



Quadrant of Success with Howard Tager, CEO & Co-Founder of Ylopo

Transcript

Chris Watters & Howard Tager

Chris: Guys, so welcome to CEO secrets I'm super excited about the guests we have on today. This we have Howard Tigger, he is a CEO of y lo po. For those of you guys that are not familiar with y loco, it is a lead generation platform in the real estate industry. And way beyond lead generation also helps you with just you know, staying in front of your database database remarketing. I personally use why local, I'm not getting paid to do this, by the way. I'm just a raving I'm a raving fan of the products and super excited of what the about what they're working on. And on this call, I hope to extract from Howard kind of what what the ladder looked like for him to find success as a entrepreneur and CEO, and hopefully extract some his guiding principles and then something else really cool. I just want to talk about more live is the AI component you guys have integrated with Facebook, um, you know, this, this could be an all day conversation lead generation, read conversations and

Howard: secrets CEO success we could lead, you know, different flavors of leads. We could do AI. You know what?

Chris: So Howard, you know, there's probably, you know, it's crazy, as there's probably a lot of people on here that don't know about your history in real estate. But you are somebody that has been in the industry over 10 years focused on serving real estate agents, teams and brokerages that are really high level. Why don't you share with everybody kind of your background, how you got to where you are, and you know what, specifically you've done the real estate industry.

Howard: Cool. So I you know, I'll take you right back to just after college, right? Cuz that's where what kind of my journey started. And I was kind of going down this like ivory tower path. You know, I was in strategic consulting and working like seven days a week. And I just, I just had the Epiphany I the realization when I was super young. So really lucky, right? Of what I didn't want

to do, didn't necessary know what I wanted to do. But I think at that age is really important to know yourself, start understanding yourself, and what's going to make you happy, what's going to make you unhappy. And I understood that just sort of sitting in an ivory tower, whether it was becoming like a corporate Wall Street attorney, an investment banker, a strategic consultant, I would have been miserable. Like I would have made a lot of money, right and had a fancy home and the whole thing. But I would have been miserable, I would have been miserable going to work every day because I was miserable going to work every day right out of college, right? So I had this kind of little event where I actually had to have like, almost like a side gig that I had to do for this consulting firm. Something was really, really rare for them, where I was pulled off of spreadsheets and PowerPoints. And I actually had to run the small little business. I had to hire like hundreds of college kids at UCLA and USC and Santa Monica City College. I didn't give them all these laptops. And you know, Chris, I'm old enough were laptops back then. were really good. You remember those? Can you hear these Compaq laptops were just huge. It was they were amazing. Anyway, at arm all these kids have laptops, and they had to go out and do like thousands of interviews with with small business owners right now to create this huge giant database of marketing stats, right? It was called conjoined analysis anyway. So the long and short of it is is that I had this realization that for the first time I was happy. And the question is, is why was I happy?

Chris: So Hey, hold on. Let me let me interject here. So yeah, just some little nuggets you've dropped is one have enough emotional awareness to focus on something you enjoy. And you you're I mean, you're I don't know if a lot of people know this. You're a super smart guy. You graduated from Yale, right? You got from Yale. And you are in law school there. Would you get it?

Howard: I was undergrad, I actually graduated in the top 1% of my of my class. Yeah, but I say that not to brag, I say that to be humbled because I am convinced that I was in the lowest 1% of intelligence. And in that class, because that class is like, you know, 1200 geniuses, right? I mean, they regularly rejected valedictorians, right? I think I got in, honestly, because I realized I had sort of what they call construct textual or contextual or street smarts, I realized there's no way I was getting in, right, unless I did something different. And I literally did like a stand up routine when I had my on campus interview. And when I walked downstairs, when I walked downstairs, after my interview, my dad was like, What happened up there? Because all you heard was this woman just laughing for like an hour. So she remembered me out of like, every single person who was a valedictorian and president of their class and head of their newspaper, and on blah, blah, blah, blah, and everybody kind of all merged. I was the one I was the one kid who just I just did a standard routine made her laugh. Right. Well,

Chris: Let me let me ask you something real quick. So when you applied to Yale? Yeah, you had to, you had to apply, right? And then there's the application process wherever. But like, did they also interview the students is at the next phase, and you try to get selected, you get interviewed.

Howard: So it wasn't an absolute requirement. But at the time, you learned that, you know, you had to do something, right. So to try to get an on campus interview was a very smart thing to do.

Chris: Got it. Okay. So it's like an accurate extracurricular activity to try to stand out is going and doing an interview.

Howard: I mean, like, extra activities were like, everybody was captain of their team and stuff, right? Yeah. But it was it was it was sort of known that it didn't hurt, right, if you could actually meet someone on the admissions staff, because they're making the decisions, right. So to actually press the flash, go to New Haven meet them. You know, the funniest thing was, it was one of my roommates who did the same thing I did went to New Haven, which is in Connecticut, and the first thing he says is, you know, she's like, Welcome to New Haven. He goes, I Love New Jersey. But he was in Connecticut. Ah, he still got in.

Chris: That's good.

Howard: Anyway, so. Yeah, so So look, I guess I'm convinced that you know, I work I work really, really hard, like, I work my ass off.

Chris: So when you ask you, so you're telling this story. So you went into strategic consultant, various things, miserable, you go and start this business, basically, collecting data, interviewing other business owners getting all these, you know, students to help you to collect data.

Howard: So I was given a budget, right? Like the head partner said, this is how much money you have. And this is the results you have to get, and you have to get it by this date. So I was given a budget, you have to get X number of results, and you've got to get it by this date. He was like the rest, you figure out. And I had no blueprint, right? I'm like, just out of college. I've got no blueprint. In the sense, I'd run this little business. But it was just the real world, get your hands on a real world problem that I just loved. I had to hire people. I had to figure out a pay structure, right still could make my budget, I had to fire people who aren't performing. I had to figure out how to like, geographically like this before, we had like ways and Google Maps and all that stuff. I had to get people to all these destinations. So I just had real world like everybody knows here running a real world business. And the one thing I know is like, every single day, I brace myself, every single day, I brace myself for something like literally today, we had something very serious situation someone on my executive team has had a major major health crisis, right? That's my day, last week. You know, it was a legal letter, which was completely like specious and wrong and all that stuff. But I had to lose my entire day, deal with it. Right? Put it up, put it away. So so that's the thing you learn when you run, you know, a small business and medium sized business, a large business, what I call extraordinary items, things that happen out of the norm, are actually ordinary, right? extraordinary expenses happen. Ordinarily, you know that Chris, right? So you gotta brace yourself for that. Anyway, yeah. So I figured out I didn't

wanted to be an entrepreneur. And, you know, I finished out my gig doing the consulting thing. And I think one of the most important things I did, which is one of my kind of guiding principles, is I always find business business partner, or business partners that are really strong in the areas where I'm really weak. So what I would tell everyone is to be is to always be brutally honest with yourself and write down like assets. Right and liabilities. What are you great at what's your lane? What do you really the best at? And what pardon the French? What do you suck at? What do you horrible at what do you not like to do? Right? And you need to you I would never be successful? If it was me, myself and I ever i have i've had now this is my my third most successful largest companies. I've taken two companies literally from starting them in my dining room, because we couldn't afford both rent for home and rent for the business last year as I swear to God, I've actually started all three companies in my dining room proud to say

Chris: When did you start Tiger leads? And for people that aren't familiar with Tiger leads? Yeah. I mean, you were kind of like the innovator in the real estate industry with Tiger leads, like, came up with one of the best platforms before the Boomtown. And the commission sinks and and you know, those existed, you were like the first one out there that came up with the most sophisticated CRM system for the real estate space. What what When did you start Tiger leads?

