Marketing for Private Money

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YOUR NEED FOR LEGAL AND TAX ADVICE

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Each individual’s circumstances are different. Consult with your legal and tax advisers before making any decision to borrow, raise, solicit, or lend money through privately placed mortgages.

If your legal and tax advisors are not familiar with private mortgage lending, you may need to find additional legal and professional advisors who are familiar with and experienced in private mortgage lending.
Table of Contents

Introduction
About the List
Print Advertising and Direct Mail
Networking and Lender Luncheons
Hosting Private Money Seminars
Getting Online With Search Engines, Websites, and Blogs
Social Media Sites
Following Up
Delegating Work
Staying Active
Conclusion
First, I want to thank you for your interest in this book. I am certain that if you read this book you will find at least a few nuggets for you to take with you on your journey to finding and landing private money lenders.

This book is marketing in a nutshell. In it, you will find a summary of all of the most important marketing techniques that have been tried and tested and found to be effective by every person who needs to find private money lenders. You’ll start by learning about traditional marketing techniques, which are still relevant today, and move on to more modern techniques that have become indispensable in the digital age. The sections on following up and keeping in touch with people are extremely important to all of these strategies because they complete the marketing cycle.

Second, I want to explain what this book is not. There are many helpful and practical ideas to be found in these pages, but it would be impossible to cover every single detail of how every single business should go about implementing them. It will be up to you to decide which strategies will be best for your business.

So this book is not meant to be a comprehensive marketing manual, but it is meant to provide valuable information that will get you well on the road to being known throughout your community as an active, professional real estate investor.

Finally, as my way of saying “thank you” for taking the time to read this e-book, I’d like to offer you the opportunity to download a free copy of the Getting Private Money Fast Start audio CD available at...

www.PrivateMoneyCD.com

(use Passcode “MFPM”)
Introduction

What would you talk about with someone if you knew that that person might have money to invest in your business? How would you start the conversation? How would you hold their interest?

Private money is held by individuals who are looking for a better way to invest their hard-earned cash. These individuals are people just like you, from all walks of life, who have one common goal. They all want to retire with as much cash as possible. To reach these people, you need to keep something firmly in your mind. They didn't save all that money by listening to slick talk and glorified hype. They listened to cold, hard facts - about money management, about retirement planning, and about their investment options.

Facts are great for two reasons. First, you can really impress some people with your knowledge of trivia. Everyone loves a great conversation piece, whether it’s that statue your grandparents picked up in Mexico or a little-known fact about the White House, and you can never have too many conversation-starters in your arsenal.

Second, knowledge is power. When you can state the facts about something in your field, you are presenting evidence that you actually do know your own business. There’s a reason people love a politician who happens to be a good speaker. That person gives the impression that they know what they’re doing. No matter what the IQ test says, the person who stumbles over the speech or gets the facts wrong is perceived as stupid. And that’s a fact.

This is the information age. People collect data on just about everything, and depending on who did the collecting, most of it is free to the general public. You can find facts about the real estate business through the National Association of REALTORS, the Mortgage Bankers Association, the Joint Center for Housing Studies of Harvard University (JHCS), the US Department of Housing and Urban Development, and plenty of other organizations.

Arm yourself with knowledge. No matter what your background is, the more you get your facts right and can talk about them, the more people will recognize you as someone who knows what they’re doing, and the more they’ll be interested in what you have to say the next time you open your mouth.

Before you begin advertising for money, make sure you speak with an attorney who is knowledgeable on what is and what is not allowed when advertising for lenders. These laws change periodically and it’s important you comply with current regulations.
Building Your Contact List

All marketing is about the list. Never, ever forget that. All marketing is about the list. Everything you do and every conversation you have is about building a list of people you can call when you need private money.

Any private money list starts out small, so don’t feel bad if you begin by drawing a blank. That’s normal. You were thinking that you don’t know enough people to talk to about this? Here’s where we solve that problem. Imagine that proverbial onion, where you’re in the very center and the rest of the world is somewhere in the outer layers. Let’s start with the obvious and work our way out of the inner circle.

Who do you talk to on a regular basis? Family? Friends? Write their names down. Coworkers? Neighbors? Write their names down. Get names and phone numbers, and start your first list.

Your best bet is to create a database with everyone in it. Their name, address, and phone numbers are only your starting point. You can add the date of the last time you spoke with them. You can add a little code for “Yes,” “No,” or “Maybe.” You can add a code for “they asked me to keep in touch” or you can add one for “they asked me not to bring this up again.”

Once you sign people up, you can add the minimum and maximum dollar amounts that they want to invest. Then add a code for “money out” if the person already has their maximum amount invested with you and is therefore unavailable for new deals. You can add all kinds of information to the database in order to take advantage of different ways to sort and filter the data for various marketing projects and deal offers.

Next, start thinking in terms of spheres of influence. Each of those people has their own little inner circle, and some of them may have a larger circle of people they...
keep in touch with. That’s the next layer of the onion. Your task is to call everyone on that first list, give them your elevator speech, ask for their feedback, and then ask for referrals. Make a list of those people, and repeat the process as often as necessary. Add those people to your database as you go.

You’ve heard the phrase, “It’s not what you know, it’s who you know”? Well, it’s also who the people you know know, and who those people know, and so on, and so on. Personal introductions will make a huge dent in your search for private money.

**Subtle Shouting**

While you’re building THE list of private money lenders, keep in mind that another valuable type of list is your “Touch” list. This is the list of people who are still thinking about working with you. Don’t lose touch with these people! Maybe they have talked to you but they’re undecided about becoming a private money lender. Maybe they have decided that it’s not the right time for them to work with you, but they’re still very interested in what you’re doing. Maybe they’re not a private money lender, but they meet people all the time who might be interested in hearing from you. These people need to be on your “Touch” list. Any one of them, at any time, can have a change in circumstances that will inspire them to take your conversation to the next level, and it’s going to be a lot harder to inspire them if they’ve forgotten about you.

This is where newsletters come in handy. You won’t want to blow these people away with a hard-sell sales pitch every week or every month, but you will want them to think of you about that often. You’re still in the selling phase with these people, but it has to be the soft sell if you want them to stay interested.

E-mail is a great way to send newsletters and other information out to an entire list of people at one time. It’s just about perfect - it’s free, it’s immediate, it’s noninvasive, and it allows for almost unlimited information. You don’t have to interrupt someone’s day when you send them an e-mail. You send the e-mails at any time, day or night. They open the e-mail and study your information when it’s convenient for them. You’re still trying to prompt that next conversation, but now it’s more subtle. It’s a little like giving a seminar, where you can communicate with an unlimited number of people simultaneously, but it costs a lot less money!

This is one of those uses for the database you’ve been building. Insert a field or a column for a code that tells you whether they should be on the newsletter list (unless you have a custom program written or use a newsletter service, you’ll have to update it manually if they opt out) and then use that filtered list to send out the
newsletter to the right people. Filter the list by deal preferences (amount you need, availability, etc.) and use that shortened list to e-mail the details of a new project that you need financing for.

Better yet, use an e-mail service that takes care of everything for you. Check out Aweber (http://reiclub.aweber.com) and find out how easy it is to create e-mail marketing results with newsletters, autoresponders, RSS, and other tools. This type of service can even handle the list management for you, which is a huge time-saver.

Once you get your list built with names of people who want to work with you, there’s a good possibility that you’ll be e-mailing a lot of people at once about a single deal, and you’ll have to turn a few people down because so many of them are interested! How’s that for a problem you actually want to have? The supply of private money is only limited by the number of people you’re able to add to your “Yes” list.

The Ideal Marketing Plan

As you’re building your list, eventually you may run into a snag. What happens when you’ve spoken to all of your friends’ friends, and you run out of people to talk to? You go out to the next layer of the onion and look for people you don’t know yet.

This is where having a marketing plan helps. Getting private money is a numbers game. The more people you reach out to, the more people you can talk to, and that increases the odds of finding the right people to work with.

The problem is, people with money don’t always hang out in the same place. Some people read their mail, but they don’t have Internet service. Some people only work online. Some people read their snail mail and their e-mail, but face time is where it’s at for them - if you haven’t met them face-to-face, you won’t hold their attention. A marketing plan will help you manage multiple streams of connection. The goal is, between the marketing plan and that list you’ve been working on, you’ll have people coming to you for information instead of the other way around.

So the ideal marketing plan will incorporate several different types of contact methods. Build a set of online portals, starting with a website, then a blog, and then social media. Plan in-person events, such as a seminar or a luncheon, and use direct mail to attract attendees. Network with others in your local area.

