter, whatever your script was at the time, I just followed that.

Sean:

Okay, so you did that. And what list did you pull out of ListSource?

TJ:

I believe it was a... that first list was, "An Absentee Owner Out-of-state" so...

Sean:

So you got that list and you... And funny, I mean, a list like that, it was probably what? A couple hundred names?

TJ:

It was absentee owners. It was probably a thousand names but I only wrote to the outof-state owners if that makes sense...

Sean:

Got you, yeah.

TJ:

Those out-of-state owners were couple of hundred maybe.

Sean:

Right, so a couple of hundred names. You bought from ListSource who was probably maybe under a hundred bucks. And then you handwrote the personal letters. You sent them out on a daily basis and you got leads that came in, and sellers and you got your first deal. And then, tell me about that seller. Do you remember what the situation was with the seller that called in and what happened?

TJ:

I do, at the time, the seller, I guess wasn't being 100% upfront with me. He was not living in the house. He told me he had just moved it was a house in downtown Birmingham. I bought it for like, I think \$7 grand and sold it for \$15, so that was a very low-end house. And so, he told me he had just moved out but later I found out he moved out several years earlier. But anyway, so I went to the house and met with him. I told him, I was very nervous the first time but I told him, "Look, I'm going to be bringing some other people over here. Can I get a lockbox? Can I get a key?" He wouldn't do that so he came back and actually met with me several more times that I brought buyers through there. And the first buyer I brought, I think he offered me like \$11 or \$12, so I knew I was going to make a profit and I still had other people coming, so I ended up selling it for \$15 to like the third or fourth buyer that I brought through.

Sean:

Wow! We're pretty pumped to get that contract and get... I mean, first off, if you get a contract from a seller, you don't really know if it's going to sell or not. You don't have an idea of what, how the whole concept because you're still walking through the process. And a lot of people get in, whether they listen to the podcast to become a part of the Flip2Freedom or whatever, and they listen to it, and then they can't visualize how the whole thing pieces together. So what I tell people is just that the information will reveal

itself as time goes on, so immediately now, it's "Okay, I've got to get this. I got to get a lead" so now you, you pull a list, you write letters and then you do that.

Then when calls come in, now I know how to talk to a seller, then go meet with the seller, get him under contract, figure out the comps, then go... And everything, if you take it one step at a time and try instead of trying to learn everything all at once, then it unfolds. And then once you do one transaction, like you said, it's lights out. It's like, "Okay I've got this, I'm done, forget about it, let's go," so you're pretty excited when you got that buyer on the hook for \$15, right?

TJ:

Oh, yeah, and throughout the whole process of talking to the seller, talking to the buyer, the whole time I was... There's a guy in the Flip2Freedom Academy, Stephen Chow that kind of... I was sending him Facebook messages, "How do I do this." There were several situations with it and I kept asking him questions and he eventually just told me, "Look, just stumble through this, you'll figure it out," and eventually I did and a lot of those people in the Facebook group helped me out a lot, and really that felt good.

Sean:

Yeah, having the Facebook group is great because Stephen is in New Jersey and he's done a bunch deals so he has experience, and so if you ask questions about certain things, it enables people that are brand-new to get started and people that have been around for a while can contribute in it, it works great. Now we have over 2,000 people in that group right now, so it's pretty active which is awesome. Now you're in there on the other side helping other people, aren't you?

TJ:

Right, yeah, I try to as much as I can.

Sean:

Yeah, which is killer. All right, so you sold it for \$15. You had a guy that was a referral, right? So you gave him \$1,000, so your net check was \$6,000. Was that \$252?

TJ:

That's right. My check was \$7,252 and I wrote a check after closing to the guy that had referred me to the buyer so...

Sean:

So, do you remember that day that you got that check?

TJ:

What's that?

Sean:

Do you remember the day you got that check?

TJ:

I do, it was December 7, 2013.

Okay, so what were you? Were you excited then? Was it...? Now when you got the check, there was belief there, right? Because once you get a check, now it's not a concept, now it's not a theory, now it's actual, what did that do for you?

