

# lock-in-2024-module-10-hot-seats

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## SUMMARY KEYWORDS

business, sell, realtor, year, find, lawyers, pay, question, walmart, home, house, hire, company, people, great, grow, change, build, goals, income

## SPEAKERS

Tony Robbins, Jay Abraham

00:19

Hi, guys. Oh, thank you both. Tony, thank you for putting together this platinum family. I just joined and I'm super excited to

**Tony Robbins** 00:27

give it up for him. It's beautiful.

00:29

It's amazing. My name is Slavko. I'm from Toronto. I have a pretty Thank you Toronto peeps, I have a pretty simple business. I basically help manufacturers sell food products into major grocery retailers. So I mean, all retailers I work with different manufacturers were in Canada, US Well, Canada is my home base. But I recently got into Walmart USA, which was a huge win for our company.

**Jay Abraham** 00:55

gratulations. Yeah, wow.

00:59

So we're doing well. But it's a very small team. And I want to learn, and that's why I came to business mastery. I know that this business can explode exponentially, because there's just so many categories, so many different retailers. And the sky's the limit. The dilemma that I'm having is that I finished my manuscript of a book that I'm writing, and that's my passion. That's what I want to kind of go in, you know, through guidance from you, Tony, and things that I've learned from you. That's what I want to pursue, but at the same time, this is like a golden goose for me. So I don't want to leave it. I want to feed it, but I want someone else to run it and manage it on a day to day and then where I can pursue my passion.

**Tony Robbins** 01:44

What kind of revenue are you doing currently? What kind of profitability? Yeah, last year,

01:48

we did just over 7 million just over 10% profitability on that net income. That was before Walmart, USA. So now we're gonna be over double.

**Jay Abraham 02:02**

Same margin margin. Sorry.

**Tony Robbins 02:05**

Yes, say margin. Actually,

02:07

it's probably more right now because of the currency. So we had to put in a buffer for currency. So naturally, we don't want to make or lose money off currency or or freight. But sometimes that's how it

**Tony Robbins 02:22**

is. So one of the most important questions all of you have need to be asking is, what do I want from my business? So have you gotten just caught up? In the process of your business? What do I ultimately want from my business, most of you want some level of emotional fulfillment, you want to engender some form of value, some form of product or service. Most of you want to be able to a certain amount of money, most you want a certain amount of freedom. But ultimately, what that business should provide for you if you needed to, is an income, meaning you sell it for multiple, and then you use that money to invest and have an income. So the question you need to ask yourself for many of you is, what are my income needs? Because I was reading some of your forms, and you have no idea what your target is. So how much do you need if this business was run by somebody else? How much do you need an income? So you can just do your book and the things that you think that you want to pursue more of?

03:16

I can live off of very little. That's not what I asked.

**Tony Robbins 03:22**

I'm not asking you to go into a scarcity model. I'm actually quite the

**Jay Abraham 03:25**

opposite. Can I ask one more thing? It overlays. So if you had the book, what would you do with it?

03:32

Help Help.

**Jay Abraham 03:33**

No, no, I mean, that not help people with the book? You got the book? Yeah. Are you gonna get it into people's hands? You're gonna just, you're gonna manifest it, you're gonna pay money? What are you going to do? That's

03:43

part of the strategy that I learned at business mastery. So I came here and, okay, quite a few strategies that I want to go back with, but definitely, you know, it was the initial reason I came to business mastery was to find out how to scale my current business up, have someone else manage it, where I can focus on the other thing, but

**Jay Abraham 04:00**

one more question, then I'll go back to if you sold it tomorrow, given the fact that you're tracking for a million and a half \$2 million EBITA. What could you sell it for tomorrow? Well, multiple because you got on the business? Yeah. Sorry. Yeah.

04:15

What multiple I can get on the business probably three times. So

**Jay Abraham 04:18**

it'd be basically you'd get about \$5 million. Yeah, Burnham. What would you do? Is that enough for you?

04:24

No, not not sorry. You said you can live on 10. I can what I don't want. I don't need an influx of cash. My cash flow was positive because I don't warehouse inventory. I don't hold inventory. We're just trying to

**Tony Robbins 04:37**

understand what I'm trying to ask a different question. Yes. Maybe I'm misinterpreting. If I am you tell me. You're telling me this great goose business, but it's not my passion. My passion is my book and my whatever. I think I'm going to convert that into books, coaching, whatever he is obviously going in that direction. But I have this great cash flow opportunity. I built it and I don't want to lose the goose that lays the golden eggs. I want someone else to run it. So the only way you're keeping the other Business is for income. Yeah. So the question is, how much do you income? Do you need to have the quality of life you want without working?

05:10

I guess because I kind of already have that quality of life keeping that business and doing that.

**Tony Robbins 05:15**

But I'm asking a different question. I'm asking you, how much income do you need to have the quality of life? Maybe a million a year? Might be 5 million a year? Yeah, I'm glad you're going to book two platinum financial program. The button financial program, right? People get up and tell me I need a billion in a year, I need 25 million a year. And then we break down every dream and goal you have and find out what it really costs. And it's on average, about 80% less than you think. Sometimes it's 50%. So you're just pulling? I'm asking you a different question. I mean, asking how much money you need the quality of the quality of life that you want, because you're not going to get that from your book. Okay, and your current business is not gonna give you \$25 million a year. And we've been asking the real question, which is, if in order to have the quality of life you have today, how much does it cost?

06:07

half a mil.

