

PropertyInvesting.com 'Insider'

Discover proven tips, strategies and techniques to dramatically increase your property investing profits

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Hi and welcome to your December 2003 edition of *Insider* - the e-zine outlining how to successfully invest in real estate that delivers a positive cashflow outcome.

If this is the first time you're receiving this newsletter, then welcome to the PropertyInvesting.com community! Don't forget to regularly check out our internet [forum boards](#) to leverage off other people's knowledge, as well as getting your questions answered.

As we begin to wind down for 2003, I thought this would be a fantastic opportunity to touch on the topic of goal setting. Most of us like to flesh out a few New Year's resolutions, so hopefully the information I've written will be helpful when you plan your path to success in 2004.

Included in this Christmas edition of Insider, you'll find;

- [The Power of Setting Goals](#) - and how it helped to boost my property investing success
- [How to Plan for Success, and Get the Best out of 2004](#)
- [A Christmas Gift from PropertyInvesting.com](#)

Power of Setting Goals

As one year ends and another begins, it's the traditional time to think about what we want to change to improve our lives. In the spirit of renewal, we make New Year's Resolutions; some last permanently, most last only moments.

I believe that the secret is to take the process one step further and differentiate the resolutions that are 'maybes' from the resolutions that are 'musts'. All too often we fall for the desire to want change, without the substantial willpower needed to take consistent and permanent action.

I'd like to share a defining moment in Dave's and my investing career. It was the first time that we were faced with the realisation that to make our goal of financial independence a reality, we needed to work harder, smarter and take drastic action.

It was late November 2000. We were meeting in my loungeroom to discuss our progress to date. We'd achieved some good results, but not anything to get truly excited about. Based on the cashflow we were achieving, we worked out that we needed to acquire a further 26 positive cashflow properties in order to achieve sufficient passive income to replace the salary we were deriving from our accounting practice (approx \$50,000 each).

By doing this simple task, in terms of our investing goals, we identified where we were now and also where we wanted to be. The last thing to set was the date by which we wanted to achieve our goal.

It took some massive visualisation, but we decided to acquire the additional 26 properties by the end of February. Taking away the Christmas/New Year period (where the country seems to shut down), we were left with a mere 90 days to do 26 deals, which equated to about two deals a week.

Now, don't get me wrong, even after buying these additional properties we weren't going to be able to retire on lobster and caviar for life. But we knew that if we could get to our goal we'd have enough passive income to stop relying on the accounting firm to pay for our lifestyle expenses and we'd regain control of our time.

The last step in our goal setting process was to allocate responsibility of who did what. Since Dave had responsibility for taking care of his accounting clients, we agreed that he'd have to find ten deals while I'd have to buy sixteen.

Our goals sounded pretty good (and easy) on paper, but like most things in life it was a lot more difficult to turn good intention into reality. When we tallied up our purchases at the end of February, we found that we'd only bought 18 properties, which was disappointing since our ultimate goal was 26.

In hindsight, this process taught us a lot about setting goals.

First, you need to have a realistic goal, not some pie in the sky type outcome that you, in your heart of hearts, don't feel is achievable.

Second, it is wise to set some milestones for you to accomplish so that you recognise the progress you're making.

Third, and perhaps most importantly, you need to be accountable for what you both do and don't do. You can only achieve this by clarifying responsibility and regularly monitoring your progress.

In summary, the lessons learned from this exercise were:

1. **Think big, but keep it realistic** - come up with a goal that's challenging and out of your comfort zone, but realistic enough to be achievable.
2. **Set a goal** - and set a deadline for achieving your goals too. Track your progress along the way and hold yourself accountable for making the end goal happen.
3. **Break it down into mini steps** - map out how you are going to get from where you are now, to where you want to go. What tasks are involved? What steps will you take, when and how? And;
4. **Take immediate and massive action** - start building momentum right now. You can always procrastinate later.

Finally, you need to decide whether your success is a maybe, or whether it is a must!

Planning for Success - How to Get the Best out of 2004

When it comes time to writing your New Years Resolutions, an action plan, or some goals for the New Year, doing it properly (rather than giving lip service only) can be an overwhelming task. It's the old saying of "the way to eat an elephant is one bite at a time."

The system which I use when setting goals helps to simplify things so that identifying and achieving goals can be a breeze!

It's easy, and involves a three part process. It can be broken down into;

1. Mission
2. Strategy
3. Tactic

Mission *n.* - *An inner calling to pursue an activity or perform a service.*

Your Mission is your end purpose or your ultimate goal and is the product of thinking big and beyond your comfort zone.

Your mission needs to be very specific in spelling out what you want to achieve and a clear time deadline for when it must be achieved.

For example, your mission may be "To lose 10 kilos by Friday February 21st, 2004." On the other hand, an investing goal may be, "To own a portfolio of income producing investments, generating \$50,000 per year by July 30th, 2005."

Whatever it is, write it down and keep it somewhere where you will read it over and over again. Perhaps you'll stick it to the back of your toilet door, put it in your wallet, make it the background on your computer, or laminate it and put it in the shower.

Dave and I have our end goal printed in bold letters, and stuck to the walls opposite our desks. Whenever we look up from our desks, we can read our mission, and ask ourselves whether what we're working on is getting us closer to our end goal. It is a constant reminder that we have a goal and that it's a **MUST**, not a maybe.