Once those channels are established, then cross-sell everything. Put your website address and your social media handles on the printed material in your marketing
kit. Advertise your events on your website. Use links to advertise your blog on your website and your social media streams. Have a contact form on your website so online visitors know how to reach you if they’re interested in working with you. Talk about your online portals at your events. Put your contact information, including links to these portals, somewhere in your online profiles. There’s your basic marketing plan. There’s your integrated strategy for letting people know what you do and how they can get on it.

Most of this is a one-time setup. Create your website once, and then spend the rest of your energy trying to get people to visit it and learn about your business. There are only so many social profiles that you will want to create. Most promotional materials, such as your business cards and your company brochures, will be designed once, and then the only maintenance is to have more printed once in a while. A television advertisement could be created once, with multiple distribution channels in mind.

Ongoing efforts that take time and money will include regular blog posts, regular social media messages, new promotional events, and appointments to talk to potential private money lenders.

When you’re thinking about each type and how much time and effort you want to put into it, weigh the costs versus the benefits. An infomercial might gain you a lot of responses in a short amount of time, but it is probably not going to fit into your budget when you’re first starting out. Flyers may have an extremely low cost, but how many people will see them right away? You might have a lead on an awesome mass e-mail delivery system, but if you live in a rural area where the Internet isn’t a big deal yet, that may or may not be a good investment for you.

Any method of getting leads will be a gamble. The goal is to spend the least amount of time to get the most results, and you’re betting that the percentage of time you spend on a certain activity will net you a certain percentage of names to add to your list. Have you ever been to a casino? Do you put every chip you have on one number on the Roulette wheel every time? If you’re a serious risk-taker, you need to know that this is one area where you don’t want to put all your eggs in one basket. You only have so much time and money to work with. Use them wisely.

Let’s take a look at some different types of marketing methods that have helped plenty of real estate investors find sources of private money.
Print Ads and Direct Mail

Let’s start with the basics. Some old-school types of marketing never go out of style, despite all the changes going on with the newspapers and the US Postal Service. Small business owners have depended on them for years, and that’s why they stay in business.

One familiar method of advertising is to create a limited-size ad and put it in the newspaper. Don’t laugh - people still read newspapers. And newspapers now have online versions, so your ad could potentially show up in print and online, reaching thousands of households at once. You’ll have to contact the newspaper directly and ask about their size limits, whether it will be text-only (two to four short lines of text in the Classifieds section) or a display ad (which includes graphics and can be placed anywhere in the newspaper or on the website), their rates for each size and type of ad, where it will appear, how often it will appear, and any other information that will affect your decision.

Once you know which type of ad you will place and how much it will cost, you can begin to design it. Many newspapers have a service for display ads where you give them your business card or send them the text and the logo, and they create something for you in the size that fits your budget. Alternatively, you can arrange the elements yourself and send that to the paper.

Your message should be short and focused, like the slogan on your business card or your company motto. Graphics should be as simple as possible; for example, adding color photos will probably cost more than black-and-white line drawings. If you need to send the newspaper a finished copy of your design, make sure you understand which format they need, though. Don’t send them a PDF if they ask for a JPG file, and vice versa.
You can also place ads in other publications, such as the local classifieds or real estate booklets. Contact them individually about how they do things. Is there a local magazine that accepts ads? Contact them as well. Think of all the printed material that already reaches people in your local area and see if you can get in on it.

If you choose to place an advertisement with one of these publications, do it for as long as your budget will allow. It’s usually a good idea to reserve ad space for at least six to twelve months because not everyone who gets them reads them every time. You want to make sure that all of their readers can view your ad at least once or twice.

Direct mail is a popular marketing method for real estate professionals because the cost is relatively inexpensive and they can get more targeted results than they can with a general newspaper ad. This method depends on a different kind of list, which you can create by purchasing names or by doing some good old elbow-grease research. If you decide to use direct mail, look into getting a bulk mailing permit from the US Postal Service, since this may save you some money.

**Buying a Mailing List**

Purchased lists are often very cost-effective, and can make your direct mail efforts a lot less time-consuming than the elbow-grease method. You can choose to work with any one of several companies that handle lists, such as Melissa DATA, InfoUSA, or Dunhill International. As an example, though, let’s look at infoUSA.com and start there. Think about who you want to send those mailers to, and then select the options that will narrow down your search to that type of person. The options will help you think about your ideal private lender.

Under the Mailing Lists/Sales Leads header, choose US Consumers and decide whether you want a list with or without phone numbers. Then start with the “Geography” section. Make it easy on yourself by looking for private money lenders within driving range of your office. Or take your sweet spot and tell the website to search within a certain radius of that area.

Next, work on narrowing down the basic demographics. Who would be most likely to have the amount of money you’ll need in their savings or retirement account? Try looking for people between the ages of 35 and 59 who have an income of at least three times the average income in that area. If you want to drill down even further, married people are more likely to have two-income households, which would mean they’re more likely to have available cash and some experience with investing.
Under the “Housing and Finance” tab, narrow it down to people who have a home value of double what your home is worth in your area. You want to target people who are already homeowners and have been for at least a year. You could probably get further with people who have mortgages because they know what it’s like to buy a house on credit and because they’re more likely to have access to a line of credit. Pay attention to the Personal Finance section - you want these people to have some cash! Choose between $60,000 and $1 million.

What should be the predominant characteristics of your choices? Take a look under the “Optional” tab. You can choose people with expensive tastes and hobbies, people who go on cruises, people who purchase personalized products, and even people who have an interest in investments and finance. Money, assets, expensive toys, customized lifestyles - you just might have some aggressive investors on your new list.

Now, look at the number of leads you have in the upper right corner of the site. Can you send out that many mailers? Are there too many names, or too few? Go back to the options and adjust your choices to narrow down or expand your search. How do you reduce or increase the number of leads?

Choose a smaller or larger geographic area, adjust the numbers for the income threshold or the desired home value, find the attorneys and the doctors and the engineers, increase your prospects’ age - whatever you think fits the demographic you’re looking for. Tweak the options on the website all you like in order to get a manageable number and quality of leads.

How many leads should you pay for? There are two things to consider. The first is, of course, your budget. The second is the level of response you can handle. Allow for at least a 10% response, and about 2%-3% takers who you might end up working with. You might pay $200 for 100 leads, but for that, you get serious demographic information and lifestyle summaries along with physical addresses and e-mail addresses!

And if you have chosen your options wisely, you will probably find several people to add to your “Touch” list and at least two or three people who end up on your “Yes” list.

Once you have the purchased list, then send a postcard to each of these aggressive investors - and that postcard can say anything you like. Ask if they’d like to know how to earn a higher rate on their investments. Ask if they’d like to learn more about how to be the bank. Ask if they’re satisfied with their current retirement account. Then give them a number to call for more information. It’s that simple.
Public Records Searches

Here’s an example of some good old-fashioned elbow-grease research. Leads for properties can be obtained by searching the public records at the courthouse, but it is also possible to get leads for private money lenders this way. No, there is no database on file at the courthouse specifically for “people who want to loan money to other people.” But the information can be found another way, and in most cases, all it costs is time.

Here’s an example: Go to [www.brpub.com](http://www.brpub.com). Search by state, then by county. Different counties may call their records by different names, but you’re looking for words like liens, deeds, or mortgages.

If the county has their records online, there are two ways to search. Some sites allow you to search by documents (mortgage or deed, by date range), and some sites allow you to search by name (put in the first few letters of some common last names).

When you get your results, you might see the words “grantor” and “grantee” (along with the property description and other information). If the grantee isn’t a big bank or national lender, you know that an individual or trust or other company has loaned the homeowner the money to purchase the property. That individual is a lead. That individual is someone you may want to get in touch with in order to find out if they’d be interested in investing in your real estate deals as well.

Then make a list or start an Excel spreadsheet with the information you find. Record the lender name (the grantee), the lender’s address, what type of lender you found (individual, trust, LLC, etc.), the loan amount, the date of the loan, and the property address. Try to identify large, long-term, low-interest loans.

Many counties in many states do not have searchable documents online. To check out the county you’re working in, visit [www.courthousedirect.com](http://www.courthousedirect.com). Of the counties that do make this information available online, some allow the public to search at no charge and others charge a subscription fee for the privilege of looking at these records. Just call the courthouse directly and ask about that fee and how to set up an account.