TJ:

Well, yes, I was very excited to answer your question. It just gave me the confidence. I knew that I could go out and rinse and repeat, do it over and over and over again. So that first deal, once I've learned how to do it, I was like "I can do this in my sleep. It's simple." And it's a lot of hard work, don't get me wrong, but the process is, once you learn it, it gets pretty simple. So I was very excited, I knew that at that point, I was going to be... That that's what I was going to do for the next... That was going to be the way I make money and provide for it my family, and I knew that it was going to be very lucrative on that first deal. After it closed, I was like, "I could've probably sold that for \$20, if I would've already knew what I was doing," but I was just so excited and I was like "I'm really getting this check" so once I got that \$50,000 offer, I just kind of told the other buyers that it was sold.

Sean:

That's awesome, cool, cool. All right, so that was December 7th of 2013. How did you do in 2014?

TJ:

2014, I am a little over \$100,000. Early in 2014, I partnered up with who is now my business partner Jason.

Sean:

Yep, Jason.

TJ:

He's been in real estate for a long time but he'd never really wholesaled. He was doing some rehabs but they were coming... they were few and far between and he just got a bunch of rental properties too. But when I first started, I actually thought he was going to be one of my cash buyers, so he'd been in real estate and we've been friends before, so I have been talking to him even before I did that first deal. And so after I've started doing a few deals, he approached me with... He had a four-house package that an attorney friend of his had referred to me.

He was like, "Do you think we can find a buyer and we will split profits?" "Well, I think we can," so we went out and marketed these four houses and it was a short-sale situation on four houses. The owner or the seller was negotiating with the bank, and so the attorney that referred Jason the houses was negotiating with the bank, so we got these four houses for like \$31,000 and one of them was rented for \$750 a month, so we sold that one for like \$26, and then take \$5 grand and just held unto the rest of them and put them on MLS and eventually sold them.

That's killer, that's amazing. Wow, so that's good. So \$100.000, I mean that's amazing between both of you guys in the first year, because, I mean, think about it...

TJ:

Well, that was not my half. Both of us made over \$200 that year.

Sean:

Oh, so you did over \$200,000. Wow, that's even more amazing.

TJ:

\$100 apiece.

Sean:

\$100 apiece, that's even... Well, I mean think about it. You have a business started and it went out. And then you just got your first check in December 7, 2013, and went into 2014, and then generate \$200,000 in revenue. Now obviously, I'm sure there was some marketing expense involved in there and stuff, but the bottom line is you had a profitable year first year out of the gate. Typically, most businesses don't have profitable years first out of the gate and now the income and the profit that you have, the success you have had, has put you in the top 5-10% bracket of people across the entire country.

I mean, the average American makes \$45,000 a year, and you've more than doubled that in your first year out of the gate, which is amazing. So if you're going to tell the listeners right now, you got your first deal, you got a list of, you wrote absentee owners, you sent some letters and stuff, what did the deals look like that first year where you both, you and your partner generated \$200 grand?

TJ:

What did the deals look like? They were mostly also those same types of list, low-income houses.

Sean:

So it was mostly direct mail? Direct mail is your primary source?

TJ:

Mostly direct mail. I think I got one deal off of a bandit sign. We got several referrals, but yeah, it was probably mostly direct mail that year.

Sean:

Okay, cool. So do you member how much...? I mean would you send out...? Are we talking 10,000 letters, 2,000, 1,000? What?

TJ:

At that point, we're just... I mean right now we're working on getting consistent, so it's a weekly thing where we're very consistent with our mailing. After we left the mastermind group a few months or in February, we... That's one thing we brought back that we just got to get consistent, so at that point in 2014. It was very sporadic. I couldn't tell you, we didn't track anything. We made that much money almost by accident. We were just kind of...

Wing... you're kind of winging it. I mean most people go through it. They go through a dabbling stage or they dabble, and then they go through, when they get started, then they go through a winging-it stage, whether or not tracking their numbers, they don't know their key performance indicators. They're mailing is inconsistent and then they still do well which is the amazing thing, so they go through this winging-it stage. And then you go to the business development stage and growth stage where now you do start tracking. You become consistent. You start to hire a team of people. You do your weekly meetings and then you watch it grow from there which is cool. So in your wing-it phase, you basically went out and made, you and your partner \$200 grand which is phenomenal. So tell me now about 2015, so we'll go a year ahead, so 2015 you guys did \$450,000 in revenue and what did that look like?