**Tony Robbins 06:07**

So your current lifestyle is \$500,000 a year? Probably. Probably. You don't know. That. That includes everything homes, choices, that everything that you do

06:20

vacations, homes. Yeah. I mean, we're building a home now. So that's probably why it's adding up. But are you

**Tony Robbins 06:28**

counting that in your 500,000 per year? I want you to build the home, you won't be spending that much each year? How much will it cost once the home is built per year for you to have the quality of life you have today? Without it dropping an ounce? Couple 100,000? That's what my guess was. So let's call it a quarter of a million even. So how much cash? Would you need to have in critical mass? Forget the business for a second for you to be free to write books. Do everybody wants to have the same lifestyle you have today? And the answer is 5% is what he needs as an income stream that would be in a conservative environment where it's not going to be taking big risks. So 10% on 250, b two and a half million bucks, you need \$5 million. So if he sold his business for \$5 million, he's already there. Yeah.

**Jay Abraham 07:12**

That's it his base level. And

**Tony Robbins 07:14**

his base level. Yeah. Meaning you know, the quality of life he has today and they can go off and do something else. He doesn't have to go find somebody manage his business, he could sell his business, or he gets somebody manage the business and feel it's going to grow at higher but here's what I can also tell you about a business. Businesses get a higher multiple when they're growing much higher multiple. And so I have a friend Peter Guber many of you now and I remember he owed and the the Emmys with the one that the Hannibal TV and Grammys on gloves. Thank you. So Peter on the Golden Globes, so he took me to Golden Gloves with the Golden Gloves. Of course, Sage came with us. And you know, after about 40 minutes, she says, How long is this thing last? Like four hours, right? And so we convinced Peter to leave shortly thereafter, we left first ones out the door for the first time in his career. It's an entertaining piece. But the business was growing like crazy. He took it over his growing, he got an offer because it was growing like crazy. It was a damn good offer. He had two other partners, there's two other partners said we don't want to sell this business is the beginning of the beginning of the beginning of its growth. And Peter said maybe he said, but there are lots of things that can change very quickly overnight, like the economy or like advertiser spending money or like, and he went through a dozen things. And he said, we maybe we shouldn't be greedy. Maybe we get the really nice multiple right now rather than trying to get everything I can possibly get out of it. Because we may not get that out of it. And they disagree with Peter completely. And he said, Okay, simple. Buy me out. Buy me out of that number. They bought him out. And guess what happened? COVID guess what happened to advertising through the floor. And guess what happen people's attitude about all of these Academy Awards, Golden Globes shows, there numbers went through the floor, because people are tired of being told how to think how to be you're tired of the wokeness. And all got associated Hollywood, it got so bad that the Grammys or excuse me, the Golden Globes were canceled two years ago. They just made a list and put it online. So this business was gone. And so Peter bought it back for 1/10 of what he sold it to them and then started build it up again. Right? Because he understood that there is a time for everything. So if this is not your passion, you can certainly get somebody should look at all your options when you get somebody run the business and make it go. I don't know how intense that job is and what the value of that is. What will you have to pay somebody to run that business?

09:40

Probably a couple of 100,000 Okay.

**Tony Robbins 09:42**

And what do you think you'll net on that business?

09:48

Without the growth like currently, yeah, currently, yeah, probably 800 Okay.

**Tony Robbins 09:54**

So, you know, you need 500,000 You got room to build something so you can hire somebody and Haven't good. But what we're trying to show you, as you should know what your target is, ultimately, what do you want out of this business is you want a certain amount of income. So if it's not five, then good, I'm gonna run it, I'm gonna hire somebody, or I'm going to run it for the next 24 months, and I'm gonna get it to 10 million in EBIT, I'm gonna sell it for \$30 million, and I'm an earn whatever. But all of you need to have an exit strategy, if you don't have an exit strategy, you have a job, a very expensive job, a lot of risk, you've heard me say it, but let's take it in. Doesn't mean you need doesn't mean you're gonna sell it, but you have to run the business, like you're gonna sell it. And since this is not his passion, here's my experience. If it's not your passion, it's gonna go down when you put your focus somewhere else. Unless it's a passion for you, and you're hiring somebody else that's different, but it's not a passion for you the way you've described it. It's like, I'm passionate about the outcome I get from it, which is nice.

10:49

The, the passion I have, and when I started this business 14 years ago, was dealing with people and I have so much experience in the grocery retail, I was a buyer, then I went to sales, I manage a tier one company across Canada. So I've dealt with all the major, major retail players, the value offer that I have for all my clients is significant because nobody else is adding so much value and has the experience and knowledge that I have in the industry.

**Tony Robbins 11:14**

Will Will that be at the same level when you're not at the helm? Yes. Because, yeah, absolutely. You have a business? Yeah. So the question is, Where would you get the person what's preventing you from just going in hiring somebody right now that

11:27

fear maybe, of your of what? trusting someone with the business? That's

**Tony Robbins 11:33**

a that's a that's a useful fear. Sometimes a fear isn't a bad thing. In other words, it's a concern. The concern is what? You hire somebody and what happens?

11:45

Yeah, they're gonna either not, I don't think they're gonna run into the ground. But, you know, when you expose, I've never like, right now it's my wife and I in this company, we still have a home office, my daughter is on the payroll helps out a little bit. And I subcontract a couple people to do their my reporting and my logistics. So we're very lean and mean overhead. And that's where we're able to offer this value proposition as well. So if

**Tony Robbins** 12:12

you're not there, and this person is running the show, will they add the same level

12:16

of value? The person that I want to hire? Yes. Do

**Tony Robbins** 12:19

you know who it is? Yes. What's prevented you from doing it?