Howard: Yeah, so, so accurate. There's the consulting thing, I convinced this, this this guy, who was also kind of a young recruit with me in the only firm. He had gone to Harvard, and he was the smartest guy I've ever met. And he was, he was just so strong, you know, quantitatively, analytically. I was kind of more of the voice and the sales guy and the, you know, emotional driver and all this kind of stuff. And I was like, I got to partner with this kid. I've got to partner with this kid. And we could do great things didn't even know we're going to do. I just be like me plus him, we could do something. And we could start with nothing. So with 1500 dollars, Chris, we started a tutoring and test prep company from our living room. In Wayne Gretzky's old apartment in Marina Del Rey. And that's where we started, right. And I had scored perfectly on the verbal essay to my partner, it's go perfect. Run the math, SATs. And we literally wrote a program to raise kids scores on the SATs and a ACTs, we could not afford any employees. We like answer the phones, I go out to the schools and try to talk to college counselors and hustle business, then we come back and then like, we go off, and I'd white line on my, you know, kawasaki down the 405 freeway to like these really rich homes. And I could tutor kids, right? And they was like, okay, they wanted to Howard tutoring, right. And then we'd come home for all of our thoughts, all of our learnings into this curriculum that we developed over time. So we just worked around the clock, which you can do when you're 22 years old, right? Yeah. And long story short, it, you know, it was like a lot. We had this business for a long time, we had this business for like 10 years now. leveraging technology, leveraging ourselves, we became the largest test prep and tutoring company went to the Mississippi. And we were acquired by Sylvan learning systems way back in like 2000. And then I worked for Sylvan learning systems. And that's where I learned about digital marketing, which was the cutting edge, the forefront of performance market, right. And one of the smartest, I always try to find like, the smartest people, I always try to surround myself with people that I know are smarter than I am, right. And so I

found like the one VP at this big public company, who was just amazing, like, wow, and he was this digital marketing guy. And I just, I spent so much time with them and learned about digital marketing. And so long story short, one of the guys that that we had hired at this company called it was the sweat Test Prep company was a genius programmer. And, you know, everyone had kind of gone off on their own directions. He wants to work for his brother, who was a broker in Ann Arbor, Michigan.

Chris: Hey, I'm taking I'm previously taking notes here. Okay. I'm sorry, I keep interrupting. But I'm telling telling you, the tiger leads. No, no, no, no, no, I know, I know. But you've said something over and over again. Which is like, you know, hire really smart people. And not only are you hiring smart people, you're hiring people that are like, you know, savant, right? So for people, for people that are watching this shooting, I want to know this, like, how do you get how do you get someone like that on your team? When you're bootstrapping your business? Like, how do you give? How do you get that person when you can't afford to pay them some crazy salary? Like,

Howard: I think that they have to wholeheartedly recognize what you're going to bring to the table. Okay. So, you know, as a good example, when this really amazing program and amazing engineer, came to me, he came to me and he could have gone to anyone, right? But he came to me because he had built this incredible system. While you know, working with his brother in Ann Arbor, Michigan, in this brokerage, he has built this incredible 360 system, which eventually became Tiger lead. And it was called something else. And it was built on a different underlying infrastructure platform with that we rewrote, but he came to me and why did he come to me, he came to me because he wanted, he wanted some vision. He wanted some strategic advice, some strategic insight, he wanted to know what this could be, right. And so, you know, you do have to be good at what you do. And that's kind of the barter, that's the exchange, which is on his own, that, no matter how amazing that system was, on his own, he would not have pulled it off. He also needed new, it takes the cliché, it takes a village, it does take a village. So so as you

Chris: What did you offer this guy? What kind of money did you give to him? Just equity partners?

Howard: right off the bat, I, you know, he literally said I want I just he just, he didn't even he didn't overtly come to me and say, Howard, let's lots of what, let's launch a business. Right? He just said, I want to show you this. And you tell me what I do with it. Now, obviously, I think behind, you know, behind his thinking was, I might like it so much that I might say let's do it right. I did it months worth of due diligence. But everyone in the real estate industry felt there was a huge need for it, I came back to him and said, My strategic advice is you and I become 5050 partners. So now there's another lesson here, right? And you know, and look, we knew we're going to bootstrap it, we knew we were not really. But I knew that I was not going to take any money out of the company, I was not going to get paid it for two years, I did not take a penny out of that company for two years, I did not get paid, he needed to get paid. He needed to put food

on it and pay rent and, and all that I was fortunate enough. I didn't, right. So that was part of the partnership as well. But the first thing I did out of the gate was gave away half of the company. So after he and I were like, okay, we'll be 50/50 the first thing I did is a big lesson is we brought on two more partners. And we each became 25% owners, four people each became 25% owners in two seconds flat, he and I and I applaud him for this as well. He didn't struggle with it, he was getting was smart enough to understand, we needed to more people who are good in their lane doing what they do to flush out this management team. And the number one piece of advice I give to young entrepreneurs, I see they're very protective, they're very protective of their idea. They're very protective of their equity, which is, which is also good. And I'll explain that, right. But sometimes they can be so protective, that they're just be myself and I they're not bringing the right people. And you know, 100% of \$10 is \$10. And 25% of you know of what's right is two and a half million. Right. So that's the basic philosophy. So that was the first thing we you know, the first thing we did, we flushed out an ownership team, where we literally had no gaps.

Chris: Yeah. You know, it's funny, as I think a lot of people the reason they're afraid to give up the equity is they're not truly thinking big enough. So they are, you know, like the vision of where they want to go is that is actually not big enough. And, and so that, you know, you almost have to force yourself to think bigger, so that if you do, you know, divide up the cap table among multiple owners of a company, you got to make sure their companies, you know, equally growing in parallel with the number of people that are getting it,

Howard: Chris, it's one of the toughest things and and I have some sort of like absolute rules, like we could talk about measurement, accountability, visibility, measurement, accountability, visibility, one of my guiding principles, I'm very absolute about it, I'm very absolute about a whole bunch of things. The equity thing is not an absolute, I have to give advice to people based on different situations, because some entrepreneurs make the opposite mistake. Some entrepreneurs, they're like, their total product, they're into the product, they're kicking out in the tech, they don't think too much. And they're giving out equity all over the place. And they literally could sell their business for \$200 billion. Right? I'll never forget when when my you know, investment banker once told me he's like, he's like, this year, my lot. He's like, my largest transaction was 300 million. And my smallest transaction was 30 million. And he's like, guess what? The guy that owned the \$30 million business took away more money than the guy that started the \$300 million business. Because the guy that started a \$3 million business had been diluted so many times, and they give them away so much to the store in the beginning, right? Yep. So So you look, I really believe in having the right partners. Number one big mistake that people I see people make is they don't vet their partners from an ethical and moral standpoint.

Chris: I see this, I see this a lot in our industry, what's your vetting process look like? Right, you say that?

Howard: Again? You know, you've got to do research. It's called due diligence, right?

Chris: what does that look like? What are you doing? What are the things you're looking at?