TJ:

Well, it started off. Right in 2013, we started doing some turnkey rentals where we will buy the house, fix it up and then sell it to people really all over the country and even out of the country, so that's just one of the cash flow. Birmingham's a pretty good market for cash flow and rental, so we just doing some of that in late 2013 and early in 2014. So in 2014, we started doing more of that but we didn't really like that just because you've got money out. You've got to deal with tenants and it's just a headache so...

Sean:

So, explain for the people that don't understand what a turnkey rental is. So you would do some marketing, you found a seller; you'd actually purchase and close on the property, right? You buy it...

TJ:

We would purchase and close on the property, then we would rehab it, and then we would put tenants in place, put property management in place and then go out and find a buyer that wanted just the cash flow. A lot of our buyers on those houses were people that would just... they had their money on Wall Street or something like that and they just got sick of it, so I really don't know how they heard about real estate or why they wanted to invest in real estate but I do know that in Birmingham you can get pretty good rates of return on your investment. That's what...

Sean:

So how did you find these buyers?

TJ:

Well, for several of the buyers, we had to go through people we found... We found a company that would set people up with their IRAs and I still don't understand how they did that. I'm not versed on that very well, but they would go out really and find a buyer, which we would just sell through them and they get...

Sean:

Oh cool.

TJ:

They would market up and get their fee.

Got you, okay, that's pretty cool. And what's the price point of these houses typically? Are they \$30 to \$50, \$50 to \$100?

TJ:

Probably \$40 to \$60. Some are really \$30 to \$60, I guess. And there are some in nicer areas where you don't get as good as cash flow but like get probably a better neighborhood, more stability.

Sean:

Right. And what was your like spread? So in wholesaling, you'll depending on what, where you are in your business model and stuff like that. Spreads can be \$5,000 to \$50,000 per deal. With these turnkey rentals, what was your typical spreads on those?

TJ:

\$7 to \$12 I would say. They were in that range and so it just wasn't worth the investment when we could... A lot of these we would have for 4, 5 months before we sold them, and to make \$7 to \$12 grand on that when we could've wholesaled it and make \$5 or \$6, it just didn't make sense.

Sean:

Right, not at all, yeah. That's interesting because now you're buying it. Now you have the risk of the market. You have cash that you've outlaid, and then you've got holding costs that you're going to be holding it over a certain period of time, which just digs in your profit. And then, if they buy it, most of these guys were probably buy in cash and just writing a check for it. But if they're going to get conventional financing, then you have to go through the whole appraisal process and that takes time and then there can be issues as well so...

TJ:

Right, and when they're bound with their IRAs, there are stipulations, and it's just a headache to do it that way.

Sean:

I've done tons of turnkey rentals that we'd buy them at the auction, we'd fix them up, we'd turn around and sell them, but then there were the issues. There was the IRA issues, there was the conventional financing, there was dealing with the banks, it was the appraisal issues, it was after the math type of issues and stuff, so when it came to doing that, and that is a good business model, but when it comes to wholesaling, there is more profit when you take out the risk and the headache where you can just get a property under contract, and then either then turn around and sell it. Now even if you just buy a, even if some of you come in and you get a property under it, you close on it and then you turn around and sell it. That's fine too. But the way we teach it is get it under contract and then resell it quickly within your timeframe so...

TJ:

Right. Well, a lot of that, the turnkey model turned into us finding houses that were already rented and then turned it just wholesaling them, so that worked out pretty well. We had, it was September 2014, it was the best month we had had at that point. We got

a lot of properties under contract from one owner it was the one year off a bandit sign. And so all five properties I think we made like \$15,000 and so onto our end buyer who held them for a little while. He thought he was going to be able to sell them. It turned out he wasn't, he was holding them, so like four, five months later he came back us and he's like, "I can't sell these things" and at that point we had another buyer so he sold them back to us and we sold him again at that time. The first time I think we made \$15 on it and the second time, it was part of a bigger package but off of those houses, we've probably made total on both transactions, probably \$40 or \$50,000 on those houses.