12:22

He's currently working somewhere else, and he wants to come on, and he wants to have some equity ownership. So this, this course was invaluable for me. So first of all, thank you for that, because I learned a lot. And I just need to figure out how to structure an employment contract that gives him vested interests where I know he's gonna care just as much as I do. Yes. As I'm open to sharing profits and growth. Yes. I don't know how to structure it yet, or what's

**Tony Robbins** 12:51

what do you think is fair? Because oftentimes, we want someone else to tell us what to do when our instincts are, it's got to meet your needs and his needs, what is he going to want? What do you think is fair

13:03

10% of anything he brings to the table of net profit is probably fair, and

**Tony Robbins** 13:07

so is that 10% From where you are now, or 10% of every dollar

13:13

10% of what, from where we are now what he brings to it. So only

**Tony Robbins** 13:17

10% above, so he gets salary for where you are now. And he gets 10% of whatever it's generated from this point on? And what are his financial goals? Because here's the thing gotta do if you're gonna run a company, and you got executives, you better know what their goals are. You better understand what they want, what they need, because that's where they're gonna go eventually. And if you can help them meet their dreams and their goals, and it aligns with your company, or your needs as well, now you gotta win. But if not, you're gonna have some trouble. So what's his goals?

13:44

So speaking to him before his goals, because he's, he's little, he's not he's nearing retirement, maybe less than 10 years where he wants to retire. So he doesn't want to take risk, because he could technically try to do what I'm doing right now on his own, but it's late in the game, so he wants to join me and have some equity. So he told me that he is happy with like, you know, 10,000 a month or plus plus equity ownership. So, so

**Tony Robbins** 14:13

you got the deal. It's 10,000 hours month and 10% of the profitability above 700,000. You say Didn't you say you were doing several

14:19

100,000 That was before I got Walmart us Okay, so

**Tony Robbins** 14:23

what's it gonna be with Walmart? 1.5 million? Yeah. So is that money is that contracted? Is that deal done?

14:31

We started shipping or we're

**Tony Robbins** 14:33

receiving pain so you're gonna have one and a half million bucks. So if he agrees it's 10%. Above all the EBIT above one and a half million and he's gonna make 100 grand.

14:40

You never agree. We never talked about the 10%. yet. I don't know what his expectations are on the equity ownership. He just told me that he wanted vested interest. I don't know if in his mind, he's thinking 5050 I don't know. But

**Tony Robbins** 14:51

so here's the question, would it be worth 250 50 above your current numbers if he's running the business? So you have your range? So

**Jay Abraham** 15:00

I have a question. Yes. He said, sort of the profit or sales or revenue he grows? Is he going to run it as you're going to grow it? I'm just curious. How did you get at Walmart? What happened?

**Tony Robbins** 15:11

I

15:13

cold called, I go to trade shows. I mean, I'll sit in the buyers office, he

**Jay Abraham** 15:18

had the same capability as you. Is he more of a match? Or is he able to? Either?

15:25

Yeah. And quite frankly, I'm kind of in between entrepreneur and artists, I think because entrepreneur I say only because, honestly, I'm not afraid of losing everything. And starting over anywhere, I really have no fear of risk or any of that.

**Tony Robbins** 15:39

trouble hiring. And then, yeah, you're right. I have

15:43

no fear in that aspect. It's just putting the contract together figuring out is it a lawyer, employment lawyer, who helps me build the equity

**Jay Abraham** 15:53

and you can have performance before he gets his going to exercise anything.

**Tony Robbins** 15:58

It's pretty simple. You can also do a scale. So yes, you go find a business lawyer, and you tell him I want to pay this guy \$100,000 a year, and I'm gonna pay him between 10 and 50%. My preference is 10. But probably what you'd want to do is if he can do bigger numbers, if he can take the business from what would blow your mind, have you been willing to give 20% for if you grew up to what

16:20

i be i Honestly, I'd be happy if you maintain everything, whatever he grew was like cream on the crop for me. So but

**Tony Robbins** 16:26

what would be worth 20%?

16:30

His happiness? Well,

**Tony Robbins** 16:32

I'm asking you won't be worth 20% to you in terms of the growth of the business.

16:38

I don't know an extra 10 million. I really don't have the answer right now. top of my head.

**Tony Robbins** 16:42

Sorry. So this is what so many of you do. You don't have the answer. Nobody has the answer. Decide. Yeah. Yeah. That's what I hope today, you've gotten from me, how many got this, you got to stop? Like you're all wanting some more information in the future make a decision? Right, there is no right or wrong and everything else, we're gonna find out what he wants. It's somewhere between 10 and 50. He's not gonna be asking for more than 50. Yeah, you think Danny thinks 50. So if I thought that that's the range, I would anticipate in advance and go, I'm gonna give you a 10 to grow the business from day one, from one and a half, to two and a half, I'm gonna give you 20 If you get it to three, or whatever, then I'm gonna give you 40 If you run it to 10 in profitability, and then 50 view, go to 12. So at that point, you can sell that business for a beautiful multiple, he has a nice return, you have an unbelievable return, you went off and did the things you wanted to do. And he's fully invested. The only question is, is he going to produce that additional business? And when I really hear you saying is you're hoping he maintains it? He will, He will maintain it, you mean,