Once you have your list of people who already made a private loan at some point in the past, send them a postcard and see if they’ll do it again. You can use the same postcard that you sent to the list you purchased from infoUSA.com, or you can tweak it a little so that you’re sending one of the other messages. (Remember that “Hey, can you loan me some money too?” is not a good option here.) When you mail to this new list, you have just created the potential for another 3% - 10% response rate.
Tracking Your Responses

Here’s where we put the “plan” in “marketing plan.” While you’re examining all of your options and weighing the cost versus the benefits of each marketing technique, there’s a way to find out if your first choice is working well or not. The trick is, you have to build it into the plan in the first place. It’s called tracking, and what it does is help you catch something that isn’t working soon enough that you don’t pour any more money down the drain than absolutely necessary.

Here are some ways that you can track responses. The first is to group your efforts by the type of mailer you use. Let’s say you want to see whether your courthouse research is getting better results than that purchased list. Send a postcard to the courthouse group and a brochure to the names on the other list. If you get more brochure tear-offs back within a certain amount of time, then you know the purchased list was a better investment. Cancel your courthouse subscription fee and save yourself the money.

The second way to track responses is by the message that the mailer promotes. If you decide that postcards are the most cost-effective mailer for you, but you’re having trouble nailing down your message, make one postcard that says “if you’d like to get a higher return on your investment” and another that says “if you’re not happy with your current retirement plan” and see which one gets a greater response.

You can also do this to gauge interest in private meetings versus seminars. Make one postcard that says “if you would like to schedule a private meeting” and another that says “if you are interested in attending our seminar” and see which postcard comes back more often. Add flavor by making one set of postcards green and the other blue so it’s easy to tell the difference when the mail comes. Use these tricks, or switch them up as needed, to learn what works and what doesn’t.

A third way to track responses is something that should probably be used no matter what else you do. All those mailers and advertisements will have your phone number on them - and you do want your phone number to be the initial contact method because, unless you have a list of e-mail addresses, you don’t want to weed out anyone who isn’t online. Thousands of people now have access to your phone number, and this means you’re going to get flooded with phone calls at some point.

Instead of letting everything go to voice mail, consider using a service such as RingCentral or FreedomVoice. These services offer a very sophisticated answering service that, among a host of other things, can sort your incoming calls based on the extension given on the advertisement.
Another trick is to set up two different phone numbers for your business, and then put different phone numbers on each set of postcards and have the service sort the phone calls by the number the person called. With this system, you have just solved two problems. You now have a manageable way to take hundreds of phone calls at once, and you now have an automated way to track the response rates of different marketing strategies.

One more thought about tracking your responses: this is a long-term plan. This is not a sprint; it’s a marathon. You won’t be able to get a true picture of what’s going on in a week, and in some cases, not even a month. Give those postcards time to go through the postal system. Give them time to sit on the couple’s kitchen table while they discuss the idea. Give people time to research exactly what return they really are getting on their investments. The point is that you’ve started a train of thought in their minds, you’ve done it in a noninvasive manner, and you’ve decided to allow them whatever time they need to realize that you just might have the solution to their investment problems.

And, if it works, then they will get back to you. Give each marketing campaign about three months before you decide if it works or not, and you’ll get a more accurate picture of the productivity of your marketing plan.

Remember that you will need to send follow-up sequential mailings as well. Do not assume that one mailing is enough to attract everyone who will be interested. Periodic mailings will have incremental results and should be continued until the results determine it’s not worth mailing anymore.
Networking and Lender Luncheons

Word-of-Mouth Advertising

The oldest and sometimes the most successful form of getting the word out is word-of-mouth advertising. When people have a good experience or opinion about something, they talk about it. And they definitely talk about it to other people when they have a bad experience or opinion.

Let’s go back to that list you started. When you asked your inner circle for referrals, you were starting to advertise by word of mouth. You were asking people to tell their friends about you. You were asking them to start conversations for you and introduce you to their friends. That’s a great way to spread the word about what you’re doing and how you can help people earn a higher return on their investments.

The key here is to remember that people buy from people they like. Likeability is a huge factor in word-of-mouth advertising, and in developing your relationships with private money lenders. The best referral ever goes something like this: “Hey, you should call that company. I like them a lot!”

The other thing to understand is that sometimes referrals don’t organically happen. And when they don’t, you have to ask for them. Don’t ever be afraid to ask people who like you to say good things about you. They’ll do it gladly; it just doesn’t automatically occur to some people that everyone doesn’t know you yet, and maybe you could use a little help in that department.

The dark side of word-of-mouth advertising is always reputation management. There’s a lot of buzz online about this lately, but it’s not a new concept. Your job is to steer the conversations about your business in a positive direction. How? Manage the conversations you have by emphasizing the good things your business does. Manage the conversations you’re not a part of by making positive information available to anyone who wants it, whether it’s in print, online, or at the Chamber of
Commerce meeting. It’s also helpful to make sure people don’t have anything negative to say about you in the first place. For good or bad, this is one profession where you can’t easily separate your personal reputation and your professional reputation.

Verbally shared information is very powerful - it can make or break a business. And you don’t need any tracking techniques to tell you that.

Active vs. Passive Networking

Direct mail and word-of-mouth advertising are passive activities. You get the word out once, and you let the flyer or the people do the work from there. Meanwhile, your time is free to focus on other activities such as property-hunting or meeting with people.

You’ll also want to look for more active networking opportunities. Since you’ll eventually have to speak to each potential lender individually anyway, the active events may generate more action in less time. You might get to that “Yes” conversation sooner if you’re already talking to someone.

Just as that marketing plan should be a mix of in-person and online promotional strategies, networking is best done with a mix of active and passive communication strategies.

Groups and Clubs

People work with people they have something in common with. That’s why groups and clubs can be great leads for private money. There are plenty of people who will say, “Well, he’s in my [insert name of country club, community service organization, church, etc.], so he must be okay. I’ll see what he has to say.”

Choose groups that fit your personality and your lifestyle so that you’ll be comfortable there, and then get involved. Real estate investment clubs are perfect for this. A state-by-state list of over 300 real estate investment clubs can be found at http://www.reiclub.com/real-estate-clubs.php. This list has been mentioned on CNN, and has been helpful to thousands of people in America. Click on your state to find a club in your area.

There are other groups you can get involved with whose members might be good leads, or at least leads to other leads. Many communities have a Rotary Club and a
Chamber of Commerce. Find a BNI group near you. Ask others in your area about organizations that are particular to your community.

Once you find a good fit, get involved - and don’t be there just to be there and shake hands and talk about money. People can spot a fake smile a mile away. Get to know people. It’s a great way to build a positive reputation in your community, which will then be associated with honesty and integrity - all of which will definitely boost your credibility.

Cement that positive reputation by participating in the group’s events. Then, when they start planning and organizing and setting up a bazaar or a trade show or whatever, they may give you and other entrepreneurs the opportunity to set up a booth and get the word out by offering your brochure and your business card.

This type of event is also a great way to advertise about an upcoming event of your own. Someone might stop by and ask what you do, and you could give them the elevator speech and a brochure, saying, “By the way, on the last page of that brochure, I’ve included some information about a luncheon I’m giving to teach people how to get a higher rate of return on their money. If that’s something you’d be interested in, let me know!”

Develop relationships with the people around you, and make the most of the opportunities you find within the groups in your community. You never know when someone will open the door for that conversation about becoming a profitable addition to your “Yes” list.

**Lender Luncheons**

Networking activities are great for business, and one of the most profitable is the lender luncheon. With one well-planned luncheon, it is possible to walk away with millions of dollars at your disposal. You just need to know how to set it up, you need to invite the right people and you need to have a sharp presentation planned.

A luncheon to attract private money lenders is an excellent use for your direct mail efforts. Remember that list you purchased - the one where you asked the company to narrow down to the people with serious cash? That’s the one. That’s how you invite the right people - take that list and send every one of those people a postcard or a brochure that advertises the luncheon. Use these three marketing techniques together - the purchased list, the postcard or brochure, and the luncheon - and watch your productivity soar.

Just so you have a benchmark to work from, with direct mail, you’re looking at a 1% - 3% response rate. This means that, on average, between 1% and 3% of the
people who see your mailer are likely to respond. With direct mail plus an extremely targeted mailing list plus an in-person conversation, who knows how much higher your conversion rate will be!

Planning a luncheon involves the mailers, the location, and the presentation. You know how to purchase the list. Next, book a location, a date, and a time for the luncheon. If lunch is involved, there are three basic choices of venue. One is to rent a hall or a hotel room and have the event catered. A second choice is to reserve a side room in a restaurant and let the restaurant staff handle the meal. The third choice is to hold the luncheon in someone’s home, perhaps in the back yard, and cook for the guests yourself (or get some friends to do it).

Once you have the venue and the date, you can create the postcard or the brochure that you’ll use to advertise it. This should be a separate mailer specifically about this one event. It should also be aimed at the people you selected when you purchased your mailing list. For example, if you have selected a list of CD owners, your mailer should probably say something like “Are you tired of low CD rates?” As a general rule, one-third of the mailer should describe the event, and two-thirds should describe why someone should attend it.