Sean:

That's nice. That helps. You're high-fiving each other going to happy hour, right? So that is pretty cool, cool, cool. Okay, so the \$450,000, so you had this turnkey \$6 to \$7, \$10,000 deals. You've had the other larger big deals and stuff, and it was primarily through doing either the turnkey rentals and direct mail. Was there anything else that you did that you thought that stood out that enabled you to generate that revenue in 2015?

TJ:

Well, I think a lot of it was just personal referrals. We got a lot of referrals from our sellers, property managers that we have dealt with, we got referrals from previous sellers, so we really tried to... We ask for referrals but we also, just the way we treat people, the way we deal with people, we want to treat them fair and honest and just go over and above, and hopefully that will cause them to refer us to friends and family who also have to sell houses. And that worked out for us; honestly we got quite a few deals off of referrals that year.

Sean:

That's killer, I mean we have implemented in our business, all of our sales guys would go out there and they meet with the seller even if they don't get the contract, they'll ask for a referral. Even if we're on the phone and we don't set an appointment will ask for a referral and if they do get a contract on it, we'll ask for referral and we'll set up meet-up groups and stuff like that to generate those referrals, because referrals, there's no money tied, meaning there's no marketing money tied to those specific referrals. So they can come in, it's literally just pure profit which is amazing. So that is a huge step, referrals. If you're not doing referrals in your business for every different aspect, then I would definitely suggest it. And how did you cultivate that? I mean with these... You just constantly asked for referrals, is that right?

TJ:

We did. Usually when we would go, well, after closing we would do a video with our seller and put it on our website, just do a testimonial, and then we would just ask our seller, "Do you have anybody else that you know that needs to sell a house?" and maybe at that time they didn't but they would. Somebody would call us three months later and say, "Hey, Mr. Smith said he bought his house. Are you still in the market for houses?"

So that's that's how it worked. And a lot of times we wouldn't get an immediate referral but down the road we would.

Sean:

Okay, so now let's talk about 2016, right? And you're to obviously \$1.25 million. When you look at that, what do you have in place right now and what are you engineering to build in place to achieve those goals?

TJ:

Well, we're doing more marketing and trying to really track on numbers so that we know, like in 2015, it's hard for me to tell you what was making us money because we really don't know. But in 2016, that's one of our goals, to be able to track every, where every dollar comes from, and then also just expended on marketing. We put 20 of the bandit signs on wheels, on the road, 20 or so we've got one bill off of it already. And we're doing Google AdWords now. We're about to close our first two deals off of Google AdWords, so that's mainly what we're doing, just increasing our marketing and trying to put systems in place. We've hired one... we've hired these lead managers that takes all our calls and we hired our VA over, so on weekends and nights that we're always have somebody answering the phone live.

Sean:

So, you get your first hire, that's your lead managers, so he or she is taking all the phone calls and then booking appointments for you and your partner, Jason?

TJ:

Yes, that's right. She takes all the phone calls, and then she puts them into Podio so it usually sends us the text too and tell us when the appointment is, or remind us the day of, maybe an hour before whatever when that we got an appointment coming out.

Sean:

Cool, cool. So what actual numbers are you guys tracking right now?

TJ:

We are tracking the number of mailers we're sending out, the number of calls we're getting off of each mailer, the number of offers we're making, the number of appointments we go on, just all of those things that... We're really trying to track all of these numbers. We're trying to think of Google AdWords too, where we're tracking those. That's a little bit more tedious to figure out how exactly to track those but that's something I'm working on too.

Sean:

Okay, cool. Now are you using the scorecard that I created there or have you guys used something different?

TJ:

We are not using the scorecard. We've set up our Podio where we... It's not automatically tracking and that's the goal. I'm still trying to figure out how to set up Podio to automatically track all these things, but we've got CallRail, so we just go back, and right now we're going back and looking through all the calls and seeing how many

of each... how many calls from each campaign. And then we'll know through Podio how many of appointments we go on and how many offers we make.