17:44

he will grow it, he will grow it, there's no so much. He will grow it exponentially. I'll come because he's worked for a major retailer in the buying office of a category that's very familiar. He currently is working

for a company, manufacturing company that distributes to every single retailer, both in Canada and the US. So he's made contacts with buyers and pretty persuasive. Very

**Tony Robbins** 18:10

good. Is he passionate? Yes. I would find to him. What do you want to retire? How much money you want? 10 years to retire with? And I back at him from there? Love it? How much do you think he needs to retire? This is the other a little bit of his lifestyle? Because you know,

18:27

it's not it's probably a quarter million a half a million. He's He's good. So

**Tony Robbins** 18:32

if he needs a quarter million dollars, or half a million, he's good, then he needs about 5 million bucks in 10 years? Yep. So if you're gonna pay him \$100,000 A year and 10%. If he grows the business from 1.5 to 2.5, he's gonna have another 150,000 a year. Right? That's not gonna get him there. So if that's really his goal, does he have other resources? As you have other capital? Does he have other investments? I don't think so. Okay. So if you need to find out exactly what he's going to target, and you got to show him how to get there. If you do this, you'll get most of it, you get if you get here, you get all of it. And provide the incentive for him. And then here's the thing, I'm gonna tell you, you're never gonna, there is no business with all the companies they have. There is no business that I don't still have leverage with. I don't, I don't delegate, I leverage things delegated. You give it to other people, and they agree to do it. And then you come back when it doesn't work, and you're pissed off leverage, you're connected the whole time. So how do I connect, I get them crystal clear on the outcomes, crystal clear on why and the purpose, how I'm happy to have them change, and I check in with them along the way. I don't wait until the end of the year and find out they didn't do the job. So even though you're going to do these other things, if you're an owner, owner never goes away. If you're an owner, you can't just go to sleep, you still have to monitor because no one's gonna care about the business as much as you so it doesn't mean you got to be there every day but you got to have measurements, so you got to measure often enough that if anything goes wrong, you can correct it quickly. Otherwise, you're gonna blame it on them, and you're the one that screwed the business. Because what you thought, if you're really not gonna be an owner, sell the business. Otherwise, you're still involved. Yeah, that's why I asked about what you need it because there's a point at which you might say, This is enough for me to have great life. And I'm have this new business out of my book and do things I'm gonna do. And I make great money there for the rest of my life, I got a base of a quarter million dollars a year. So and I don't think about the business, or I'm gonna help this guy, get his goals. And I'm gonna lock in. And if he doesn't do it, I'll take the business back over, you know, I just don't want him up. And I don't think up, I really believe he'll grow, how much you'll grow it. Let's see what his targets are. Let's see if we can align his needs with my needs. So that I don't have to go pump him up all the time. He knows what it is. And we can just measure how we're doing together. And if you need some help, I can come in this is what I do strategically brainstorm, just like Jay does, here. What about this? What about that, okay, boom, go implement, I leave, I couldn't run all these companies, if I sitting there doing it, and I couldn't run these companies, we wouldn't be effective. If I never showed up at all. Does that make sense? Totally. So what are you gonna do? I'm

21:09

gonna hire them. Great. And what you're gonna pay, I'm gonna meet with him? Well, I'm gonna get out from him what he's looking for? Well, you

**Tony Robbins 21:15**

know what he wants in salary already?

21:16

It sounds like that was the conversation we had. And

**Tony Robbins 21:21**

then you know what he wants? He may want more, but you know what he wants? And you want him incentivize? Not for maintenance, you want incentivize for growth? Yeah, how does? How much does he make now?

21:32

I don't know the answer. But I would say probably about 150 180, maybe, then you don't want to making less than he did before. But I don't think he has equity ownership and where he's where he doesn't, but

**Tony Robbins 21:44**

you still don't want him to earn less than where he is. Because he probably has a lifestyle as to support. So you might have to pay him \$12,000 A month instead of 10. And then he's really got a nice base to cover his overhead and then everything else is moving towards his future. And then I don't know what you're doing with your investments. But if you learn what to do, and your investments, you could also say, Here's your to do, you're on your own, but I can also connect you to somebody, if you have great investment advisor, who can help you manage what you're doing get you where you want to be 10 years from now. And at the end of 10 years, you and I are in great shape, and we're going to sell the business sometime between now in seven to 10 years. Got it, and we're gonna sell it for a nice multiple, so you're not just gonna get what we're doing now, everything you do will get a multiplied response. And I'd be looking at how to get a bigger multiple than three times. So that's pathetic. I've been figuring out how do I figure out how to make my business have some technology piece towards something that makes you have a higher valuation. Because if you're growing and doubling aside your business, even though it's small business under 10 million, it's hard to get anybody's attention for, right, I'm talking about profitability, yeah. But you could get to that profitability, and then you start to get a much nicer and if you're on a growth path, you'll get a really nice multiple, be more than three might be six, or seven, six or seven times 789 10 million starts to be interesting, right? And there's plenty for him, he will achieve his goals easily then he needs if you're right about the 250 needs 5 million bucks in 10 years, I'd be figuring out how to get him there by showing him how to perform leashing him. And then I stay connected, stay connected, but let him run it and then I go do my piece. But I'd have a piece of me that measures each week what's going on there. And if there's a problem, I could step in immediately and do something about it. Not I hired him to do it, he didn't do the job. You The reason I talked about selling it is if you own it, you still own it. That means you own the outcomes. Don't ever think that you're going to leverage this to someone else and just go to sleep, you might you might even do it for a year or two, till they have a stage of life change till something happens in his family, till they have a biochemical change till they have a child till something else happens to the world changes till they get fearful till somebody to care about dies, and then all of a sudden, you're screwed. So you have to know either sell the thing and take the income, invest in something that's passive, or I'm in this business. That doesn't mean I'm in it every day, but I mean it strategically I'm in it like Jay would be or I would be in, which means I gotta measure ruthlessly. And I gotta measure often, so that I stay the heartbeat of the