For those on a shoestring budget, advertising could be as simple as running a block ad in a local publication that reaches your target demographic (review the selection criteria for that purchased list). Instead of being able to physically select people with money, you may need to include a line in that ad about a minimum investment of a certain amount (perhaps between $5,000 and $10,000).

An extra marketing trick can be used if the mailer asks people to call for the time and directions. As with other incoming calls, have the service take the call. Then, when you get the report from the service, call each person back (usually at the evening meal when most people are home) and give them the information. When speaking personally with each guest, ask if you can put them down for one or two extra people, in case they know family members or friends who would like to learn how to get a higher return on their investments. And you have just increased your odds of getting more private money lenders.

The presentation is the main event, so planning your speech is critical here. Write a script, but keep it lighter than a seminar script - this is supposed to be a fun, informal event. If you know the topic well enough, recite the memorized script, or your version of it. If you know the topic but are still nervous, some note cards or a one-page outline to keep on the podium might be better. If you don’t know the topic well enough, by all means get to know it in time for the luncheon.

Here’s an example of a script that can be modified for use during a seminar or luncheon.
Hi, my name is ___, I’m the president of ____, and I’m delighted that you’re here today. What I’m going to do is talk to you about private mortgage lending and what’s in it for you. Just jot your questions down as I go through this, and I’ll answer your questions when I’m done.

Most of all, I just want you to sit back and have a good time, and when we’re all finished, I’m going to buy lunch.

Let’s talk about how a bank makes money today. What they do is they take in money from you on a bank CD and then they pay you a very low rate of return. Then they turn around and loan it at a higher interest rate to people who buy property, and they make money on the spread.

What I’m encouraging you to do today is to cut out the middle man - cut out the bank - and bring your money right to us, and we can pay you a higher rate of return. I need to tell you that we don’t touch the money. It goes through a formal closing, just like when you bought your personal residence. You’d be my bank, so we’d handle it just like the bank does. You don’t make the checks out to us, you make them out to our closing agent.

Let’s look at an overview of the program. What we do is we buy and sell property and when we do that, we prefer to borrow money from folks just like you. We pay a high rate of return, and we take care of everything. It’s a very, very simple program.

Let’s take a $100K loan example. Let’s say you loan me $100K at 8%. That’s $8,000 per year on one of our programs. Or, on a bank CD, right now the banks are paying roughly 1%. That’s $1,000 per year. The difference between what we pay and what the CD pays is $7,000 per year!

What’s your name, ma’am? Shelly? All that is, Shelly, rather than parking your money down at the corner bank, you’re lending your money to us. Look at the extra money you could be making. That’s huge, isn’t it? That’s huge. I just want you to think about that when I go through this, okay? Thank you.

How can we buy properties so far below market value? Well, our specialty is distressed properties. We know where to look and what to buy - and maybe more importantly, we know what not to buy - and we renovate. We take an ugly vacant property and put it back to use after renovation.

And who sells us houses? Well, we buy houses through banks, through private individuals, and through realtors. Every week we go out and look at around ___ properties, and we typically buy ___ of those every month.
Let me tell you a little bit about our company. We began business in 19____ from a background of ______, and we decided to call ourselves ______ because ______. Since then, the company has become a well-respected real estate investment firm located in the ____ region of the great state of _____. We’re pretty proud of what we’ve done over the years.

Our goal is to grow the company by providing affordable housing to tenants and first-time homeowners, and by buying commercial real estate. In time, its scope will encompass not only our town of ____ but also the surrounding communities. The company is a private, for-profit real estate investment company. We acquire, rehab, and lease residential and, at times, commercial real estate.

If you need to remember anything about us, think about integrity and respect - those words have meaning for us. That is the way we want to treat our customers, our suppliers, and each other.

Does anyone have any questions about how to start earning higher returns on your investments?

* * * * *

Of course, you’ll want to customize the script with your own details and stories and personality, but you get the idea.

Remember the last seminar you went to? What was the speaker doing before, during, and after the presentation? Use their example at your events. Ask some of your colleagues for ideas you can use to make the guests feel more comfortable. Ask them about some of the most frequently asked after-dinner questions so you can prepare yourself for the Q&A part of the day. The more smoothly you can answer questions, the more professional you will look.

Finally, make a checklist of everything you need so you don’t forget something important.

On the day of the luncheon, dress your best and have your presentation materials ready to go. Bring some “My Name Is” stickers for yourself, your staff, and your guests. Arrive in plenty of time to make sure everything is set up properly, especially your presentation materials. Pay attention to the way the chairs are arranged so everyone will have a good view of your presentation. Find a way to keep a glass of water nearby in case your throat gets dry when you’re speaking. Go through your checklist one last time, and then get ready to welcome your guests!

Luncheons are great for attracting private money. A real estate investor can talk to a room full of people in an afternoon. Talking to that same number of people individually could take weeks. All you have to do after the luncheon is set up
appointments with the people who are actually interested in becoming a private money lender. You’ve just spared yourself the time it would have taken to talk to absolutely everyone, and you’ve added everyone on the guest list to your touch list. Never underestimate the possibility that someone will call you later to say they’re ready to talk.

And here’s an awesome side effect of a social luncheon: people will talk to each other during that afternoon as well, and one of the topics will be you. If you do a good job of giving the presentation, the guests will be talking about the presentation during lunch and selling each other on the idea of making private money loans!
Hosting Private Money Seminars

Putting on a Seminar

You’ve done your marketing, and you’ve gotten some responses. Go back and review the section on talking to people, put that together with the presentation materials you created in the next section, and get out your list of people who would like more information from you about becoming a private money lender. You did all that conversation-building, fact-finding, and marketing to get to this point. You need to hold a seminar.

A seminar is more than a networking event. A seminar is the perfect way to make your presentations more efficient. It’s the time-saver that your quest for private money needs. Do you want to spend time driving to fifty people’s houses, or would you rather meet those fifty people in one location all at the same time and only give your presentation once?

At some point, you’ll need to consider their financial privacy and speak to people individually about becoming a private lender. But in the meantime, you can save yourself a lot of time by talking to a whole roomful of people who, thanks to your elevator speech and your marketing efforts, are all interested in learning how you can help them earn a higher rate of return on their investments.

Organizing the Show

A lot of preparing for a seminar is like preparing for a luncheon. You’ll need to reserve a place at a certain day and time, you’ll need to plan the extra details like “My Name Is” stickers and whether you’ll serve snacks, and you’ll need to plan your talk with an outline and visual aids and the whole enchilada.
A seminar is different from a luncheon because it’s a more formal presentation with a greater emphasis on education. At a luncheon, you’re telling people about your private lending program. At a seminar, you’re teaching them about the program with facts and figures and examples of how their money can earn more money.

In the script for your seminar, the outline will become even more important because the longer the talk, the more likely you are to ramble on during the presentation. A seminar will have a more extensive outline because it will incorporate the extra material. A seminar will have a stricter time limit, so you’ll need to plan that outline so the end of your speech falls within a 5-minute window before and after your deadline.

If all of this sounds overwhelming, keep reminding yourself that you only have to do it once, and then you can reuse the material at the next seminar.

Combine the credibility kit (described in our book *Finding Private Money Lenders*) with the luncheon-planning strategies, and you’ll be well on your way to creating a visually appealing seminar presentation. Remember to incorporate plenty of visual aids, and don’t forget to customize them as needed for your business.

A seminar will also bring a new set of challenges regarding the technology to be used. Will you use a microphone at a podium, or will you use a wireless microphone? Will you be in charge of changing the slides yourself, or will you have to give a copy of your speech to the technician responsible for operating the projection equipment? Work out these issues ahead of time as well.

**Presentation Strategies**

One of the hardest parts of planning a seminar is making your presentation fit into the allotted time. When you reserve a hall, they will tell you that you have the room specifically from this time to that time. Part of your rental agreement is to respect their time limits so you don’t inconvenience the next people who need to use that room. The solution? Plan, practice, revise; plan, practice, revise; practice and revise, and practice again until it fits.

Repetition is one way for you to make it easier on yourself; repetition at a slower pace is a good way for you to make it easier on your audience. Don’t rush through the speech. If you speak or move too quickly, you’ll look like you’re out of control and, more importantly, the audience may not understand you. It’s more important to be heard than to speak. If they don’t get what you’re saying, nothing else you do will matter very much.
Repetition has another benefit: it exercises your vocal chords. When was the last time you tried to speak for a half an hour at a time? How about an hour? Have you ever tried to speak out loud for two hours straight? Your larynx, or your voice box, has muscles. If they’re not in shape, they’ll be wiped out before you’re scheduled to stop speaking. Be kind to your voice, and prepare those muscles as thoroughly as you prepare your speech.