Sean:

Yeah, I would highly suggest having some sort of a scorecard, and then and then reporting a week-by-week basis because if you're doing that, and I have two different things. I have a marketing spreadsheet and basically it has all our marketing, every list we're hitting, the phone number, the call response, the appointments we've made, the revenue, so it makes it incredibly effective when you go back and look at it at one spreadsheet.

You can say "Holy cow! Wow! This list produce this much revenue. This mailer piece produces this much response in calls and everything's right there and it's broken down real easy but then that's my one spreadsheet. My other spreadsheet is... and this is all in a Google Doc, and my other spreadsheets where it just tracks all those specific numbers on how many leads do we get, how many appointments we went on, how many offers were made, and how much... what our conversion rate was, what our revenue was and it has all that.

Obviously, as a two-man team or three-man team now, now that you bring on someone else, having them accountable for specific actions is incredibly important what. One of the changes that we just made in our business instead of having our outside. I have two, actually 3 outside; I mean three lead managers now or 3 people on the phones. Instead of having them track and instead of them having their number that they report on a weekly basis being the amount of people they talk to, now their number is the amount appointments they set, so right now what they're doing...

And then they get a bonus off the amount of appointments that are attended by our sales guys, so their numbers they hit each week are you know 25. They have to schedule 25 appointments a week for outside sales guys, and then they have to attend because there is an attendance that's about... We lose about 20% of the appointments through cancellations or no-shows or stuff like that, so they end up going on anywhere from 18 to 20 appointments a week, and then they're making our offers and stuff like that. But then that creates a consistency of deals coming in on a weekly basis from the team, so have you defined your roles between you and your partner?

TJ: Pretty much. the acquisition

Pretty much. My partner's role is mostly on the acquisition side. He's taken the role of the acquisitions manager. He handles all of dealing with all of the sellers and getting the contracts and that sort of thing. I'll go with him on some of the appointments still, but I am the most... and then, I'll primarily deal with the buyers. Our roles overlap a little bit because sometimes he'll deal with the buyer and I'll deal with the seller, but for the

most part I'm dealing with, and that's where we're growing towards, it's me dealing with all of the buyers and Jason dealing with all of the sellers, and then the goal was to eventually replace ourselves where we hire people to do both of those roles.

Sean:

Yeah, I think that would be good too, because I know Jason and I know his personality and stuff, and he'd be really good I think with sellers and I think you'd be really good with buyers, so I think that will be a good way to go. And then now both of you can have your own departments essentially, an acquisition department, a disposition apartment. And then you can track how many deals are coming in and stuff like that and then he can report.

TJ:

Right. We also hold each other accountable on those on those numbers too, and that's one thing that we're looking, where you know TJ doesn't do, TJ is not getting the deals closed and Jason is getting 100 leads a week, and then I should be held accountable for that and vice versa.

Sean:

Yeah, and it's a little hard to do it with partners, you know what I mean? The whole... it's a lot easier to deal with employees but with partners it's hard, because there are sometimes when you get deals that come in that you just can't sell. They're just there in a bad location. They just... the price isn't right. There's a lot more repairs than expected on the property so now you're put in a position where now you have to... your goal is to obviously sell the property, but then it's not as good as deal as you thought it was.

So then there has to be renegotiation with the seller and stuff but it is a fine line when it comes to partners. As long as you're both aligned and you're going in the same direction and your mission's to accomplish \$1.25 million, but then also creating a good working environment, a partnership between both of you where... and what's was great about partnerships is being able to cover. So if you want to take a week off and you want to go to the Bahamas or whatever and you want to hang out with your family or you want to... your daughter's being born. Is it a daughter or son?

TJ:

Daughter.

Sean:

Daughter is being born, exciting, in three weeks, then imagine you can take a week off and then that's what partners are great for because they can step in, run the operation. You can trust that it's going to be operational which is great. So that is cool. Okay, and so what are some... in this year 2016, what does your marketing look like? So I know you said you want your... you're increasing your marketing. What does that increase to? Because I know you've done... you've got some Google AdWords, you've got some

mobile bandit signs which is a new tactic on getting deals, and how have you implemented that in your business?