Howard: I mean, I'm looking at their past track record, I'm trying to talk to people that they've worked with before I'm seeing if they've ever been entangled in lawsuits, right? It's hard, right? But but but you know, I was blessed at, you know, with my logo, I, my co founder is G and you know, g really well. And he's, I mean, G is absolutely the smartest kid I've ever worked with. I think he's the Elon Musk of our industry. He's totally gene. So what he does, he has his work ethic is like, it's like having 12 people in one person. It's crazy. But luckily, he had come to work for us at Tiger Lee. So we had a long period of time, where I could work with him, and in a sense, got to vet him and knew someday I'd love to partner with this kid. I mean, what about

Chris: What about when you don't have that advantage? Right? And it's like somebody off the street, you know, or somewhere for? What are you doing to vet them out?

Howard: I mean, you're talking to people, you're talking to former employers, you're talking to former partners, you're doing a lot of online research. This is there's, you know, this is this is the standard stuff that that you have to do. I've been fortunate in in just in my last two companies where I had worked with the prior founders at both Tiger lead, and by logo. Cool. But But again, that's very, very important. Because I see this go off the rails so many times, we're all of a sudden, some partner starts stealing from the company or starts working another gig, and in a sense, not providing the fiduciary responsibility to his partner into the business, right. So there's all kinds of things that's important. Again, the other incredibly important thing is don't repeat yourself. Right? You're a great salesperson, don't go partner with another great salesperson. Yeah, right. You're the total quanta analytic job, you don't need that. Right? Find people who need you, and you find people that you need.

Chris: So after the certain I had no idea about the tutoring business, that's pretty cool. So what, what happened after the, after that company,

Howard: Right, so kind of went all different ways. And then, you know, this, this kid who had worked for me, at the tutoring company, showed me the system that he had built the 360 system that he had built, which was digital marketing, was micro HOME SEARCH websites, and then a purpose built CRM. And it was all in one system, right? It was incredible. I did the due diligence on it launched Tiger lead, we had hockey stick growth, as you pointed out, there was really nothing like it. And then we just refused to oversell the markets. Because there really was a cap in terms because we were doing nothing but Google pay per click, there really was no social media marketing at the time. Facebook didn't exist that didn't have it didn't have the digital marketing tools do.

Chris: Tell us what year were you resist? When did you guys sell

Howard: We started in 2007.

Chris: Okay

Howard: And we really had hockey stick growth. And the interesting thing is, you know, to go, Hey, with the Great Recession, right? We ended up being acquired by realtor.com in late 2012. But we really built this company during the Great Recession.

Chris: And you guys, I think I read an article you sold for like 20-30 million.

Howard: It was about 25 ish.

Chris: Yeah cool

Howard: We had no, we had no debt,

Chris: It's pretty huge considering is during the worst time in the history of real estate.

Howard: Well, we also had no debt we had no and we had no investors, like we own the house. We bootstrapped it. We got this thing with our we put money in and took any money out.

Chris: Wow, that's awesome.

Howard: Yeah. So things changed, right. You know, when I started my first tutoring company, you didn't have young 25 year olds running around with a PowerPoint, just a PowerPoint, and literally raising millions of dollars with no business, which is what you have. You know, people go back and look at you started your own business with 1500. dollars. Well, that's what we had to do. We didn't have a choice, right? Yeah, things have changed, right? We're still very, very capital efficient. We only raised 4 million bucks for y loca which is, you know, very, very capital efficient. Yeah, we both know companies in the space who have literally raised 50 to 100 million.

Chris: Insane number

Howard: Yeah, insane number by sometime next year, we local will be twice the size, probably by q2, we will be twice the size, then you know, when we sold Tigerland. So and we're still with a very, very, very beginning.

Chris: So before so I want to move on to talking more about Facebook, lead generation, lead conversion, lead quality, all that kind of stuff. But before doing that, could you like summarize what you would say are the, you know, key bullet points or the guidelines you live by to be a

great CEO, great leader of an organization and set yourself up for success to scale a really big business?

Howard: Yeah, so actually, I took this very seriously, Chris. So I actually, this morning, thought about it while I was working out and then I jotted down some notes, right. So I think really cool, kind of, you know what you're doing. So we've already talked about which is, which is the word leverage, everyone should write down the word leverage, right? You can only build a, you know, a medium to large sized business, if you escape the sort of me, myself and I, right. So you're leveraging the best partners, you could possibly find. You're leveraging the best employees that you could possibly work with. And you have to leverage technology. Those are the three things you have to leverage so that you can produce more, okay. I believe in specialization of tasks. So I bring this up, because I know that I think a lot of the audience, is that right, Chris? A lot of the audience are, are sort of running teams. Yep. classify a classified teams, like the smallest teams are the me myself. And it seems like have maybe a husband and wife team or two people or three people, and they're kind of doing everything. The next level is when you've maybe got a team of, let's say, buyers agents. But that's like a team of generalists where everybody's doing everything. I'm working with buyers, I'm working with sellers, I'm meeting you know, the appraiser I'm talking to the lenders I'm trying to do is a work, I'm doing transaction stuff, like everyone's doing everything, and they're just running around with chickens like their heads cut off, right? Yep. And then you get to the more sophisticated teams, the larger teams who can't get to that size, without then assembling a team of specialists. But I still see medium to large teams that that struggle with this. But what this comes down to running a real business, it would be absurd to think about, like my business, would I ever have someone in my finance department, working in sales, whatever, have some whatever pure sales person working in operations, whenever I have someone on my client success team, like working in digital marketing, like everybody's in their functional silo, and they're really great. They're great digital marketers. They're great programmers and technologists, they're great product people, they're great salespeople, they're great customer support people. We live in the real world. In the age of specialization, you have to so many teams that have people doing too many things. So they're never great, and focused on any one thing. And that's a really, really big issue. So So specialization, take a hard hard look at yourself and your team. And you have these generalist running around? Or do you really have specialized tasks? Right? Do you have buyers agents, listing agents, showing agents is a people who never leave the office, right? And that's what I want people to think about.

Chris: I think to that point, and by the way, anybody watching this on Facebook Live, feel free to comment in the comment section. If you have any questions for Howard, fire him away. Howard, I would beg to say like what some people might counter argue, to your point, which I agree with your point. But when you're when you're in that growing phase of your business, and you don't have enough revenue to support those hires, you end up wearing those hats. So it seems like you know, the key is though, when you get to a point when you have the revenue, outsource that task as quickly as possible. And don't get greedy, be willing to sacrifice the income to hire

somebody else. Because that person will help take you to that, you know, that next level? That's 510 x above where you would go.