Always remember to plan for two extra elements when planning the timing of the speech. Leave enough time for a 10-minute break in the middle, especially if you’ll be speaking for more than 90 minutes at a time, and leave enough time for the question-and-answer session at the end of the speech.

Storytelling can be an important part of any seminar. You’ve been to these meetings - you like listening to the stories as much as you like learning the material, right? Everyone loves a good story. Tell stories about how you got where you are today and how you built your business. Tell a story or two about an interesting experience you’ve had as a real estate investor.

When should you tell a story? Start your presentation with a good one to get your audience’s attention. Sprinkle one or two stories in the middle where the attention span might be dropping off. Your audience will get a lot more mileage out of the facts if you can make the day entertaining as well.

Believe it or not, listening is also a great skill to have as a presenter. Don’t be a robot on stage. Listen for the audience’s reaction to what you say, and interact with it. You want to acknowledge people and their comments by smiling and calling people by their first name when you can. Just remember to get back on track as soon as possible. You might have an opportunity to say “That’s right, Maria!” or “I’m glad you had a good experience with that, John,” and then, “...and that goes with what I was saying about (whatever you were talking about).” Bring the conversation right back to the presentation.

Listening helps you to acknowledge your audience, but it also helps you stay in control over the interruptions. You might need to tell someone, “That’s a great question - definitely write that down for after the presentation!”

A good closing call to action is just as important as a good opening story. This is where you begin to earn your money. Here’s where you tie everything back to the original purpose of the event, which is to get people to schedule a meeting about becoming a private lender. Ask them to schedule that meeting, and make it very clear how they can do so.

The question-and-answer section should be saved toward the end, for at least two reasons. One is that if your time is limited, this is the part that can be cut off
without taking anything away from the main event, and two is that, if the Q&A is cut off, this provides a good excuse for requesting a private meeting later.

Ask some of your more experienced colleagues about what types of questions to expect here, mostly so you can prepare yourself to answer them effectively. Don’t give people that “deer in the headlights” look. Be ready to answer some of the more common questions that people have about investing in real estate.

You may even need to ask some clarifying questions of your own. “Have you tried this?” “Do you have an attorney you can talk to about that?” Sometimes you’ll respond with a more accurate answer if you listen carefully and determine what they’re actually asking.

Finally, learn to love questions! Questions show that people are genuinely interested in learning more, and that’s always a good thing! In return, be genuinely interested in helping them learn more, and either answer the question or schedule an appointment to speak with them privately. That’s why seminars are important - they provide the venue for making the most appointments in the least amount of time. And those appointments all lead back to your cash flow and provide more sources for private money.
The Power of the Web

If you haven’t plugged into the Internet yet, you need to know that you’re missing one of the most powerful passive marketing opportunities ever. People don’t need to be programmers to understand how to make it work anymore, so by the time you get everything going, you’ll probably end up saying, “Why didn’t I get in on this years ago?”

There are some terms that are helpful to know before jumping into the pool, so if you already know your way around the Internet, feel free to skim this part (not skip, *skim*). For those who are still new to online marketing, you’ll need a little background information.

Web 2.0 is confusing to a lot of people - hasn’t the Web always been the Web? What’s with the 2.0? This term simply refers to the second generation of how the Internet works. Remember when all software used to come either preloaded or in boxes? The stores that sold only the boxes are gone. Microsoft’s software still comes in a box, but that’s about it. We’re now talking in terms of web services and downloadable apps instead of software.

For the first few years of the Internet’s popularity, people were still only loading static information onto their websites. The information was there, but it wasn’t interactive. It was just waiting there to be found. Now, the standard is sharable and interactive. We moved from static, proprietary information to wiki sites with dynamic information that can be edited and made more accurate by anyone. (The accuracy concern didn’t go away since anyone can be “anyone,” but the collaborative capabilities are a sign of progress.)
The marketing goal of a business is no longer to be listed on directory websites, but to have its information shared by others.

**Search Engines**

Internet searches are playing an even greater role in marketing goals than ever before. Marketing? Google is just a search for a fact or two, right? Search is now also a marketing term, and here’s how the two are connected. Using a search engine is the most common way to find the exact information you need online.

However, there is so much information out there that each search engine (e.g., Google, Bing, Yahoo!, Ask, etc.) has developed a formula for deciding which search results to load first. Try it - if you search for the same thing on different search engines, you’ll come up with a different list of results, or at least the same results in a different order.

The task for every promotional guru, then, is to work with these formulas and get their business at the top of the list. But the formulas keep changing. In a way, it’s not helpful, because it’s a struggle to keep up with the changes. But it’s actually very helpful because every time they change the formula, they move one step further to keeping the spammers off the top of the list to make room for all the legitimate businesses.

The main idea of those formulas is to reward websites for being popular. The search engine is assuming that the more visitors a web page gets, the more likely it is that the next person who searches will want to visit that page too. (How does it know? It keeps track of every single search - what was entered in the box, which website was selected, how long the visitor stayed, etc. - and then it does the math.) It also assumes that the more other sites link to that page, the more useful the information is, and the happier you’ll be if you don’t have to look too hard to find it.

Of course, the results depend on a lot of variables, like which words are typed into the search box to begin with. If someone is looking for real estate investors and he just types in “real estate,” he’s going to get a bunch of sales websites instead of the investing websites because most people are looking for home sales when they type in “real estate.”

So how do you want to be found by the search engines? Keyword phrases - that’s the term for a word or group of words that people will type into search engines. Think of what people will be typing into that search engine if they’re trying to find you. If you’re a real estate investor, people might type in the keyword phrase “real estate investor.” And the first results the searcher sees will probably be a list of real
estate investors near their current location. If you’re on the first page of that list, there’s a higher chance that people who are looking for a real estate investor in your area will find you.

Your name can also be a keyword phrase. If you hand out your business card often enough, people will search for your name instead of what you do when they want to find you online. They may even search for both keyword phrases - your name and your profession.

It helps to know all of these terms when you hire someone to help you with Internet marketing - and you will need help with this. These days, playing the Internet marketing game is like being your own attorney. It can be done, but there’s too much to learn if you’re trying to make a living doing anything else. Look for a good search engine optimizer, or SEO, that can put your website front and center when people are looking for you online.

**Websites**

And when people find your website, they should find the main online source of information about you and your company. It’s like your business card, your brochure, and the rest of your marketing kit all in one online showcase. If nothing else, it’s the portal through which online information seekers can contact you.

A website can have many pages, each one with a different purpose. The home page is like the three-second version of your elevator speech. Let’s say someone searches for you and they click your link on the search results page. If that person can’t tell who you are and what you’re about in the first three seconds of reading your home page, he will probably go back to the search results and visit another website for information. (Yes, attention spans are a little shorter online than they are in person.)

Now, remember the keywords that are used by people who want to find you? Here’s the other end of that fishing line. Make sure you incorporate those keywords into what you write on your web pages. If you’re a real estate investor but you don’t mention the words “real estate investor” once on your website, the search engines won’t have a clear idea of what you do. If you mention the words “real estate” without mentioning the word “investor,” it’s entirely possible that the search engines will group your site with the search results for real estate agents’ websites. If you’re not a licensed agent, that is helpful to absolutely no one.
Likewise, if you want people to find you by your personal name, make sure your name is mentioned throughout the entire site, and definitely put it in the title of the home page. If you want to be found, make yourself visible.

A services page will describe the services a company offers in more detail. It will also offer a link to the contact form as a call to action. (Everything on that website should encourage visitors to complete the contact process at some point.) You could describe an overview of your program, or you could offer a downloadable brochure-like document that goes into the details.

The downloadable document looks like a nice thing to do for customer service, but it’s also an interesting marketing tactic. Maybe the visitor doesn’t want to make contact yet, but she does want more information, so she decides that she wants download your informational brochure. It’s a safe contact alternative for her, and it’s an automatic information distribution system for you. When she requests to download the document, the website asks her for an e-mail address so it can send the link to the document via e-mail. She enters her information, the automated system sends her the e-mail with the link, she opens the e-mail, and she clicks the link, which leads to a different page on your site, where she can download what she wants to read.

It’s a roundabout way of delivering the brochure, but here’s the benefit. She now has your brochure with your contact information on it, and you now have another name and e-mail address to add to your “Touch” list.