TJ:

Well, our goal for the year on the mobile bandit signs, we want to get 100 mobile bandit signs on the road by the end of the year, and then we've been sending out around 1,000 mailers a week. And the tricky part about that is our list is not big enough, so instead of hitting it every 60 days we have to hit it sooner or else we're going to have to go find a different list to hit if that makes sense.

Sean:

Right, right. Yeah, which it does, I mean or you expand your universe. So if we just focus on distressed or absentee owners or pre-foreclosures or tax default or divorce or inheritance, our list size is very small. There are maybe 10,000 in all of Maricopa County that would fit those certain criteria to be potential deals. Now we hit those niche list, we hit those every single month all the time because they consistently update, there's always things happening with sellers with those niche list. But when it comes to the broader scale, then you've got to look at the next step to locate, to expand your list is to target people that have anywhere from 15 to 25 year ownership.

So now they've owned the property for 15 to 20 years, and it's one particular property. So now you know that there is some different maintenance on the property, they might want to be ready to sell at this point in time. And then nobody is marketing to those sellers, so though they won't get 100 different letters or ten different letters from other investors, they'll get one and it'll be from you. And what they'll do is they'll take your list from 10,000 to 50 to 60,000, and I don't know what your numbers are there or your list sizes, but it will increase the universe where you'll start picking off deals, and left larger deals too, which is awesome.

TJ:

Yeah, we've actually found... Two weeks ago, we went up to North Carolina and stayed with Tyler Whites for a few days, and he was teaching us a lot too about how he targets the niche list and that's already pretty effective for us. We just hit some of this list that he told us about and they've done really well too, so that's good advice to hit those lists that nobody else is hitting, that nobody else really thinks to hit so...

Sean:

Yeah, and nobody else because everyone's really focusing on the niche list, and then the problem is those sellers, they'll get 5 to 10 letters which then now they have options, now they can get to it, they can talk to two or three investors which then the price goes up but you have these other lists that no one ever hits, then you're the only call that they get which is awesome so that's really cool. So yeah, so for people that don't know what the mobile bandit signs are, explain that.

TJ:

The mobile bandit signs are... Basically we just put "We Buy Houses" or I think that's what we use. "We Buy Houses" on people's back windshield to just get a sticker and stick it on the wood windshield and we give them a tracking phone number to CallRail and they just go out and drive like normal. We market for these people on Craigslist and get a little website where we try to find people who want make \$500 cash if we get a deal off their vehicle and in a way we know we get a deal off the vehicle as we use these tracking numbers to CallRail.

And so that's basically what it is. We've actually been doing it for a while with just mine and Jason's cars, and my brother-in-law has one on his. So we've been doing it for a while and we got a couple deals off mine and Jason's cars so when we were at the Extreme Freedom event, Money Day, another guy in there told us about how he was just putting them on everybody's car, so we started doing that too and we've got about 20 now.

Sean: That's awesome. Yeah, we...

TJ: Last week, we just closed our first deal off of one so...

Sean: It works!

TJ: It does.

Sean:

Well, the interesting thing about mobile bandit signs, first off, bandit signs, you have to put them out and you buy the signs. You stick them out on the weekends, on the corners, and it's a lot of work especially if you're in part like Arizona. The dirt is so hard. It's very difficult or you try to attack them up on the telephone poles or whatever. There is a lot of obstacles to putting out bandit signs so... and we're at this Money Day and remember the guy who's saying there, he goes, "Hey, I've got these guys on cars" so we've kind of explored it and implement it too as well where we had an intern come in and put it on his car because we get almost about 60 or 70 out now and it's a...

So it's a mobile... so it's basically the exact same bandit signs verbiage but it's a sticker that you pay \$5 bucks for it that goes on the back of a car, covers the back of the car with a tracking phone number. And now I got these cars driving all around town, so imagine having in six months to a year having a 1,000 or so cars out there with these things, your phone would be ringing off the hook with sellers with no marketing expense whatsoever, just a guy that's basically setting it up and putting these cars on, so yeah I think it's a great idea, and a great concept. It's another way to generate revenue outside of the typical traditional means of direct mail, Google AdWords and referrals and stuff like that which is great.