organization. And I can catch a problem before it gets big. And I can step in and out to solve it. We can brainstorm together, and then I can see how they execute. And if they're not, then I gotta take him out and find somebody else. Otherwise you will wake up with a problem. And Walmart, by the way, is a wonderful organization. But you're getting in and you're just starting the process, they're going to come start to tighten you after you start to succeed with them. They're going to start to want you to give them bigger discounts. They're going to want you to all kinds of carry some of them. They're going to do all kinds of things to you that you don't know they're going to do that they're going to do. And the bigger you are the more business you have with them the more leverage they have the more than that just truthfully how they do it. Walmart and Amazon they both do it. I buy companies off of Amazon with some partners. We buy companies there that are exploding product are exploding, they're proven. We know what they're doing. We mostly do them in the health area health care area, oftentimes it's a doctor came up with a breakthrough product or service or something done. And we buy them for three, three and a half, sometimes 4x. We build them up, we take them beyond Amazon, so not just dependent on Amazon, and we sell them for seven, eight and 9x. Usually 36 months later. Yep. I'm

25:22

very passionate to stay in the business. Okay, that capacity is an owner, operator. And with Walmart, I agree with you. I mean, I've been selling to them for 14 years in Canada, I have sold them before in the US. But I, my business model changed before it used to be where I would set the relationship up with the manufacturer. But then once I started making a lot of money, I got squeezed out. Yes. So I changed my model where DirecTV became the vendor. So now we sell to Walmart, they pay us and then we pay. So now the manufacturers are happy because I'm writing the checks. Yes.

**Tony Robbins** 25:58

So So I would go home. And I'd sit down with the gentleman and say, Listen, I have a lot of belief in you. You're interested in doing this, I mentioned having to do it, I want to do something that's fair, to me fair to you. Tell me your goals, tell me what you're trying to accomplish. Because I need to know that I understand you probably want to retire in 10 years. That means I don't want to retake over the business. So I'm going to want to sell it sometimes next seven to 10 years. And I'd like you to be in really good financial shape if you run my business. Right. So we've already talked about salary, I'm going to pay your 12 you can easily afford to pay them 12pm whatever you can find that he really made, I'd pay him that. So you said eight, you said 10 on the page. Well, this is what I do. I in my negotiations, I give people more than they asked for. And then I expect more. So I induce reciprocation, or I negotiate a deal, they agree to 10 and then they get the document it says they're getting 1220 agree to 10. And they call me up and they go Yeah, but uh, you know, I think you'll be better off starting with 12. And I want you to start off at a great place. And I'm expecting you to grow this thing, because I'm believing in you. And it builds tremendous respect and report. I do that almost every deal. I'll negotiate. And then I, when people get the final deal, it's slightly better than I agreed to. So I have lots of be willing to do deals in the again, obviously. Yeah, because I'm not squeezing them for every dollar I can get out of them.

27:20

You know, I have that on my goal. Funny enough, where anyone that works for my company is making more than they expect. That's cool. Something I have because I agree with you, I mean, and

**Tony Robbins** 27:31

you can hire a firm to come in and evaluate every position, which I do in my companies. And they'll tell you what those jobs are the high end, the middle, the low. And then my companies I pay just above not the highest high just above for everybody. If you're outstanding, I pay the highest high plus a bonus. If you're not, I put you lower and you get coaching for 90 days, and if you don't match the coaching, you're out

27:54

awesome. Okay, so much good, man.

28:05

Okay, hi. This is my fourth business mastery. When I first came here, my first business mastery I was Debbie from New York, a realtor one in 10,000 realtors. Now, I'm the goddess of Well, that's awesome. And my ideal customer is now a be the baby boomer, who are living in houses that are in really bad condition. And the Millennials don't want them they need to sell them. The baby boomers need to sell their house because they need to move on to retirement homes or something that's more appropriate for them. But their houses are in such terrible condition and looks so ugly, that nobody wants to buy them and they're really to try to put a price on them. It's really hard because everybody walks in. Nobody wants it at any price. Yes. So my irresistible offer is that I come in and I make their houses beautiful. And everybody wants them. And it doesn't cost them anything. Because the baby boomers especially women in their 80s have trust issues with someone coming in and trying to sell them something that's going to cost them like \$25,000 So I put up the \$25,000 I pay for everything. I know their house is gonna sell because I make it beautiful and it always does. is faster than they ever thought. And then I get paid at the escrow at the end. And I get my commission. And it's do you put on the 25? That

**Tony Robbins** 30:11

you put up? Question?

30:15

Yeah, I was thinking of doing that or adding another percentage. I did take a bigger cut as the listing agent, I take more. So

**Tony Robbins** 30:26

what did you charge? What do you charge now.

30:27

So the standard was 5%, I took two and a half, I paid out two and a half to the buyer's agents, I don't work with buyers. Now I take three for me and payout two, because the houses are so great, the buyer's agents don't have to do anything, everybody wants to sell them online.

