

#005 Bad Business Partners — Talk to Your Business Partner About These 8 Topics

by Megan Galane featuring Jason Brown

Megan: Hello, everyone! Thank you for joining me today on refuse defeat. Today, I have Jason here. He's a real estate investor in the Florida area and I'll actually let him tell a little bit about himself.

Jason: Hey everybody, my name is Jason Brown, as Megan said I'm a real estate investor. What that means is I work directly with homeowners. I buy number of houses and I'm not listed as a realtor but that's actually my profession. Do a lot of remodel to increase the value and I sell some and depending on the situation I keep rental properties in my portfolio. And I also like a lot of creative transactions so we do a lot of creative finance with the lease, we buy them which is really fun.

Megan: So there's some ugly house that's on my street, can I call you to come take care of that?

Jason: The uglier the better but in all seriousness, that's what an opportunity is. When you buy the house in these worth, you can fix that, increase the value drastically and that's also where you can get the discount.

Megan: And the neighbors will like you.

Jason: Oh yeah, yeah the neighbors will, you know with a house that's an eyesore and then they will be rooting for you with the finger foam and they'll say "Go guys!" and then "good luck".

Megan: So, you have been in real estate for how many years now?

Jason: Going on three.

Megan: Three years, how did you get started?

Jason: Okay, so how did I get started? I saw this thing once, it's a "Free Financial Education Seminar" and what not that turned out to be this rich dad. So, a lot of people though very, very common rich dad, poor dad. The book it's a, it's a good book, all the mindset of having investing mindset. As supposed to you know, sort of consumer mindset. But they have real estate courses, and I made the wrong decision of choosing to take one of those with a friend and then you know so they teach you a little something of here and there. It's just an overpriced garbage, but then I got connected with real people in the area to go in real estate meetings and different events and I got acquainted with and became friends with some of the best investors, literally in the country that we have right here in Tampa bay, you know guys been doing it for forty-five, fifty years early. Multiple people like that with, you know, rental portfolios, merge portfolios, guys that fixes solar houses and that is really where I grew and how I really started this with them.

Megan: What was your biggest failure in your business?

Jason: So I got a little things listed. Uh no I'm just kidding. No, biggest failure, so when I got started. You know I learned some things, and I was ready to go out there and make stuffs happen but the challenge is I've never bought a house before, I definitely didn't have the money to buy a house so what I did, I went to some real estate meeting and I look for, I look for someone to work with. I look for someone who I can bring my needs to and I can partner with to make deals happen, kind of like a mentor. So I found the person who, this person you know, seem to have a lot of experience, seem to have a good reputation and what I did was I started bringing all my leads to this guy. My hopes was that he could teach me some strategies on structuring the deal right, he'll help me negotiate them. Help get on the contract. That I would hope some selling strategies and I can get result faster. And would also help with the financing so all the Jacks. Along the way, I had, I'm going to say, four houses that I gotten leads on these properties and we negotiated and I gotten contracts to buy these houses. Great deals by the way, all great deals and the sellers backed out on him. You know, I wasn't sure why at the time, what was going on. I just had this funny feeling for along the way towards the end of our relationship between me and this person, he started doing some unethical things with sellers, and I was not okay with it. He was doing those things with me. It just became a real problem, where at this point, it had snowballed into something so big. You know I realized now why all these sellers had backed out because they can see this guy who he was. I was just so driven to get deals that I was just bringing it to him and make it happen. Essentially what happen was, I partnered with the wrong person, lost out on multiple deals and tens of thousands of dollars and the beginning stages of my business which was hurt financially, that was really discouraging. I mean very stressful.

Megan: You should have gotten many deals, like at the beginning of your career. Where it was like — I'm doing this like, I'm actually doing this and not have it go through.

Jason: Well what was really rough also was I was doing all sorts of marketing. You know I was doing arcsigns on that. Spent thousands of dollars on direct channel. I knocked on over a thousand doors, I called cold calls hundreds of people from Zulu, Craig's List. So I put in a lot of work just to have it essentially not work out and it wasn't even my fault directly.

Megan: What lesson did you learn in this process?

Jason: So, the lesson would really be, I think the lesson most people would jump to from this is don't partner with people. Well that's not the case because I've got really far by partnering with people and I still partner with people to this day for the reason that, we can't do it all on your own. You know, it's just your synergy when you work with good people, with bad people there's opposite effect and then partnering with people has enabled me to essentially do deals when I don't have enough money to do the deal or didn't have any connection. So the lesson was not to partner with people. There was really two lessons kind of number one, follow your gut instinct with people right, so we get a funny feeling with someone at all, I follow it, I will not work with it. So I learned a little bit how to screen people but the real lesson was really when something starts to go wrong in a relationship, you know relationship with business, when something starts to go wrong with your partner or who you're working with, we have a, I have the tendency to let it ride because it's very uncomfortable to address it. Hey this contract fell though, I don't know why, what went wrong, you know because you don't want to blame somebody, right? And you don't want to have that conflict and you know you like that person and I didn't miss the timing.

The real lesson is when things go wrong, you address it right away. You know you got to toughen up and you got to be frank about it, you got to say hey, you know you had two contracts that have fallen through, sellers said they dislike you, this happen you know this is a problem. Tell me what going on because this isn't going to keep happening. I put in a lot of work, I spent a lot of money and this isn't working out, you know let's talk. Had I done that in the beginning stages, it wouldn't have snowballed in tens of thousands of dollars you know. So the real lesson is don't allow people you're working with things to go wrong and snowballing into huge issues, address it early on and that goes not just with partners, but that goes with making a deal, address everything upfront, right? So as for you to kind of like problem in a pitch.

Megan: And then also in congruent with that is how did you, like, handle the situation? Was that another challenge? I mean I can only imagine at when you go to those sellers.

Jason: Yeah so, handling the situation when deals fell through they fell through there's no salvaging it. You know so that's just that tens and thousands of dollars are gone. The only thing that I can really do was essentially cut ties with that person and you know, there's not much you can do. Once things snowballing to a big problem, you know you're done. And some people have bigger problems. They went into a company that somebody had assets. So now you have to look into court problems. For me it was as simple as having the conversation once it snowballed which is super stressful, because I didn't know what to say, but I knew I had to do something at this point because it's so bad. I said hey you're unethical, I don't like you, I don't want to work with you. These things happen, I'm not working with you anymore it's like that and I have to do that. Other people, if you let snowball too big now you're in court, so for me it was relatively easy but extremely stressful. So how I solve it was just basically cutting ties.

Megan: Good lesson to learn. Partnerships are hard. (**Jason:** Stressful lesson.) Yes. Partnerships are all based on how you react, how you guys with feel or react. There's so much that goes into any partnership and then on top of trying to renew the business and learn from this person.

Jason: Yes, so I really think just flows down to the communication. You know so I left with anybody, for as long when it talks. Let's boil it down to communicate. You know upfront, completely, in entirety, address things otherwise you know problems just get bigger and what I could take away from my failures. The other nine I got a list that goes through in my head, uh it's like communicate.

Megan: Communicate. Number one is communication which is a great lesson. Thank you so much Jason.

Jason: Thank you for having me.

Megan: For coming on Refuse Defeat. I'm so glad to hear about your failure in your business and glad you're doing well now.

Jason: Yep, will be here for the next nine weeks, with more failures.

Megan: Thank you for joining.