Your mission, should you choose to accept it :, is to grab a pen and a piece of paper right now and spend some time writing down (1) a personal mission and (2) a financial mission that can be achieved in 2004..

Strategy *n.* - *A plan of action intended to accomplish a specific goal. An elaborate and systematic plan of action.*

OK - now that you've got your mission, how are you going to achieve it?

If you have a copy of "[From 0 to 130 Properties in 3.5 Years](#)", you'll hopefully have read what I wrote about the path of least resistance (Chapter 17). In this chapter I say that the strategy (ie. Action plans) you use should allow you to travel along the path of least resistance, which is the fastest and easiest way to travel from where you are now, to where you want to go.

By way of an example, if your mission was to lose 10 kilos by February 21st, you may decide that the fastest way to lose those 10 kilos was to adopt a double-barrel strategy that involved healthy eating (not too much Christmas Pudding!) and sensible exercise.

If your financial mission was to generate \$50,000 worth of positive cashflow from investments by July 30th, 2005, you'll need to decide how you'll invest to maximise your cashflow returns. Questions to consider include:

- How much time will you spend working on your investments?
- How much money will you need?
- How will you get the most out of both?

Another important component of any longterm sustainable change is the acceptance and execution of delayed gratification. To make a change you'll need to sacrifice something you're doing now to make time or space for the new

possibility to occur. In short - you'll need to prioritise... what's more important, looking good or a chocolate TimTam? When deciding whether or not to sacrifice, I remind myself that my goal is a MUST, not a maybe.

If you're having trouble fitting everything into the available timeframe, you'll need to sacrifice something you're doing now to create the time to do something new.

If your problem is finding money to invest, what are you going to do to get the money you need to reach your goal? Will you work more? Will you take on money partners? How will you find the money partners?

A lot of people dream about having financial freedom, but I won't lie to you - it's a lot of hard work to get it. I've had to spend a lot of time away from my wife Julie, I've worked more nights and weekends than I'd like to remember, and often longer hours than any time when I was an employee - even more so in that 90 day period when Dave and I were striving to buy 26 properties.

Dave made sacrifices too - including being absent on property business when his second child was born. Once again - our goal was a MUST, and the sacrifices we made were sometimes very costly in a personal sense. Yet the rewards we receive now make it all worthwhile.

In summary, once you know what you want (mission), the next step is to decide the action steps necessary to make it a reality (strategies). Once you have set your mission, write down some strategies that will see you turn your goal from being an idea to being something that is achievable.

Tactic n. - An expedient for achieving a goal; a manoeuvre.

If your goal is to lose 10 kilos by February 21st, no doubt you'll have a series of tactics that will add flesh to your strategy.

If one of your strategies was to exercise more, your tactics may include doing aerobics classes on Monday and Wednesday nights, walking around the block every morning, or getting one of those 6-Minute-Abs programs like the ones on TV.

Similarly, if your strategy was to invest in positive cashflow property, some tactics may include identifying gaps in your knowledge or seeking further help or education (I hear there are some great resources available at PropertyInvesting.com [wink] [wink]) Alternatively it will mean hooking up with likeminded people and teaching your ideas which cements your own understanding at the same time.

Having identified a mission and several strategies, I invite you to now flesh out several tactics that will enable you to clearly see the tasks involved in winning the minor battles needed to achieve your goals.

Writing your action plans down is important, however, this will count for nothing unless you actually take action (which sometimes means making a sacrifice and going without) Don't wait for January 1... anything worthwhile is worthwhile doing now! It's not too late to get started on that new eating regime, calling real estate agents (property is still for sale at Christmas time), make appointments to inspect properties (in fact, buying during a quiet time may help you negotiate a bargain), or call your accountant and get that structure set up.

Don't delay! Do the thing that's holding you back, and do it now.

A Christmas Gift from PropertyInvesting.com

To thank you for your support and participation in the PropertyInvesting.com community, I'm offering you a Christmas present as a token of my appreciation for your support.

I've created a FREE simple planning page which you can use to begin to help you set goals for 2004. It's [available for you to download](#) in Word or PDF format.

Also, if you've joined PropertyInvesting.com in the last year, it's likely that you've missed out on last year's Christmas present - a simple financial calculator with a built in deal evaluation spreadsheet that's written in Microsoft Excel. As a gesture of goodwill, we've uploaded a link for this resource on the same webpage.

Note: You will need Microsoft Excel 5.0/95 or later to open the file.

Summary

This month we've taken a very intensive look at goals; how they've been a critical success factor in my investing journey, and how they will be in yours too.

We looked at the elements involved in setting goals:

1. Think big
2. Set a goal,
3. Break it down into mini steps, and,
4. Take immediate and massive action.

Also, I outlined the way that Dave and I break down our goals into easily manageable tasks - a three part process of;

1. Mission
2. Strategy
3. Tactic

Well, that's about it for Insider for 2003. I sincerely hope that you've been able to profit from the insights outlined in this resource. Furthermore I pray that the upcoming holiday season brings you peace and time to rest, reflect, and plan for the year ahead. Until next year remember - **success comes from doing things differently!**

Wishing you a very Merry Christmas and a fabulous 2004!

Warm regards,

Steve McKnight

P.S. Remember your [free Christmas gifts!](#)

P.P.S. Don't forget our Christmas special offer... receive a free 'Tales from the Trenches' (value \$95) when you buy [WealthGuardian for the special low price of just \\$215.](#)