**Tony Robbins** 30:48

So she is getting a premium as she deserves for taking more risks. So think about just she's a business woman, not a realtor. And I'm not trying to be harsh if you consider yourself a realtor. But when I came here to Florida, I wanted to buy a home. And I wanted to buy it in three weeks, because they raised the taxes in California by 33%. From my level, and they did it in reverse meaning they charged me the making up the law in November and charge me for the previous year. And it was a year I sold a company. So I had \$4 million in state taxes alone in California. And on that day I said, eff California.

We're moving. We're moving with live all over the world anyway, let's go find a non state state. That's beautiful. I came here to Florida. I looked up, I found 88 properties. I wanted to see them. So I called people and I said I want to see 32 properties. And they looked at me and said on the phone, they said Well, are you coming for several weeks? I said no, no, I'm coming for two days. I said we can see 15 and 16 Today quite easily. And the person said it's impossible. I said, Well, you're the wrong realtor, then get me somebody who knows what they're doing. Because all I need is two minutes to walk in. And I will know I don't need you show me the coverage. Tell the other realtor not waste their time. I know what I want. I'll see the place I want to see I'll see it's got the view of see the spots. And I'll know in 10 minutes if it's not the right place. I'll tell you I won't waste your time. I don't want to waste anybody's time. We'll go to the next place. And I'm gonna go through seven realtors to find eventually find the home I found because they're stupid. Right? They didn't add any value whatsoever. So you're taking the risk, you're adding the value, you know what you're doing? Is this fantastic. What's your question?

32:26

Yes. And so their houses are selling for at least \$200,000 More

**Tony Robbins** 32:33

than they ever have been. That's awesome.

32:37

So my big question is to Jay, not that I don't have great respect for

**Tony Robbins** 32:44

you, Tony. I'm so hurt.

32:48

First of all, I want to ask Jay where does he get his gorgeous wardrobe?

**Jay Abraham** 32:53

I get him everywhere I get him. Jesus. I get him at Gucci I get I get him just everywhere.

33:01

I love your wardrobe change the queue. So my real question is Okay, so my chokehold shifts that my chokehold? Sure. So my chokehold is where to find these aged homes and these age? How have you found them so far? So I've been networking with lawyers, and I go to these networking events that are all lawyers, and I somehow slip in when they, you know, want to talk about law I'm, well, I'm not really a lawyer, but so I network with lawyers, now I spend a great deal of my time with

**Jay Abraham** 33:42

lawyer, what kind of like, I guess, state and dressed? Yeah, and elder lawyers.

33:47

That's my, that's my real goal. But you have to sift through a lot of lawyers and talk to a lot of people before you find out what they specialize in. Because when you go to these events, they're not wearing it on their shirt. And I don't really know that much about that and where it was the geography or you're doing Westchester, New York.

**Jay Abraham** 34:10

So is that the Bane source so far? I beg your pardon that the main source so far that you've you've remained source, isn't there?

34:17

The real estate laws, you can only have your license in one county? Yeah,

**Jay Abraham** 34:22

but I mean, no, I mean, the main source I mean, the main driver is the attorneys

34:26

and aging homes like retirement homes, which is really growing.

**Jay Abraham** 34:32

And do you have a whole network of retirement homes that are referring to you?

34:35

Well, that's just getting connected to them. I'm spending a great deal of my time networking and spending not as much time doing what I'm passionate about what

**Jay Abraham** 34:46

it is. But you do you have to do all this. Do

**Tony Robbins** 34:49

you have a mother?

34:50

I beg your pardon. Do you have a mother? No. Why? Because

**Tony Robbins** 34:54

I would put her to work. I'm talking to these older people. So

34:57

well, I am the market. Yeah, so

**Jay Abraham** 34:59

do So, first of all, how many homes? Have you done this with so far?

35:03

With altogether my career?

**Jay Abraham** 35:05

How long have you been doing this model?

35:08

This model since business mastery about a year ago? So

**Jay Abraham 35:14**

how many have you done? About six? And so how many can you do with your capital base?

35:24

As many as I want, okay,

**Jay Abraham 35:25**

so basically, all you have to do is find a bunch of preemptive sources. So if you know attorneys, how many attorneys have you really gone to in in Westchester? And if this model works, why couldn't you fund other people doing it for you who have licenses other places?

35:45

Because of the stage of my life? I only want I'm not like 25.

**Jay Abraham 35:52**

But you're an investor? Aren't you looking for a return? Isn't that what she is? Seems like I mean, I'm just trying to how much? How big do you want it to be? Let's, let's go backwards. What do you want it to be?

36:03

Like, I'd be happy doing 25 homes a year. Okay.

**Jay Abraham 36:06**

And right now we're doing an average of what, six, six.