Howard: Right. You know, you're absolutely right. And when I say me, myself, and I team of generalists, team of specialists, that is an evolution, its progression. So you and I are actually agreeing and saying the same thing. Yeah, you have to evolve and get there. Yeah. But also like, you know, business owners, like like, I'm a serial entrepreneur, right? We take risks. You know, I mean, I personally put in a half a million dollars myself into this company at the riskiest stage, when we really didn't have revenues, right. Yeah. So you know, again, sometimes we just have to say like, hey, let's raise some money, like I have a vision, let's raise some money, let's invest in the company. Right? And now I can hire the specialists. Yeah. And that's sort of another thing, which is I find way too many people who are not building performers, then they don't know the numbers, right? You've got to be a master of the numbers or work with someone who is, you've got to know all the dollars coming in exactly all the dollars coming out. You've got to know the ROI on every single expenditure you have, whether it's tech, whether it's people, whether it's I mean, it's everything, right. And you've got to be able to forecast out by minimum at least 12 months, I like 36 months for me, I always keep sort of rolling 36 months. And that's as far as you go. Because Beyond 36 months, it's just fiction, but I live by a budget, right? I'm looking month a month, right? What did I forecast? What was my budget? What did I actually do, right? And I'm looking at all the different line items. So So besides, you know, sort of, you know, know thyself, know the numbers, it's really, really important. The other concept is I've given talks about this, which I say is become a maverick, MAV Maverick, which is measurement, accountability, and visibility. And we really walk the walk here. So I don't just preach this to our clients, we really walked the walk here. And I and I think that I would say, Chris, like, I wasn't great at that probably my first business probably got a little bit better at it, maybe the second. And I think we're doing really, really well. Matter of fact, I would tell you that in the first early stages of y loco, we sucked at it, like our management team meetings, or executive team meetings if they happened, right. And that was, that's a bad thing, right? Because all of a sudden, she would say, Oh, I got this thing. And let's just do it next week. Or I'd call like, yeah, I'm on the road. Let's do it next week. That said, a very, very bad signal and precedent to the rest of our management team. But even so we walk into a management team, and we talk about all the stuff that's going on. But we've evolved over the last few years to a very, very tight meeting, where each of the division heads is sharing all of their numbers. So so the guiding principle is that you need to measure every single KPI or key,

Chris: performace indicator

Howard: indicator, right? That's, that's important. Like, you know, block out what's on important block out which is noise, right. But you've got to know your KPIs. And you've got to know your KPIs for sales, you got to know your KPIs for customer support and retention. You've got to know your KPIs for technology, deliverables, you've got to know your KPIs for finance, and you've got to and it's and they're there are not set in stone, they evolve, right? They're always

they're always getting better. And so every single head of every division comes to that meeting, and we go around the room, it's like clockwork, it's share, go over the numbers, where the numbers look like this week, from last week, this month, from last month, what does it look like on a quarterly rolling average? Right? And we're always working on it. But so we're measuring everything. Right. The other key thing is, and I think we've talked about how this relates to teams, is we're making the we're making these I'm not doing these in one on one silos, Converse siloed conversations with the department heads, I'm doing it in front of everybody, so that everyone's numbers are visible to everybody else. And that's really key for accountability. Right,

Chris: Let me ask about accountability. Is that a hard question? Is that a hard thing? Like actually enforcing accountability, like every week, you're going around people reporting their numbers? And like, you know, you want the KPIs to be here, but they're actually here. And after a couple weeks, like, you know, having that conversation with that person, off the side, is it I mean, how are you like,

Howard: I think the fact that we make it visible, that's why I call it, MAV, they all three work together. First off, you need to know what you're measuring and measure as much as possible. Secondly, it needs to be not just visible to you, right? It needs to be visible to everybody on the team of 360 visibility. And guess what, that's actually what makes people accountable. Because who wants to come to that meeting every week and your numbers, you're the only one not hitting your numbers? Yeah, everyone else is hitting your numbers. And if you miss your numbers, you're not, you're going to make sure that you don't miss your numbers again, next week or next month,

Chris: You had to fire anybody for missing numbers, for you know, 1,2,3 months.

Howard: So that's another principle. Right? I surround myself with positive people, I exise the negative. I think that in terms of firing people, we clearly do fire people who don't perform over a long period of time, but we give them we give them a lot of road, we try to coach them, we we will set up regular meetings with them, we give them a lot of opportunity to improve their numbers, I do believe in giving people chances. Where I don't give people chances is when they're really really disruptive people and negative people. So exercising the negative is another one of the principles I wrote down this morning for you, Chris, which is what I've learned. Now, with my gray hair, right, what I've learned is that it's for the most part, I would call the 8020 rule, for the most part, bad apples stay better. Like you just it's really that 20% of the time, we've seen people who are so receptive to constructive criticism that, and I you know, what, let me say that it's the people that construct that are they're receptive to constructive criticism, that's more but on performance, that's more on taking constructive criticism about maybe they're not a great listener, or maybe they're, they're not, you know, documented their numbers or whatever they do from a business standpoint. But people that are negative people, they don't change their stripes, and you need to get rid of them. And you need to get rid of them fast. And when you get rid of

them fast, you'll be surprised at the effect it has on your entire organization. So when it comes to firing people for performance, I really believe in letting people you know, change. And occasionally we've had people unbelievably responsive to the constructive criticism, and they have gone on to have terrific careers. But the people who stir the pot who cause trouble in your organization, who, you know, fight with other people, you know, like, you've got to get rid of them.

Chris: Got it. I am I'm taking a lot of notes has been good, man, I'm learning a lot. Hey, you got you got a great hair for every million dollars you made? So I hope I have a head full of gray hair one day?

Howard: Absolutely, absolutely. It's good. You know, it's good to look, I'm super humbled by by being part of my logo and working. This is the best executive team I've ever worked with. I've had some good, you know, good executive teams, but I love working this team. So this is the other thing we get back to which is, you know, like, what am i for i like this sort of quadrangle, these four boxes that for me, kind of critically important. And, you know, number one is that I've got to get up every morning, and just be really excited about what we're doing. I got really love what we're doing, or why the heck am I doing it? Right? life's short. Okay, so you got to get up every day and saying, I'm passionate about this, I love this, I love what we're doing, right. And you've also got to love the people that you work with, all the way around you, from your partners, to your executive team, to your employees. Now, how did the second box of that is I want the people I work with to be profoundly happy. You have to recognize that there's people you work with, who are very ambitious, who really think of this as a career and a journey and a life and they wanted to go on a great things, you have people like that, you also have to recognize that it's okay that some people you work with, it's not the live on and all they are doing this to make ends meet, they are doing this to pay their mortgage and pay their bills and all that kind of stuff. And they they have other things outside of work, right? They're musicians or, you know, they're athletes or whatever else they do, right? And that's what they drive, right? If that's okay, but but either camp that you work with, they need to be happy, right? So number one, I never create a work environment that I wouldn't want to work in myself. environment is very important. Its environment that you've put people in, right? You put people in, you know, cubicles, okay. I like to I like to have offices which have floor to ceiling windows, because I don't want to work in a cubicle myself. Right. So so those are the things that I that I that I think about. So that's the second box of my people feel part of it. You know, more importantly, the environment is the mission, right? They've got to feel part of the mission, whether it's rallying them against the encroaching competition, right, you've got to rally them around around that part of it right now for them to feel part of it. And I would say this is probably my worst thing as you can tell from this interview. I'm not the world's greatest listener. The least I recognize it. That's critical, right? Know thyself. Okay. So so I think that, from my first company, through my second to my third, I think that I'm better. And you've got to get feedback. Like we have like a zillion slack channels, I'm sure you do. One of them is literally the suggestion box. And anyone can post in the suggestion. And they know that G and I and the rest of the executive team are going

to see it, it's a 24 seven place where people can have sense talk to us, you've got to have this, you know, I don't like you know, an organization where feels like it's this, I really like it to feel more egalitarian. You know, no matter where someone is new organization, they can tell me anything. Like I want to hear it right. So you've got to be like, do you have an organization? You know, really critique yourself? Do you have an organization where everyone's heard? Do you have an organization where anyone can give you feedback? Right? And what are you doing to solicit that feedback? Right, we do something regularly called an all brains meeting. It's an all brains mean an all hands meeting when your brains I want to hear from you. I don't care where you are in the organization. Love that. So so. So make sure the the work with a really happy now your customers, right? You're my third box, right? I gotta be happy, my customer, my associates will be happy. My customers have to be happy. So we've got our wearable success coming up. I was truly, truly humbled when you know, Jesse Gorski great client of mine, San Diego texted me this weekend. He's like, he's like, Dude, this is like the most awaited conference all year. He's like, every team leader wants to go, they can't wait. I was like, whoa, I'm looking at my phone. I'm like, I gotta post this in my community, which I haven't posted yet. Like,

Chris: hey, when's the can just so everybody knows that's on here once the upcoming?