A frequently asked questions (FAQ) page is an excellent place for a visitor to find short answers to specific questions like “Can I use my Roth IRA” or “How do I know if my 401(k) can be used?” This page is for general information - facts that every private money lender would need to know - and the FAQ format is much easier to read than if you posted the entire text of your seminar presentation plus the Q&A session on the website.

Here’s an important thing to remember about your FAQ page. Keep your answers extremely generic. Everyone’s personal situation is different, and you don’t want to look like you’re giving detailed financial advice. You should also provide plenty of links to a separate page with your contact information on it.

If people want to know more about how they can get involved, send them to your contact page. Don’t go into any more detail online, don’t ask people with money to call you, and don’t allow anything to look as if you’re soliciting investment funds through your website. At this point, simply ask them to contact you if they need more information.
The contact page is extremely important, because this is where people should go to take action. You will want to list your contact information on the page for people who just want to call or e-mail you directly, but it’s also a good idea to have a contact form right on the page itself.

Put your call screening criteria directly on the form so people can see what kind of information they need to have ready before speaking with a live person about getting those higher returns on their investments. You’ll need their name, phone number, location (city and state, at a minimum), amount they want to invest, the current location of the money (savings, stocks, IRA, etc.), and whatever else you need to know in order to prequalify them for a personal conversation. Assure them that their information is secure, and ask them to send you the form, after which a company representative will call them as soon as possible to discuss their profit potential.

Again, this is not a do-it-yourself project. Security is critical on the Internet. You’ll be gathering personal information like names, phone numbers, and e-mail addresses through the website, and that carries certain legal obligations. Hire a professional web developer.

Be careful to hire a developer and not just a web designer. Design skills do not always guarantee that the person has programming skills, and vice versa. No matter what they tell you, remember that it is rare to find a person who is both a techie and visually creative. Vet your choices carefully through samples and recommendations before trusting someone to create your website.

**Blogs**

Once you have a website, it’s a good idea to do as much as possible to promote it and establish yourself as an expert. You’re more likely to think of someone as an expert if they have published a book, right? Online, you can showcase your expertise by writing a blog.

The word “blog” is short for “web log,” which started out as a form of journaling, but has evolved into a publishing medium. It’s basically a collection of articles (usually smaller ones), or posts, all of them written either by the same person, or on the same topic, or with some other common thread.

A real estate investor can make great use of a blog by writing small articles on current developments in the real estate field, how to make small repairs in the home, how to become a better real estate investor, advice for sellers or buyers, and any number of other topics.
You could also write a blog specifically targeted at those who wish to invest in real estate. Never mind what you want to write about. What do your private money lenders need to know? What do they wish they knew more about? What sort of articles would they like to read from you? Write for them.

Your blog could be designed with the specific purpose of helping the people on your “Yes” list feel like they’re getting some inside information as part of a special group of investors. Your blog posts could be written specifically to inspire the people on your “Touch” list to make that decision to finally call you. It’s all part of establishing yourself as an expert online - you’re THE expert real estate investor, as far as the people on your lists are concerned.

Take the blog idea a step further and create an entire blog full of videos. Have someone shoot some three-minute videos of you explaining different things or demonstrating how to do something. Communicating through video is extremely popular online. It’s more personal than the written word. Watching a video, your viewers can see the enthusiasm you have for your business, and they can hear the pronunciation of those unfamiliar terms. Instead of simply talking about improvements you made to a certain house, you can actually show viewers the house. And it’s a great way to communicate with people who have trouble reading for whatever reason.

A blog is more than a series of little articles or messages; it’s an integral part of the master marketing plan. Everything you create online should have a purpose, just like everything you physically do for your business should have a purpose. A blog’s purpose is to educate and inform, but its purpose is also to attract people with money and lead them back to your website, which in turn leads people to call you directly to discuss investing their hard-earned cash with you.

All of these different online portals should be designed to make it incredibly easy for them to find you and contact you. Everything revolves around what they want to see, what they want to read, and what they want to know because that’s what makes it look attractive to them. It really is all about them.

Now let’s take it a step further and look at some more creative ways of attracting people with money.
What It Means to Be Social

The Web 2.0 attitude comes into play when a business begins to interact with its customers and other people online. So far, you have a website and a blog and a general understanding of how to get the search engines to find them. Now it’s time to worry about how to help the right people find them.

It’s not always the same thing. You can make your website visible to the search engines, but if people don’t know you’re out there, they may not even search for you. Likewise, if you pay attention to the people but not to the search engines, the people will get frustrated (and possibly think you’re a fraud) when they can’t find you through Google. Search and social are at their best when done together.

Fortunately, there are a lot of venues that can increase the visibility of a business. Some are called social networking sites, where people connect with businesses and other individuals directly. Some are called social sharing sites, where people interact by selecting their favorite web pages to share with others. Some are actually blogs on other business’s websites, where the comments section can be used to facilitate discussions.

And whether the main purpose is networking or sharing or discussing, together they’re known as social media.

Facebook

Using the social networking websites is by far the most popular way to connect with others online. People use these sites to keep up with distant family members and long-lost friends - and often even the friend next door. With the advent of social marketing, they now also keep up with their favorite businesses and brands. Companies are starting to use social networking sites to build brand recognition,
track customer satisfaction, create a sense of community, and offer their customers exclusive deals. So far, the success rate looks amazing, and is getting better all the time.

By now, most people have heard of Facebook. Promoting your business on Facebook starts with creating a “Page” and then inviting everyone to like it. The more “likes” a business gets, the more exposure they get. Think of it as automated networking. People accumulate friends on Facebook, and communicate with them through status updates. Every time Andy likes a Page, all of his friends see it. When Bob sees that his friend Al liked XYZ’s Page, he might like that Page too, and then all of Bob’s friends will see it. Let’s say Andy likes that Page enough to include a rave review in his status update, and Chris decides to like that review. Now, if they’re watching their news feeds, all of Andy’s, Bob’s, and Chris’s friends know about XYZ’s Page.

The business didn’t have to spend one dime to send out a single postcard for that. All it took was a little time to create the Page with a description and a couple of pictures, and then to shoot an e-mail out to their list saying “We’re on Facebook! Here’s a link to the Page - don’t forget to like it!” Or, “Like our Facebook Page and you’ll get a FREE report on (something incredibly interesting)!“

And with that single e-mail, XYZ has just opened up their online doors to a whole new group of people. They didn’t have to tell these people “Tell all your friends!” They just had to make sure the people mentioned or liked them on Facebook, and then Facebook can tell all their friends for them.

As the number of “likes” goes up, XYZ can start adding their own status updates. What can they post here? Anything they want. Some businesses choose to focus on customer discussions, some businesses will post a link to that new blog post that was just published, some businesses post information on the latest promotional events, and some businesses share other people’s articles about their field. XYZ can make a deal with ABC Company that when ABC has a new blog post, XYZ will share it on their Facebook Page and vice versa. Some companies make a separate Page for their employees or elite customers and use it to share exclusive information with them. People are finding ways to use a medium like Facebook in ways even the founder probably didn’t anticipate.

**Twitter**

Twitter is another social networking site, but with a different tilt to it. All users have the same type of Twitter account - there is no difference between a personal user and a business user - and in order to post status updates, known as tweets, they
must express themselves in 140 characters or less, including spaces and punctuation. That’s it. Facebook doesn’t really have a limit to the information that can be sent at one time, but Twitter makes you condense it. And that’s probably a good thing, because on Twitter, information flies by like a flock of geese.

Where Facebook has friends, Twitter has followers. Where Facebook allows you to create a page, Twitter won’t let your followers land in one place for very long; they can only see a vertical timeline of all your tweets. The more followers you get, the more people will see your tweets. (Avoid the people who offer to sell you followers, though. It’s extremely likely that none of those followers will be truly interested in what you’re doing, and you will be completely wasting your money.)

Because information flows so quickly on Twitter, businesses are still trying to figure out how to merge traditional advertising with this fast-paced technology. Some businesses offer time-limited deals that only their followers can see. There’s a lesson for the overly enthusiastic, though, in the story about the bakery owner who built up a large Twitter following and then decided to offer a one-hour special on muffins, and suddenly found herself with more muffin orders than she could fill in a month.

Other than those 140-character messages, Twitter is still developing a standard for how formal advertising will be incorporated into the site. However, plenty of businesses have a very popular Twitter account with people who look to them for the latest breaking news in their field.

**LinkedIn**

LinkedIn is another major social networking site with a different angle. This site is entirely for individuals, but it has a strong emphasis on business connections. This is an excellent venue for the owner of a small business to do some serious networking with other people.