36:10

And now my other business was choice, just anybody that wants to sell their house, and you still have that? It's, I'm not putting as much attention on that

**Jay Abraham 36:19**

other people run it or just, you know, just me. Yeah. So I mean, who else has pre emptive access? Interesting. Many years ago, we had a couple of the restoration companies that water damage, and they got all their business from plumbers, but who knows about it, somebody? It's funny, who knows, when somebody has a house that needs something, and the owner can't afford it? Or it says, No, ask yourself, you don't have to tell me, there's probably a myriad of people that would know that. And you had relationship shift, the laws are ethical. And you said, Well, you find me a source and I'll pay to get the plumbing fixed, I'll pay to do the roof, I'll pay whatever it is, you've been figured out who all has pre emptive acts, I'm sorry, I

37:01

don't exactly understand what pre emptive access,

**Tony Robbins 37:05**

they know in advance that these people are probably going to need to sell their home. Thank you. We've already given examples you gave example of lawyers potentially would know that another example would be older folks homes, because they know the person is going to move and probably

needs income, they may know the kids that are doing that. It was me, I'd make a video with my happy clients, I show the six clients and I come out and just say I provide a unique service for people this stage of life, which has helped them get the maximum return for their home in a way that they don't have to worry or put out in either cash, I put it out myself. And I'm only rewarded for performance. And here's what I've done. And I'd have a couple of my testimonials. And I find out all the lawyers in the area that deal with people of that nature, all the estate, all the people that nature, and I mailed to them with those little video, I would do the exact same thing to the old folks homes, I find what are the other people that would know this is happening, and I go for them. And I let them know, I'm only doing this with 20 homes. And so I'm just looking for people, I can really help maximize the dollars people going into retirement need to get the maximum and unfortunately, oftentimes their homes have broken down, you tell the true story. So I know exactly what to do, I invest usually on average 25,000 of my own money. So I'm just looking for people that need my help. And you will probably know some of those individuals. And if you'd refer them to me, I'd greatly appreciate it because I could make a difference in the person's life.

38:23

But how do I get in front of those people? How

**Tony Robbins** 38:27

do you get in front of them by getting a message to them? Yeah, you figure out who they are. You go on Instagram, what's the word?

38:34

LinkedIn, LinkedIn.

**Tony Robbins** 38:35

And you find all the lawyers that were

**Jay Abraham** 38:37

born again, who make magnet for excuse me, I got a couple of questions. What do you make on a typical transaction? You do this with? My commission? Well, I don't care, whatever. If it's commission, you get your 25 back on top, and then you make two. But why do you? Why do you do it that way? Why don't you just go get it valued at what it's worth, put your 25 grand let somebody else have the 2% because you could have all the you could have the upside good. And you could teach other people what you do years ago, this is interesting. It's related. You may or may not know, I used to have a big presence in the real estate market. I mean, every like eight different people I helped. And one time I got a woman to do this. I said why don't you just go if you know that Cosman tising a house, whether it's shrubbery, paint, whatever, is going to change it, just do it, get it get a lien on it, put the money up. If they never sell they're going to have to take it out if it ever sells and you can compound the interest and they did that and they killed it. Why do you have to be a realtor in to

39:37

do you? You mean by the house from No. If you go

**Jay Abraham** 39:41

to somebody and say, Look, this isn't sellable, but let's get a price on. If it were what's it worth right now? You know, we'll get three we'll get three estimates from somebody it's worth something. Okay,

let's say that it could be worth 500 grand but it's worth 100 Excuse me, it's worth 275 Now, so you get three instance 35. It's three, of course, okay? You take the mean, or you take the 3d coordinates update what? I will put the \$25,000. And I want to have for the upside. Why don't you do that? What's What

40:14

do I understand? It's not legal. That's only

**Jay Abraham** 40:17

not legal. If you're a realtor. It's only in it. Yeah. But if you're not a realtor, it's legal. You're an investor. Ah, except you're not buying it. So you're getting a maximum 100% agree? Yeah.

**Tony Robbins** 40:33

I think it's just your the average, what's the average increase in price that you generate with your 25? Grand?

40:39

Yeah, usually around 200,000. And you're getting

**Jay Abraham** 40:43

how much on that right now? 1%? More? Yeah. So but what do you get back on two? And if you sell a house for that, for 200? Grand, and he's 100? grand more? Okay, so let's say it's 500 600? What would it sell for?

40:56

So let's say it would sell after I do everything? I do? Maybe 800,000? And

**Jay Abraham** 41:01

you're making? How much on 800? That you get your 25? Back? And then what do you make on

41:05

top? In dollars? About 20? After I pay the house? Would you

**Jay Abraham** 41:09

rather have 20? Or 220? That's the question, isn't it? Or

**Tony Robbins** 41:13

120, you split it with him? Yeah. If there is a \$200,000 increase, you're not a realtor, you don't even have to sell the place, you wouldn't have to go just go find all the real estate that's not selling.

**Jay Abraham** 41:23

But then you can basically if you can get if you can get funding, you can teach everybody else to do that. And you get a piece of all that.

**Tony Robbins** 41:31

So what happens is you get locked into what you know, you see that pattern today with several people, you get locked in when you know, because you're certain about it, you're doing it. And then you do

something even though something else it'd be remember the woman couple days ago in the education business, right. And you know, her business was 10 million, now it's a half a million. Now with this massive surge, it's gonna go to 2 million, but these other people doing 700 million, but she keeps doing it. And she's more than qualified to be able to do the other, but she's done it for 36 years, so stays in her head in that area, don't even consider it. If you're that confident, if that really is the average, it'd be crazy for you to do a be the realtor, let somebody else sell. Especially if after you do it, it sells itself anyway, let them have the Commission, or go do it and get half the Commission as well for helping to sell it get half the commission paid in some kind of fee structure. So you don't have to be a realtor to do it. But listen, someone says I'm gonna get you 200,000 More 100,000 More. I won't get your lesson. 75,000 more, I'll put up the 25 after my 25 We split 5050. Yeah, who wouldn't do that? Who wouldn't here do that. And then you're making 5075 \$100,000 per year, instead of 20,000 per unit. And you can say, being a realtor. Yeah, one investor.