Howard: Yeah, it's in Marina Del Rey, which is our backyard, October 17, and 18th. So we're three weeks, I think two days away, or three weeks a day away? Who are

Chris: Who are some of the people you're most excited about having there that are going to share? And, you know, talk?

Howard: So I'm really a hard critique of conferences. I think there's like, there's no industry that has more coaches and more conferences than the real estate industry. It's absolutely amazing. I would love to have either, you know, Chris, the sheer number of conferences and I'm telling you, it's very different than 2007 when I started tiger, right, it's crazy number of online groups. It's nuts. Right? I honestly don't know how some people get stuff done there on Facebook so much. Yeah. Like, how do they actually run their own business? Okay. Yep. So, so look, we've got probably the hottest coach in real estate right now. Jon Cheplak. Coming. And he's coming for two days

Chris: Man, love Jon Cheplak

Howard: yeah, so Jon's gonna be with us for two days. And Jon is going to be in his lane, he's going to be talking about, he's going to be talking about recruiting, right, attracting great people to your team. And he's also gonna be talking a lot about retention. How do you keep people once you have them? Right? He's also gonna be talking a lot about productivity, how do you boost and maximize productivity, and our conference is made up of both of team leaders, as well as team members. So it's a tricky conference to pull off, right? Because we really need to

Speak to a broader audience. But one of my messages like we're all on the same team. I really, I really hate it when it's kind of like realtors who hate your tech vendors, you know, and say, Oh, you're not providing me enough value or your leads soccer, whatever it is, right? And then tech vendors who like don't like their clients who say, Well, no, we don't suck, you suck, you're bad at lead follow up, and you've got bad systems on and there's like this argument going on. I think it's silly, right? Because if my clients, you know, not everyone will be successful, every with every system, right? I know that not everybody is going to be successful, for whatever reason, on our system, but by far, the majority have to be successful. So so my success, my company's success is completely wrapped up in my client success. And that's like, my third box, right, which is my clients, when I run conferences, and we show up, our clients run up to us and like, hug us, like, we're family, which is so cool. You know, and, and we need to provide value, valuable service. You know, one of the great things back at Tiger lead was we've changed people's lives, I still have people who aren't even looking to swing by local clients. Some of them are, some of them aren't, who are just like, dude, we're forever indebted to you. Because of the stuff we learned along the way on the tiger Lee journey, that forever changed our business, no matter where they went and spent their money after that, it completely changed their journey, right. So that's like, super, super important. Um, you know, G, and Barry Jenkins, our realtor and residents. We've got a few realtor residences, I want to grow the number of realtor and residents, we have high level professors, I'm wearing our web Professor shirt. So we also have clients who are so good at using our system that we've dubbed them with professors. And it says here on the back, I'm here to help. And they're going to be running around the conference. Right? Nice. So it's a great idea. It's learning from our clients to build the best badass next stage technology. So all of these professors like they are going to be on stage, they are going to be literally ripping open the covers and saying, here's exactly what we do with the white label system, they'll be talking about things that are not necessarily to the white label system. But I mean, we're talking about everything, how to, you know how to win more listings, how to get more sellers using our tools, what you need to do in the age of buyers, we've got, you know, we've got some of the biggest teams literally in the world, we literally have the biggest max team in the world, we have the biggest team in the world, we've got the biggest, you know, expansion teams for KW, we've got the biggest HP guys, you're what's really cool is we work with all the brands, right, which is really nice. So we are digging into all the details. And my biggest critique of a lot of conferences is that their motivational and their inspirational and their rah rah and you feel so good, and when you walk out, but the next day, you go back to work the next Monday, you don't make \$1 more. Okay, that's my problem with most conferences, some are really hard critic of not only other conferences, but our conference, I want to be in the weeds. I mean, look at how in the weeds. Look at all the weeds, these boards are Wow, okay. That's how in the weeds we need to get. So like classroom style laptops open, like writing, writing, pearls of wisdom were like, there's a pro, there's a pro, there's a pro, like literally people will change their I mean, I'm overstating, they will change their business lives by going to a two day summit, because they don't know what they even have, right? They don't even know what they're not doing. And they're going to learn from and, and the other thing is, people that teach are also going to learn and people that are learning are also going to teach So, look, I'm obviously like

obsessed about it. You know, I think it's incredibly important from a psychological standpoint, from a cultural standpoint, and of course, from an educational standpoint. So I think we've got the right blend, there is some motivational stuff. There's some inspirational stuff, but a lot of it is like super hardcore, hardcore learning. breaking down the ultimate conversation breaking down literally what do you do from nine to five? What do you do every single day? What's the best work plan processes, systems, scripts, dialogues, we leave no stone unturned.

Chris: So October 16, and 17th Marina Del Rey

Howard: 17th and 18th, thursday and friday

Chris: Yeah, 17th and 18th cool and strike a website. People go to check it out.

Howard: it's not open to the public. It's only open to our own clients. So we have a we have a closed group the wealth of success community and so we you know, we we posted there are clients that are on the call that are not going and we were technically sold out. We there's there is you know, with basically, we were we wanted to close it off with 300 we now have 400 registrations. I cannot fit a single with digital person in the room. Other than you Chris, you need to come okay. So,

Chris: Man, I mean, I love Southern California

Howard: we're going to have almost a work hard play hard God, we're gonna work hard play our guy. We're gonna have a killer client appreciation party on the rooftop. Like we're gonna have the most amazing sunset overlooking all the boats and all of La Thursday night. Friday night, we're doing some cool stuff. We do a whole pub crawl and Reno Ray in Venice and end up at a super cool speakeasy.

Chris: Man, I just wrote down, okay, I'm gonna go tell my assistant to buy my ticket. So okay, so what was the fourth? You remember the four? The four squares you talked about last?

Howard: Lastly, you know, you've got to run a profitable business, right? I'm very old school, very Warren Buffett when it comes down to real revenues real profits. There were so many companies are space. You know, is Redfin, really profitable? Is Zillow profitable? Is the XP profitable is compass really profitable, like you can go on and on right was placed or ever profitable, right? You know, raised 100 mile, you can go on and on none, I'm a little bit old school, right. And I've seen guys become like, you know, people become immensely wealthy, and ultimately never have a profitable company. And I just think it's wrong. Okay, so I'm a little bit old school, I'm a know the numbers guy, right, I'm a watch the budgets guy. And I think that, you know, you know, I think that that's really critical. So my four boxes are, I got to be excited, the people I work with have to be excited, I've got to deliver a valuable service, or I don't want to be in the business to my clients, right, not sounding like a bill of goods. And ultimately, I've got to

eventually build a profitable business now. Now, as a tech company, you're not profitable for a long time. You know, you could be burning easily six figures, as you know, you can burning six figures a month, yeah. But you need to know, when you're going to hit that inflection point, we break even tread water for a while, and then get and then get profitable.