There is a strict rule against advertising on LinkedIn, but there are still ways to connect on a business-to-consumer level, or in this case, a business-to-investor level. LinkedIn offers Company Pages, and it has created certain networking venues within the site that make communication extremely easy between people with similar interests, and many business owners use those venues to connect with potential business opportunities.

LinkedIn Groups have expanded to the point where one can join a Group for just about any interest or vocation. Groups are a very effective way of connecting with targeted groups of people. For example, the small business groups are mindful of
LinkedIn’s advertising limits, but the two most popular discussion threads are “Let’s all like each other’s Facebook Page” and “Post your Twitter name here and let’s all follow each other.” Individual real estate investors can connect in a LinkedIn Group and discuss common issues and share any amount of information they like. Theoretically, they could join a group of people who like to invest their money in new ventures and connect with people who like investing in real estate. And the Groups don’t belong only to LinkedIn - if you don’t see a Group for a certain special interest category, you’re welcome to start one yourself on their site.

LinkedIn Answers is another opportunity for a real estate professional to share his or her expertise and become recognized for it. In this section of the site, people who have questions can post them in the appropriate category, opening them up to whoever thinks they can best answer the question. Very often, several people will step up and offer their wisdom, and the result could be a complete spectrum of ways for the original person to look at the issue.

A real estate investor could post answers to specific real estate or investment questions and possibly build up a reputation where someone with money would contact them about getting in on a real estate deal.

**Online Profiles**

The core of any online social networking experience is a profile. Each site allows you to create one, although some allow more information on it than others. This is where people can go to see who you are, what you’re interested in, where you’re located, and other information. To a business, location and other details are optional; the entire purpose of filling out the profile information is to provide a link back to their blog and/or their website.

On Facebook, your primary account is under your own name, but you can set up a Page for your business and use Facebook as if you were your DBA. Facebook will allow you to tell everyone everything about yourself, from your marital status to where you went to elementary school to whether or not you like Chinese food. And yes, there is a place to add your website address.

On Twitter, your account is known by any name you give them. There are two opportunities to make yourself known: one is the field for your real name (which everyone recommends you use, but nobody verifies) and the other is the field for a user name of your choosing. The only rule is that there can’t be any duplicate user names, so it’s best to create a unique handle that reflects you or your business. Some people use their real name in both places; businesses tend to use their
company’s name in the first field, and choose the same name (if they can) as their user name.

The entire profile consists of those two names, a 140-character description of yourself, and your location (if you choose to share it). Companies, small business owners, and entrepreneurs always find a way to include a link to their website in their profile description.

LinkedIn will only grant you an account if you agree to use your real name. You can mention your company in the “Work Experience” section of your profile, but there are no DBAs on LinkedIn. By the time you’re done filling it out, your profile basically looks like an expanded version of your résumé. There are fields to insert links to your website and your blog, and there is a way to link your Twitter account to your LinkedIn account so that every time you post an update to one, it shows up on the other.

**Social Media Strategies**

It might sound dizzying at first, but the strategy behind using social media is to create one big, integrated referral system. People find information in different ways, so it helps to be available wherever they already are. Some people hang out on Facebook all the time, and others are hooked on Twitter. Both groups tend to use LinkedIn, but only if they’re interested in making professional connections. Some people spend the day blogging, which usually means they spend time reading other blogs, and others do a little bit of everything, especially when it has to do with their own job. Almost everyone will go straight to the search engines when they want to know something, but only when they want to know something specific.

This is the Internet’s version of “location, location, location.” You go where the people are - it’s that simple.

Your internal referral system is a combination of every single piece of your marketing plan. Your social media profiles should all link to your blog and your website, and in return, those websites should have social media icons ready for visitors to click back to your profiles. The materials in your marketing kit should provide at a minimum your website address, and the larger ones should contain your website address, your blog address, your Facebook address, and your Twitter handle in addition to your contact information. Every time you send out a mass e-mail or a company newsletter, include contact information and links to your social media accounts at the bottom of the page.
To make the interaction dynamic, update every new piece of information on each account. Every time you post an article to your blog or add something new to your website, add a link to it on both Facebook and Twitter, which will in turn update your LinkedIn status. Every time something interesting happens in your business, write a blog post about it and start the wheels turning again. When anything buzzes in the course of doing business, offline or online, make sure everyone knows about it.

Again, the whole idea of sharing something on social media is so that people will click on the link and land on the blog, where they can click on another link and land on the company’s website, where you let them know that you’re looking for private money lenders. The more people who recommend that others do the same, the greater the odds are that your cash flow will increase.

For many businesses, more website visitors generally mean more revenue. And whether that theory actually works out or not, with social media, the only cost of running it up the flagpole is to have someone create the account and post the links to the blog or the website.

The truly interesting thing is that, the more you do this, the better you will look in the eyes of the search engines. It all comes around full circle. Someone has to start the buzz. By using social media, you will be creating popularity in your own sites, and that sets the wheels in motion for others to pick up the buzz and start talking about it. And before you know it, your online marketing will start to bear fruit and the people with money will find their way to you.
Following Up

After the Seminars

Following all of these suggestions and doing all of these things is great, but it shouldn’t ever be the end of the story. Let’s say you gave a presentation. How did it go? What worked? What didn’t? What did your friends or guests say about what worked and what didn’t? Did you have time to read the exit surveys from the seminars?

Take some time to analyze the successes and the failures of each presentation - and make sure you do it for each presentation, because not everything that can go wrong will actually go wrong on the same day. Here are some questions you should ask yourself.

- Was I prepared enough to understand my topic?
- Was I prepared enough to address their needs?
- Was I able to communicate without distractions?
- Was I able to connect?
- Was I able to conclude with an effective call to action?
- Was the equipment working properly?
- Could I have planned my speech better?
- Could I have planned my event better?
- What can I do differently next time?

Look over the exit survey results. Listen to your colleagues. Then make plans to tweak what you’re doing until it’s running like a well-oiled machine.

Focus on the solutions, not the problems. “You’re boring” is not a productive statement. “You could vary your tone more when you speak” is constructive criticism. You can do something about that one. To someone who is nervous about speaking in public, hearing “your eye contact was awful” is not helpful. A more
helpful suggestion would be to “find a focal point at eye level instead of talking to the air conditioning unit.”

Make sure that you’re doing everything you can to appeal to the people you need on your “Yes” list. In many cases, that presentation is a person’s first impression of you. Make it a good one.

**Back to the All-Important List**

Your list is another thing that isn’t static. You don’t create a list just to leave it alone. You have to maintain it. Update the information once in a while. Every time something changes, make sure it gets changed on the list. If one of your private money lenders moves, change their address on the list. If they get a new e-mail address, change that on the list as well as in your e-mail contacts. If one of your e-mail newsletters comes back undeliverable, make sure the list knows about it too.

Your list is only as good as its usefulness. Outdated information helps nobody. Take the time to keep up with people - put it on your schedule if you need to - and keep the list as current as possible.

**Spheres of Correspondence**

If you’re like most people, you can only hold so much information in your head. At first, you’ll remember things like someone’s wife’s name or someone else’s struggle with cancer, and you can bring those up when you have future conversations with them.

As you meet more and more people, however, you might lose that personal touch when you speak to them because you have so many of them on your mind. Since your business depends on personal relationships, this is where a Customer Relationship Management (CRM) program can become one of your best business tools.

A CRM program can keep track of all sorts of helpful information, such as who introduced you to whom, and what was said the last time you spoke. It can help you keep up with who you’re talking to at every stage of the game, from acquaintances to leads to “maybes” to private money lenders. If you have partners, they’ll all have access to the information. This way, if one person gets sick, it won’t be a serious headache for someone else to step into the conversation temporarily.
Search for “CRM” online, and you’ll be presented with a lot of options. Salesforce is popular; if you’re using QuickBooks, maybe QuickBase is the solution for you. Whatever you choose, make sure it does what you need it to do within your budget, and can actually make your professional life easier.
Delegating Work

Automated E-mails and Newsletters

When you get into e-mail marketing and newsletters, it’s a good idea to use a service such as Aweber (http://www.reiclub.aweber.com) that will take care of these things for you. On a regular basis, you want to remind the people on your e-mail list that you’re still there, and if you give them good information, eventually they look forward to seeing what’s next. If you’re in the middle of a sticky deal or a rehab gone wrong, you can’t take time out to pay attention to the newsletter that week. Automate that service and get it off your plate.

How is this cost-effective? Your leads come from that e-mail list. Your private money lenders are on that e-mail list. If they forget about you, often you can forget about their cash. They may take your idea of investing in real estate and move on to someone who keeps in touch.

Which Tasks Can Be Outsourced?