So, cool, so TJ, what would you leave these guys, right? So you got started, you're kind of skeptical, you're going to ask for refund, but then you, by miracle, that it didn't go through. You got your first check and now you're killing it. For some of these brand-new, they're getting started and they're hanging on, they're listening to this and they're going, "Wow, this sounds too good to be true" or whatever, what could you tell that person?

TJ:

I would tell them jump in. Don't stick your toe in the water but jump in and really, if you're just trying it and you've got that mindset of "I'm going to try it and see if it works" then it's probably never going to work but if you'll just dive in and go all in, and I know to start now your marketing budget is going to be small, but you just got to go. You got to go after it and believe that it's going to work. I think a lot of this mindset I believe, a 100% in tithing like you talked about it, Sean, and I just believe that if you got the right mindset and you go attack it, I think it's like in the other business that if you put your mind to it and you're just tenacious and you just don't take 'no' for an answer, no matter how many 'nos' you get, it's just, you're going no closer to a 'yes' and I really believe that if you'll just take that kind of mindset that you can't, you're going to win eventually. Then I think that's the last thing I would give. Just don't try but do it.

Sean:

Yeah, and it's interesting that you know Tyler Whites. It took him six months and he was at the quitting table, right? He's at table where if this doesn't, "I'm quitting", right? And you are at the quitting table but both of you guys, I mean even you and Jason and Tyler, I mean, have such amazing success stories that... isn't it? I look back because I was at the quitting table too. I mean, I was. Everybody gets to the quitting table and they're like, "Okay, this is it. I'm done. I can't. I can't deal with this anymore. I give up."

And the scary thing is imagine if you would have given up, you wouldn't be where you're at today having the lifestyle you have, making the money you have, doing the things you do and it's just amazing that you don't know what you don't know, and how important decisions are and people just go, "Oh, I'm just... I want to refund because I've got to pay my car payment," so there are something like that or, "I'm going to quit because I didn't get the amount of phone calls I expected," or, "I didn't get a deal in my first two weeks so I'm done" so I think that's incredibly important and I commend you on that. For people that want to reach out to you, maybe get on your buyers list that want to buy properties in Birmingham, Alabama, how would someone get a hold to you, TJ?

TJ:

You can give us a call. Our office number is (205) 841-9757 or you can send me an e-mail at ti@webuytosellhouses.com, all spelled out.

Sean:

So tj@webuy...

TJ: ...To, T-O...

Sean: ...T-O, houses.

TJ:Sell, Sell houses... Webuytosellhouses.

Sean: Okay, webuytosellhouses.com. Okay, perfect. Awesome, so tj@webuytosellhouses.com,

or you can give him a call. We'll have all the information in the show notes as well. And I talked about the scorecard, if you want to get a copy of the scorecard that I use in the business, you can go to this particular episode with TJ Sayers. I think it's 131, 132, episode 132, look for that, and you can download that for free which it's my scorecard that I use in the business, and I definitely suggest you try that out too, TJ. I think it might

make a difference for you.

TJ: Okay.

Sean: So if you want to do that. So cool, cool. All right, so, guys, thank you so much. TJ, great,

great job on the interview. I really appreciate it and we'll sign off.

TJ: Thanks, Sean.

bless!

Sean: All right, we are back. TJ, thank you so much for spending time with us on that interview. I greatly appreciate it. You did a phenomenal job. So if you want to go learn

more from me, go to <u>Flip2Freedom.com</u>, <u>Flip2Freedom.com</u>. You can download the book or if you want to go to this particular episode, episode 132, you can download the scorecard that I'm talking about. And this scorecard is incredibly important because what it allows you to do is track your KPIs which are called key performance indicators.

One of the key performance indicators is the amount of leads you get in a week. You want to know the cost per lead, how much it costs you on a per-lead basis, right?

You want to know what your conversion ratio is between how many appointments you go on and how many contracts you get. We track these numbers between me and my team every single week. And I will give you the most updated recent 2016 KPI scorecard that I use in my business every single day. Go to Flip2Freedom.com, Flip2Fr