Chris: And then so at some of those get us and then earlier, you mentioned about some of those, those principles, you follow the leverage, you talked a lot about emotional intelligence, hiring people better than yourself, specialization of roles scaling into that as your business evolves. You also mentioned, knowing your numbers. If you don't know your numbers, hire someone to help you with budgeting, perform as, you know, financial model. So you have you know, understand what everybody should be making in order to have a profitable business. You mentioned the 12 to 36 month forecast of what this could look like. Talk about them. measurable accountability.

Howard: I think that I use the analogy of being a blocker and an unbeliever. Okay, so you remember the movie, The Blind Side? most important decision is the left tackle, right? predict the blind side of your quarterback. Yep, my job is to protect GE and our executive team and our clients. My job is to, is to and I think this, you have to write this down, right, you're always as a CEO, you always have to be looking around the corner. What does that mean? Looking around a corner, looking around a corner is trying to see things that not everyone can see. Right, you can't technically see what's around a corner, right? But you need to try to look around the corner, and be a blocker for things that can come at you in the future that can take your whole business down. So so that's really, really important for me. And if I'm in the weeds on leveraging technology, or leveraging other people I'm going to be in the weeds of and all these other things, right? I can't do what my job as a CEO is to do, which is to look around the corner and try to navigate the waters right in the right way. Okay, so it's like, it's like, you know, the ability to try and use your past experience and research to predict the future. The other thing is to be an unlocker, which is I really encourage my team to come to me to just brainstorm, what I find is, is that a lot of folks get blocked, a lot of your folks in your team get blocked, they have blockages, right, that prevent them from going to the next level of read them from producing more, but they can't get out of that block without some help. Right? And it's kind of like a writer, you know, writer who has writing block, what do they go and get? I have a neighbor, he actually hired a muse. There was a movie called The Muse great movies, Albert Brooks, right? You wouldn't hire the muse, which is the coolest thing in the world. Right? And then she completely on board, Tim, and he wrote this amazing book, right? So I think that as a CEO, I would also advise reaching out, send the signal to everyone on your team that you are there for them, you're receptive, to help them brainstorm them to think about what's blocking them, what's the problem, and they will be convinced, right, they will be convinced that there is an issue that they can't get around, but you brainstorm with them. And when together, you come up with a really creative solution. They're really thankful, and they're going to come back to you again, for some more help. So I think that that's, that's really, really important.

Chris: That's a good little nugget. Cool. Um, so I guess the pivot the conversation a little bit to something I am fascinated with, which is lead generation lead quality lead conversion. Talk to me about I mean, you guys are spending a million dollars a month just on Facebook, I know you're going into

Howard: about 10 million a year and realize we're on we're not at a million yet a month, we will be about 10 million a year, which we think pretty much puts us at the top of the industry.

Chris: So what have you like man, like the AHA is the things you've discovered? Like? Let's just, I want to hear it all. Okay, what have been your base to house lead? Gen lead quality conversion rates? Right. How do you accelerate closings?

Howard: Yeah. So I think that, you know, leads come in different flavors, right? They have different life cycle. They have different costs, different expectations. And when someone says, Oh, you know, Facebook is a source of bad leads, or social media, source of bad leads, they just don't know what they're talking about. Right? It those may be bad leads for them, and how they and their team are wired. That's very possible. And I can explain that. But this is sort of, you know, write them off as bad leads. It's completely preposterous, right? So, you know, in the age of giant, multi billion dollar companies spending a crap load of money on direct to consumer marketing, right, we know who they are. Okay, are you going to compete with them? on those, you know, on that battle ground, right? Are you going to compete with the the TV and radio and Google Pay Per Click spend of a Zillow like you're not right. So you know, what are you going to do? And, you know, one of the things that our clients do is, they recognize that the social media leads our leads that were Pro, and I hate the word leads, people have heard me say this before, but write down the word relationships. This could be a game changer. If you profoundly think about the difference between calling someone, some person, someone who has a family, somebody has a history, someone who has to move for certain reasons wants to buy or sell and reasons, to D, personalize them and demonize them and call them the lead does yourself a disservice. When you think about them as relationships. It's kind of a game changer. Because what we're doing

Chris: Paradigm shift

Howard: What's that?

Chris: it's a big paradigm shift.

Howard: It's a big paradigm shift,

Chris: Because you're not going to say, Oh, I have 100 relationships, sitting in the bucket, I can't get hold of,

Howard: Right. When you say I've got 100 leads, it's like, you can just toss them away. And like, Oh, I want leads, I want the close tomorrow leads, right? Yeah, if you think about them as relationships, you know, as a, as a team leader, or as a realtor, as a broker, you need to ultimately build what I call terminal value in your business. Right? What's your exit plan? What's your strategy, right? What are you going to build that actually has value so that you don't have to work your own ass off in production every single day for the rest of your life right? And one of the things you can do is build up over time and enormous database of relationships. And this is where we use technology. What do I say like? Well, it was very complicated. Like, we have a huge technology set. And people are like, Oh my god, I literally had to explain while ago to someone like in a 15, second elevator pitch, what I've come down to say is we've automated, you know, the relationship generation, I'm using that instead of leads. We've automated the relationship nurturing, providing the technology. So those leads, consumers relationships, keep coming back to the fishbowl of my clients, versus going to Zillow, or going to Realtor.com or going you know, open to or wherever else, right?

Chris: And you're using targeting ads to keep that Top of Mind awareness

Howard: That's right

Chris: And you guys to automate it. So then we don't have to figure out how to go like set those up. You guys already know what works and they're just they're just going.

Howard: And you're right. It's not only is it automated, like it's automating, right, the generation these relationships, my clients, but they don't do it, okay. You know, it's silly. I see companies who are saying, Hey, we can teach you how to do this and teach how to do this and give you this property, give me this tool. But now there's like team leader who's got a heck of a time trying to run a team and being a real estate, you know, person or broker, they've got to go and become a digital marketer. That's crazy. This All right. So automate that, automate this nurtures, you talked about the dynamic remarketing. So they're always coming back automatically, right? But But if the word dynamic is really, really important, so you know, people, they shift the move, like one day, the husband and wife is, is thinking about moving out to the suburbs, and all of a sudden, they're like, you know what, forget the suburbs, we want to go to the city center, or, you know, somebody, you know, got a big bonus and said, you know, what, we were looking at \$300,000 home, but now we can look at \$500,000 homes, they're always shifting right. So so by, you know, correct and proper nurture is dynamic. It's watching as their patterns are shifting, geography shifting number, veterans, bathrooms are shifting, prices are shifting, dynamically, getting in front of them with the right home at the right time, is critically important. Right? So automating that process, the nurture process. And now stage three where we are, which is I'm just over the moon with, which is also nurturing the relationship conversation, pro act being responsive, when when we notice that there's elevated search behavior, or elevated seller behavior, we've got to be there, tap you, my client on the shoulder and say, this person just did