Let’s run with this “getting routine tasks off your plate idea.” What else do you do during a day that can be done by someone else? You don’t need to hire employees for certain jobs anymore - not if you don’t want to. Outsourcing is getting easier to do every day, and small businesses are finding it extremely cost-effective.

With today’s technology, even a receptionist doesn’t need to be in your office building anymore. Phone calls can be forwarded or rerouted to just about any number. Some people make a very nice living sitting in their office answering calls for several businesses at once every day. If you have a large call volume and you want your leads to speak with a live person when they call you, you can hire a
dedicated receptionist or you can go with an answering service. If you hired a company to handle the incoming calls from your marketing campaigns, see how they can help you with normal business calls as well. You’ll still want certain people to call you on your cell phone, of course, but as your business gets bigger, these are some solutions to think about.

Think about all the mundane things you’d rather not do. Are courthouse searches profitable for you, but getting on your nerves? What about designing new postcards and flyers for new events? Not your favorite thing? Then there’s all that driving around town to distribute the flyers. Is there something you’d rather be doing? Do you like writing your own newsletters, or could you use some help with that too?

This list could go on and on. You know best about what works for you. You know what your strengths and weaknesses are. Work smarter, not harder, and don’t try to do everything yourself if you don’t absolutely have to.

**Virtual Assistants**

When you need help with these one-time projects or small ongoing tasks, consider hiring a virtual assistant (VA) or a local temp. You already hire an attorney or an accountant to take care of one-time or small projects like an eviction or a tax return. Either you don’t like to do those things, or you don’t have the expertise, or you don’t have the time - or all three could be true. The same logic applies to the tasks listed above.

Like the professionals you already work with, VAs might charge by the hour or by the project. They’re more likely to be independent contractors with their own business. With a VA, you’ll do a little negotiating about what they will do and for how much, and then you let them do their thing. Different people will have different skill sets and still call themselves VAs, so be clear about what each person can and cannot do for you. Other independent contractors might have the exact skills you need, but they won’t refer to themselves as virtual assistants. You’ll know which arrangement is right for you as you communicate with different people.

Temporary workers generally work for a staffing company and are paid by the hour, but you have total control over the hours that you want them to work. Temps are the staffing company’s employees, so you would technically be hiring the company to provide a temp for you, and the company would then be the one to pay the temp. The company’s fee is non-negotiable, but it will vary, since it is comprised of the temp’s hourly wage plus some extra for overhead.
Online Fishing Holes

How do you find these people? It depends on which type of person you need.

Any reputable staffing firm can be found in the local phone book or online. A local person is a much better choice for courthouse searches and flyer distribution. Two of the most widely used staffing firms are Manpower and Kelly Services.

Virtual assistants and other independent contractors can be found all over the world. How do you reach them? Try one of the online freelancing sites, such as Elance or oDesk. There are dozens of those sites online; those are just two of the most popular ones. Sign up as a client and create a small profile about your company for freelancers to look at. Then search for the people you want to hire.

A keyword search is usually best, because either through keywords or skill lists, each freelancer has already posted a list of their best skills. If you want to search for someone to write your newsletter, for instance, don’t just search for “writer.” Not all writers understand marketing well enough to put together a good newsletter. Instead, search for “newsletter,” or better yet, use both search terms at once.

On these sites, the actual hiring process is a little different than choosing someone and calling them. The idea is to post your project description (“I’m in the real estate business and I need someone to write a small monthly newsletter for me”) and have a pool of freelancers with the required skills contact you through the site and express their interest in the job by bidding on it and telling you why you should hire them. You can take the search results and invite each person on that list to bid on your job as well. Then, once you see who’s available and interested, you can evaluate and compare their bids to find someone who is a good fit for your project.

Don’t believe everything you read about these sites. You might be able to find someone in Pakistan who is willing to write an entire newsletter for $10 per month, but would that person be best for your needs? You can find someone in America to do the same job, but how do you know that the person in Pakistan isn’t an expert in creating American English newsletters and simply has a much lower cost of living? Don’t judge by location or culture out of hand. Look at their credentials. Look at their writing or design samples. Read their proposal and the rest of their profile, and then make your decisions.

Be prepared to think in terms of project-based fees instead of hourly wages. These are independent contractors, not employees, so hourly pay isn’t always appropriate. Don’t forget to allow time for communication when you think about deadlines. Some of these freelancers have other clients to think about. The final project terms
are more of a negotiation than a “supply upon demand” arrangement. Also, the payment process is easier than most people think - it’s all electronic.

Outsourcing work to temps or freelancers can be a great way to get a lot more done every day without a whole lot of headache and expense. You can build a global administrative support team in a matter of weeks, and you don’t even need to arrange for more office space. If you have some tasks you need to get off your plate and a little wiggle room in your budget, it’s worth checking out.

**Office Machines**

While we’re on the subject of automation, let’s talk machines for a minute. There are several office machines that can make your day go more smoothly, but if you only have the cash for one of them, invest in one of those all-in-one printers. These computer printers can also copy, scan, and fax documents at the touch of a button. Don’t bother with separate copiers, fax machines, and scanners. You will need all four at one time or another anyway.

A good all-in-one printer will have its own software so it can fit in seamlessly with your existing system, and most of the controls can be operated either from the software or from the hardware. For busy professionals, this type of machine is the most efficient addition to an office since the computer itself.
Staying Active

Managing the Irons in the Fire

Getting private money takes effort. There’s no disputing that. But once the wheels start turning, they need to keep moving. Your job is now to balance your time between all these activities. The marketing plan will determine some of the priorities, and the availability of private money will determine others.

Not every day will be a busy day. For example, there will be days when the mailers have just gone out and nobody has had a chance to respond yet. Use your spare time wisely, and resist the urge to take a mini-vacation just because you can. Blank spots in your schedule could be used to review and revise various lending scenarios, research new marketing tactics, research properties online, catch up on calls and correspondence, or any number of things.

The natural time order of tasks may need to drive productivity once in a while. Try thinking backward from the end result first, as a way of focusing on the goal. Tell yourself, before this happens, this other thing has to happen first. Before you sign a deal with a new private money lender, you have to get the paperwork in order, and that means you need to make an appointment with your attorney. Before you get the paperwork in order, you have to have a deal to work on, and that means you have to go property-hunting.

Or, before you sign that deal with a new private money lender, you have to step up your networking and marketing in order to meet that person, and you can’t (or shouldn’t) do that without your business cards and brochures.

You’ll think of a dozen other examples like this. Focus on the end goal, but rehearse in your mind what needs to happen before you can climb the next level of stairs.
Feeding the Pipeline

One of the great things about building a network of private money lenders is that eventually people will want to be introduced in your sphere of influence! If you haven’t already, wrap your head around the idea that you could one day be considered one of your area’s influential people because of the connections you’ve made on your journey.

Stay active in your community, and maintain your reputation as someone who uses their business to help people. The more successful your business becomes, the more time you might find to attend charity events and volunteer in your community. Stay open to new activities and get involved! You never know where your next opportunities will come from or where your success will lead you.

If you want to think of it in terms of growth, think about a garden. You don’t plant seeds and then leave them alone. You make time to water them and fertilize them and get the weeds out of there once in a while. That’s your reputation in that garden. That’s your pipeline. Feed it and cultivate it if you want it to grow.

Feeding the pipeline also keeps your stream of private money coming in. Don’t assume that people who are on your list during the first year will still be on that list in year seven. People experience major life changes once in a while. Don’t assume that your business will grow so slowly that you’ll always have someone waiting in the wings. When you find more private money lenders, you’re more likely to put more irons in the fire because you have more money to play with. Keep the cycle moving, and keep your pipeline from drying up.
Conclusion

Drinking the Success Kool-Aid

People talk about “drinking the Kool-Aid” like it’s a bad thing most of the time. If the Kool-Aid is the expectation of success, drink it down!

When it comes right down to it, you’re the only one who can convince yourself that you can make these techniques work. You’re the only one who can decide whether to buy into the idea that you could be a wealthy and successful person. If drinking the Kool-Aid means you’re falling for something, at least let it be the notion that private money will make a huge impact on your business. That’s not an opinion. That’s a fact.

At the end of the day, there is no “if he can do it, I can do it.” At the end of the day, it’s not about the attitude of the person next to you, it’s about your own attitude and drive and determination and chutzpah. What are you going to do with this knowledge, and how decisive will you be about setting the wheels in motion?


The real formula is between your ears. Take the knowledge you’ve been given and use it. Think about which of these suggestions will work best for you, and visualize yourself making it happen. Expect great things of yourself, because without that expectation, nothing you’ve read here will do any good. Drink all the Success Kool-Aid you can, and enjoy every drop of it.