**Jay Abraham** 42:48

That's what it said. Yeah, it's two, it's great. Is that help?

42:52

That helps a lot. I have one more question. In the sales process. I go in, I really know what I'm doing. I'm very confident. So I always go in and talk about the how. And sometimes I don't I don't get the the deal. How do you other than bringing

**Tony Robbins** 43:14

in as you talked about? What do you

43:16

mean, I tell them how to do it does come in and one of the things I learned in business mastery is that we don't even talk about the how we have to get them in state. How do you get your customer in state if you're not going to like bring a stereo and get them to stand on their chair and start dancing? How do you outside of this environment? Get people in state?

**Tony Robbins** 43:42

Well, what's what how do you get them in state now?

43:46

I try repour you try.

**Tony Robbins** 43:50

And it was me I would be create a compelling vision of what they're doing here. Like you're talking about showing the actual person who's buying the piece of real estate, or the person who's agreeing to sell. So I'm the

44:00

person that's agreeing to sell

**Tony Robbins** 44:02

the person agreeing to sell I create the whole video, I tell them the story. And I'd say listen, you have nothing to lose, and I'm going to grow it 200,000 above what you think you can get. And you're only

going to pay me if I produce the result. And you're going to pay me half. So I'm going to give you an extra \$100,000 for your retirement, if you do with me. Sometimes we make the story so much more complex than it has to be. Does anybody need any more than who'd be interested in this for your parents? If your parent could get an extra 100 grand or something of that nature be pretty nice. Well,

**Jay Abraham 44:33**

who'd like to do this in their city? Oh, yeah. One more question. Yes. So when they say no, when you go back to them, three days? I mean, three weeks later, three months later, what happens?

**Tony Robbins 44:48**

What percentage say no?

**Jay Abraham 44:50**

Yeah, how many say no. And how often do you go back after they say no?

44:56

Well, usually when they say no, they hire someone else. So

**Jay Abraham 45:00**

I know who else can they unsellable who they hiring. So they

45:04

sell they hire someone else the house doesn't sell.

**Jay Abraham 45:07**

And so then what happened? You go back? Then I sort of like a Fizbo, isn't it?

**Tony Robbins 45:15**

Bottom line is there is going to expire, right? They're gonna expire. right word, I forgot the right word, but it's expired.

**Jay Abraham 45:23**

But here's listing expire. But here's a concept by missing. If you're an investor, you're not shackled with all those rules. Yeah. But I mean, if if they don't, I mean, right now they want to do they want to sell or they just think that they can't sell because they can't afford and they're going to take basically rock bottom price.

45:45

Most of them need to sell. Okay, so they're done with our house that?

**Jay Abraham 45:50**

Yeah, I would say it is probably a deeper exploration. The way you're artic, remember, I talked about semantics. Did you hear me talking about semantics earlier? You would it be more better than that. But most people don't understand that just by articulating it a different way. Sometimes when is this funny? I'll tell you, this is related. So I have a client in, I can never pronounce it. It's a beautiful, it's Mauritius, right, Mauritius, and gorgeous. And they're the biggest distributor of medical products on this little island. Country. And they were trying to buy a business a little medical complementary business, it was

doing like 3 million and making very little two partners. And one was running it the other was retired Zoie, making about 150 grand apiece for each one. And they were going to buy it at a high multiple, because it had a strategic bent and the operating partner refused. I said, What do I do? And I said, well, first of all, give me the age of the person who's retired, tell me the average life expectancy of the person who's retired. So it turned out the person's like 75. And the life expectancy is yet it's probably gonna be longer than 73 years. I said to go back to first of all the the one that's operating, so you don't so and we figured the money and how much more it would help the quality of life. So you don't want to give your partner three times the lifestyle for the four years, he's got that it said, if that doesn't work, go to the partner and said Your partner doesn't want to give it to you. But some and it worked. But what you have to do is think about how to rephrase it, how to use a different kind of semantics to make the point, it's always got to be more important to them than to you.

**Tony Robbins** 47:27

What percentage of the people say no.

47:34

30 40%

**Tony Robbins** 47:36

Okay, so you've got, you know, certainly there are things that could increase the percentage, but really to do what you want to do, all you have to do is broaden the number of people you're asking. And if you're a realtor, you may not if you're not a realtor to get your same target, you could cut the number well down because they're making 20,000, you make 100,000. So you could cut the number by five. Yeah, so the number you said you were going to do was 25

48:00

homes. So you could do five, the same income.

**Tony Robbins** 48:05

And I think the pot or do seven or eight and get even more income done, and you don't have any other realtor stuff. And then you really are the queen of wealth. And because you're an investor, you're not paid for just your hourly wage, which is what a realtor is. They're not hourly, right, but they're paid for a result. But still, you're trading your time for money there. You're now you're trading your money for money. Because you've thought creatively.

**Jay Abraham** 48:25

You have sorry, I think that also the way you articulate it and contextualize it if you said look, I'm an investor and I think you're good investment. I think together we can make this worth and not even dollars, you can judge dollars you can say percentage, you can say why would you want this and you got to find out find out what they would do with the money to and do this analogy. If you got 300 grand, how long are you gonna live on it? If you got 600 grand? How long would you live on it? What are you going to do with it? You probably haven't explored anywhere close to the options available I think is what we're saying.

48:58

Yeah, that's why I wanted to ask you, okay, what the options were that help? Very much