this send you a text alert and say reach out to them right now. Because they just did this, right, that's reactive, we've been doing that. But now we're proactive. Now we have created raw real estate AI is your assistant, we've created an automated AI who can reach out to the consumers. And just every month, every once in a while every few weeks is tap them on the shoulder saying, blah, blah, blah, right? Haven't heard from you what's going on. And we think you might like the song, we're seeing what they're searching for. We can literally text them and send them homes, right, as Chris Waters assistant. And it's crazy. And for the first time, next week in Miami, I'm speaking at the real talk, I've put some of these conversations to animated voice. Really cool. No one's ever done before. And we're going to show these conversations and people be like, Oh, that's a real AI talking about No, that's a that's a bot. And that could happen concurrently. 500 times right. Now, at some point, a real person, a real agent, a real estate, it's got to stop, turn off. Right? Right, because we're still in the early stages this absurd to think they're going to be perfect, right? And, you know, and then take over the conversation, right? And I'm going to show some of those where the agent came in, watch the conversation. There's funny, like, they'll be at dinner, like for half an hour, watch this conversation, go on, turn off, right come in, take up the conversation, I'll put it to a different voice and see where it goes. So it's automating the relationship generation, automating the relationship, nurturing, automating the relationship conversation, doing all this, this is the essence of the partnership. Now, you know, social media leads, Facebook, Instagram, all these leads, these people are far out. Like that's a blessing. And it's a curse. It's a curse, because agents don't really want leads, they want appointments, right? So if you don't have the proper nurture systems, and the technology to keep an eye on these people and keep them close, keep them in your fishbowl and proactively create conversations. It's a problem. It's just not worth your time. Okay. But if you want to build a really valuable database over time of relationships, you need to go fish right now, upstream before they go down the Zilla waterfall, right? Go Fishing upstream, get the relationship out of the river out of the stream, put them in your nurture fishbowl before, so they they're always seeing the right homes, they're always seeing the right message, they're always seeing the right communication. So they never go to these large multi billion dollar portals, right? Keep them in your ecosystem, build it, build it, build it over time, guess what, after six months, the average social media lead is getting closer, they're getting a lot closer, could be six months, seven months, eight months. But if you've been investing in your business, like a real business, like I invested in my business, then guess what, six months, every single month at that point, leads are getting six months old, right? Which means you now have down funnel downstream leads. So it's an investment in time, you cannot if you have short patients, if you're add if you're short patients forget about social media rates right. Now the good thing about social media leads is they're very, very cost effective. Okay. So you can build this really giant database for what it would cost you just get a few leads from, let's say, the big portals. And the other thing is now the portals are absolutely moving towards getting into your pocketbook. They are reaching into your pockets. They want your commission splits. And there is nothing stopping them right now. It's 35%. There is nothing stopping them from 40% 45% 50%. There's nothing stopping them from kicking team leaders and brokers to the curb. It's Sunday going straight to agents, right. What they have figured out this will be super controversial, with their figured out which they should I'm

not blaming them, they're doing the right business decision. What they figured out, right, is they figured out in reality how to become brokerage without actually having to carry agents. It's pretty brilliant of the operations, none of the bricks and mortar, none of the legal headaches on the insurance headaches. And they figured out ultimately how to get a 5050 commission split, mark my words, it's where they're going. And then beyond that, they're going to reward people who use their ancillary services, they're going to reward people who use their mortgage or use their title, like there's a whole thing coming. Now I tell folks this, because I'm always trying to look around the corner. And I'll tell them five or six years ahead, they will listen. And then it happens. Right.

Chris: I can tell you that's coming down the pipe. It's happening. It's already happening.

Howard: So we're really excited also, about now kind of was interesting, as we started Tiger with Google Pay Per Click right, we avoided that whole thing for the longest time or while we wanted to be new and different and be on the cutting edge of social media lead generation. And while I was on three case studies on us, they want to do a fourth, which is just an honor. But now we're going to go back, and for the first time a little bit of a review, he'll Google's actually going to allow dynamic marketing. On the left, hey, some,

Chris: Hey something I'll break down that I appreciate as a customer is, so you guys have an integration for us with the MLS. And so the actual ad copy reflects the status of the listing in the MLS, which is pretty cool. And something something that I used to have to do is I used to have to have a virtual assistant go in and like build the ad put up the photos, pay that VA granted, I'm you know, the VA, you know, they work for like four or five bucks an hour. But like, you know, like that person that there must be else. Yeah, yeah, we would outsource it, but still four to \$5. Right. And so you do that times all your listings. And then if you're, you know, if you're updating the listing, every, you know, every time the status changes in the listing, you know, you would have a full time VA dedicated doing that. And that's what I had, and that VA, you know, I'm paying them \$902,000, which is cheap, but just to keep the Facebook ads updated for our listings. And so, you know, you keep you keep saying we're dynamic and I guess just for people like layman's terms, like some of the examples of the dynamic Are you know, like the the ad copy itself is updated real time. You don't have to go in there and edit it. And it's all based off what it's all based off like what what you change the MLS and and and so I was able to eliminate the VA completely with the white logo. And now our listing manager, she logs in why loco hits a green play button and it automatically

Howard: pull the listing we can run ads

Chris: Oh man, yeah

Howard: Yeah, open house. As soon as you've let you register an open house, and we're an open house as we can run, you know, coming on to the market as we can run 30 days in the

market ads, we can run pending ads, all that. And then we're going to be releasing diva dynamic video ads engine, which no one's released, where you can produce hundreds, if not thousands of videos at the touch of a button. changes your listing. It's a game changer, right? And again, this is not me, right? This is G. Right. And our and our CTO who no one even knows Chris, right? My partners of the best, right? But it's it's always it's always like forward thinking right? To finish out the lead thing, right? People need to think about not the sort of cost per lead, think about their clock, their cost per close. Think about their return on investment. Those are the metrics to think about, don't think about close rates, because you're close rates in Austin are different than your close rates in Beverly Hills, which are different than your close rates in Birmingham, Alabama. Think about your return on internet marketing, right? Or just

Chris: Or just your client acquisition cost.

Howard: the client acquisition costs, right? And and so you know, you know, people might like a portal lead because it's really they they think it's like really down funnel and short term, but it's so much drag extravagantly expensive. Kak

Chris: Your kak is like three, four times google or facebook. Three, four times,

Howard: you're not building up this giant, valuable database of relationships that some day, if you have a system in place, and a giant database of relationships that you've been building for years, that's now like, people have to understand is your most valuable leave someone someone that came in eight days ago, or someone that came in eight years ago? And I would argue with eight years ago, right? Because those people are ready to buy and sell again,

Chris: there's totally bought into?

Howard: Yeah, that's right. So so so so now we've built technology for the first time where we can keep them close to our clients forever. And think about that, right? And constantly reaching out to them, keeping tabs on them, where you don't physically have to do it yourselves. Okay. So that's what we think about what I really am fascinated about is this next level of Google marketing, where there is more search intent, I think Google marketing sits between kind of the portal lead, and the social media lead, right. So I think from a timeframe standpoint, this portfolio is super expensive, they've got your hands in your pockets, commission splits. They're really, really downstream, but good luck closing one. Then on the other side, you've got your social media leads build up a huge database in six months, seven months, eight months, nine months, they're constantly going to be like, business for you, buyers and sellers in the middle is going to be Google pay per click where their search intent there in between that live cycle, right in certain markets, that can be crazy expensive, San Francisco, San Diego, they can just be crazy expensive, because there's so much bidding, right? in other markets, we're finding we can

actually get that cost down to roughly where social media leads are, which is a game changer right? Now, again, no leads, I always said this, right? No leads are created equal. Okay, your social media leads will have the highest rate of valid contact information compared to your Google Pay Per Click leads, because they're pulling directly from Facebook, and the consumer originally put in valid contact information, okay, in the world of Google pay per click a much higher rate of invalid emails, phone numbers, because people know that game, right, just fill out some crap gets a search for homes, right? So so your rates are a little bit, they're not great there for Google, okay. But what we have found is much higher intent to buy in a shorter period of time, which more than makes up for the loss you have on some bad information. Now, if you also have technology over time, that can help you find this person, verify them bring in their contact information. That's a game changer. And that's what we're working on

Chris: I love that I'm really excited about the video stuff you're doing. And I think you do bring up an interesting point, like, you know, like for us, we found, you know, if you look at the short term, short term conversion rates, Facebook are going to be lower, you know, and then Google is a little bit better. And then third party portal leads that conversion rates are pretty high. You know, something else that, you know, Zillow is done for us and Austin is they now are scrubbing the leads for you. And we are finding really high double digit conversion rates for those which has been awesome. Yeah. But again, that the challenge then becomes your budget, right? Like you can, you know, you have to spend a spend a, you know, a lot of money, which is fine, if as long as you manage client acquisition costs. So I think for anybody watching this, it's just it's important for you to, you know, be mindful of what your budget is. And, you know, to your point, I think something you guys do really cool is you can help someone build a database really, really big. And then let's say they are spending money on leads through Zillow, realtor.com, any of these portals, whatever, you know, you can put them into y lo po and you guys can be the marketing engine to maintain Top of Mind awareness. Also, somebody could potentially leverage the AI bot that you guys have integrated

Howard: We have clients. we have tons of clients that buys old leads or realtor.com leads the combination of realtor.com leads or Zillow leads plus all of our nurture, and our productive conversation technology, the I stuff, they're there, they're taking their ROI on the portal lead zillow.com leads, and they're sending them through the roof. Right. That's, that's, that's really, really critical. But Chris, you reminded me of a really another critical point I wanted to bring up, which is diversification. Yeah, and this is another guiding principle for me as important as measurement, accountability visibility, which is never putting as a business owner all of your eggs in one basket, those people who put on all of their eggs in the basket, or put all of their eggs in the Zilla basket, right? That is just a bad business decision. You so so one of the things I do is, is, you know, first off, you just look at your risk, you have to do a risk analysis. Do you have everything locked up in one critical employee with no backfill? What if that employee does get sick? Or if they leave you? What are you going to do? How are you going to diversify yourself out of that key employee risk. But beyond that, and I've learned this lesson, by the way, the hard way, when I was if you have a client or a customer, that's like 75%, this is not really

relevant for team leaders, right? But But if you have a client that represents if you're doing enterprise sales, and a client represents 75% of your revenues, that's really a bad position to be in. Okay. Um, but also, if you have a relationship source or lead source, and you're relying 100%, on realtor.com, or Zillow, or 90%, of real.com, or Zillow, right, you're all in with these guys. You need to be very, very careful, because you cannot count on that relationship forever. God bless you. I hope that it's that it is forever, I hope that they're great for you for 10 years, or 20 years. But you cannot, you've got to diversify out of that. You've got to play out the scenario. Again, looking around the corner, play out the scenario, what if they change the rules on me again? What happens if they drastically changed the price? What happens if they drastically changed the commission splits, what happens if something I don't even know about happens, okay? I've seen teams literally crumble and implode, because they had all their eggs in one basket, the rules of the road changed, and they weren't wired for it. So that's really critical. This is a very tough thing people like to like, put their head in the ground avoid it, this is a tough one to avoid. So when it comes to clients, customers, vendors, suppliers, technology providers, you know, employs you've got to look at all of that, like do does my company rely? You know, 100% on one piece of technology? If it does, I'm sure she can build it. Okay. Right. Because if they get acquired or something happens to them, I'm shoot out of luck, and I'm not going to be shoot out of luck

Chris: Yeah. I love that. Well, hey, Howard. We've we've gone way over in an hour. And I could we could probably keep this going. Because I have a lot more questions about like optimizing conversion cycles, but for the sake of time, you have an amazing group of people at why loco people are watching this want to learn more about why loco, you get the y lo professors. You know, the you know, I don't know how much g gets involved in working with customers now because he's busy on the on the on the development side, but yeah, anybody watching this

Howard: We talk about blocking and unblocking and he came through and they said he's on he's been on the phone six hours every day with VIP clients like yourself? Yeah. Is that his lane? Yeah, he's lane working on diva and dynamic marketing for Google. And you know, all the next next generation stuff, you need to be working on digital marketing and product. Again, I got a brainstorm with them. How do I block him? And that's where our realtors and residents and our professors come in.

Chris: Yep. Cool. Howard, thank you so much for being on. I'm super, super glad you got to be on here. I'll see you on October 17 and 18th in Marina Del Rey, I took I took a ton of notes. I took 15 pages of notes here

Howard: I'm honored man. I'm honored you took notes.

Chris: Yeah, those those were some great notes on just you know, some great nuggets or pearls as you call them to help everybody level up as CEO and entrepreneur tried to take their team business to the next level. And, you know, I'm a big fan of why low post super excited about

what you guys are doing. You know, I think if I Lopez kind of like it's almost like a, you know, it kind of replaced a marketing person on my team sort of, you know, because like, they don't, I don't have to go hire somebody that's like a savant at Facebook marketing. They can leverage you know, by local and live just hit a play button to get a listing to go live where to generate buyer leads or seller leads and you know, restart, or, you know, the retargeting stuff happens automatically, like, it's it's like, I don't know, y'all, you could not have made it any more simple. So I don't know, I'm sure that was the intent. But like, it's if you're technically challenged, you will figure out how to use y loco, It is that easy.

Howard: We were listening to you guys. And we're trying to automate things we're trying to get you to, you know, eliminate some expenses people expenses, people will have to hire we do not have to hire super expensive I essays, we've got people cut down the number of essays. That's what we're trying to do. It's a partnership.

Chris: Yeah, man, I love the the AI part. But the conversations, you know, like I was used to having these drip text message, SMS texting features, as used to that. And like, I thought, when you guys rolled this out, I thought it was gonna be like that. But then I started following these conversation. Like, that sounds like a real person talking to him. I was like, Oh, my God. And then you know, it just it helps enhance lead engagement. So you know, what leads to actually, you know, what relationship should be maintaining and trying to convert? You like that relationship? said it. Yeah,

Howard: actually. And I promise you with a very, very beginning of AI, really, at the very beginning, it's gonna get a lot better. So

Chris: it's cool. Well, Howard, thanks again for being on for those you guys watching on the Facebook group. I'll try to get to your comments section. I'm sorry, I hadn't been watching it. We've had quite a few people on the on the live piece I've been I've been furiously taking notes here. And every every, every time I get a chance to get it, you know, spending time with you, Howard, I always walk away at you know, substantially smarter. So

Howard: Coming from you, man. That's that's like, that's gonna put me in a good mood for the rest of the month.

Chris: Well, thank you, Howard. I'll see you in a couple weeks. And for those of you guys watching, you guys can check this out on iTunes. We'll have it up on YouTube soon. And if you're not a member of our private Facebook group, it's an invitation only group you've got to have a team it's got to be at a certain size but send me an email or reach out to us just go to let's go to chris chris waters HQ. com. We've got some of our resources on there like the the book The million dollar real estate team, which a lot of you guys have. I think most a lot of people in this group have purchased. But we're giving the book away for free. So anybody

watching you guys can go check out the book. You guys get a copy of it. But Howard, thanks again. And yeah, look, look forward to connecting in a couple weeks.

Howard: Cool. See ya.