

DNRE10 - Jay Kinder

Casanova Brooks: [00:01:27] What's up DreamNation. We are back again with another real estate podcast. And this time I'm excited because I get to learn from one of my brothers about how he's been able to build the massive empire that he already has, but at the same time, how you can do the same thing. And what's he doing right now in real estate?

Or where does he see the market going? So stay tuned because this one I'm sure is going to be action packed, but without further ado, help me welcome my brother, Mr. Jay Kinder to the show. Jay, you want to go ahead and say what's up to DreamNation.

Jay Kinder: [00:02:02] What's up DreamNation. I'm honored to be here. Happy to be here. Hopefully going to add some value to your life today. That's my goal and always my goal. So it's a pleasure to be here, man. For sure.

Casanova Brooks: [00:02:12] Man. I love it. And so right now, are you in Texas though?

Jay Kinder: [00:02:16] Yup. I'm in Frisco, Texas for the time being. I've been living here since 2013, originally from a little lot in Oklahoma. So my first real estate business was in Lawton, Oklahoma.

Casanova Brooks: [00:02:29] Got it. I love it. And I always like to make sure that we give the proper introduction. So obviously I know who you are and thousands of other people know who you are, but for anybody who is listening to this, and has not heard of you before.

I always like to think of us as real estate agents and really just entrepreneurs, just like superheroes. And why is because we're constantly putting on a cape. We're flying around the world and we're trying to solve the biggest problems. So before you've been featured in national publications, before you've now had a team of 10,000 agents and growing, If we could say, get back to when you were just a young boy, tell me who is Jay Kinder.

Jay Kinder: [00:03:07] Oh man. So you know, how young are we going? How far back are we going?

Casanova Brooks: [00:03:11] Brief rundown of it. As a kid where you always who you are now?

Jay Kinder: [00:03:14] Absolutely not. I was voted most, in school, I've always been a little bit of a rebel, played. I would jokingly tell people I graduated in the top 25 of my class, but there was only 36 of us. I went to a really small school. I grew up in the country. No brothers, no sisters. And I had a lot of time to myself. I rode the bus to school and we lived out in the country. So there was no neighbors, nobody really, so I just did my own thing. Out in the country, blow stuff up, go fishing, go catching crawdads, stuff like that.

So I grew up in the country, and went to a small school and I played every sport. I wasn't very good at any of them. That's pretty much, just, I really didn't know where I was going to go with my life. One thing I did know is, I didn't want to get real estate at the time that I graduated and mainly it was because, my dad was in real estate and the only thing I really

knew about real estate was that he was always later than he said he was going to be. And he was always pissed off when it was time to go on vacation. So what I know now is it's hard to leave your business and, I have a different perspective now being in it.

But when I graduated high school, I had no idea what I was going to do. I went to college for a couple semesters and then I saw a guy, I'd been mowing my dad's rental property. So I was mowing yards and going to college and, got all the crappy yards is what he always gave me.

The people that moved out and didn't pay the rent and didn't mow the grass. So those are the yards that I got to mow. And I remember coming in one day I was getting my check. It was like \$400 and this agent that he didn't look like he had done anything that day. And he was getting and picking up a check from my dad was over \$5,000.

And I was like, okay. What do you do today? I feel like I worked pretty hard to get this \$400, but he didn't look like he's broke a sweat today. And that was what I started being interested in and maybe getting into real estate and so started taking the class and what got me interested was I saw, should I do that once a month? And that'd be pretty good to go. But that was my foray into real estate.

Casanova Brooks: [00:05:07] I love it. Now, when you first got in, where did you get, was it an easy road for you because you already had your dad or like where did you start to get your business from?

Jay Kinder: [00:05:17] Yeah, I struggled. The one thing that we were actually, we were just talking about this a little earlier today, the one thing that probably helped me the most was I remember, I can't remember the guy's name. But he came in to the office and he was looking for my dad because my dad had taken this Dale Carnegie course. And then when they come back through town, they would always, go back and visit the people.

And "Hey, who do you know that might want to take the class?" While I was standing up in front of the office and he'd asked for my dad and he would "You want to go?" And I was like, I don't even know what it is, what is it? And so they started telling me what he did, I didn't really want to do it.

Cause I wasn't naturally like comfortable speaking in front of people or anything like that, but I didn't really know what this class was really all about. So I said, yeah, sure. If you're gonna pay for it, I'll go. And so he signed me up and, that was, that was where I read the first book I ever read, which was How to Win Friends and Influence People.

Nobody could have convinced me to read a book at this time in my life. I was just, I didn't read books. If you'd have told me I was going to have read as many books as I have, usually on Audible, I would have told you're crazy at that age, but I read that book and it was a game changer.

That book was really good. I just listened to it again, actually this last week, everyone should listen to that book. That's a great book. So going through that was really helpful. But I was always going to these different classes, like if somebody was teaching something, I

remember there's one guy named Roger Butcher that, you know, and this is how long ago it was.

They send out these blasts faxes to every real estate office. And then that stuff would be laying around, up front and that was a freeway of marketing back in the day, by the way, which was really gangster. I actually went to a class where they taught you how to do broadcast fax and gets your marketing in front of everybody that has a fax machine. That was actually a thing.

Casanova Brooks: [00:06:53] I never heard of broadcast fax.

Jay Kinder: [00:06:56] So the beauty of it was, is you're using someone else's paper, the cost was nothing. It was actually brilliant. And they actually have laws around it now that you can't do it . From back in the day when everybody had a fax machine, but those were the days.

So anyways, I get to this class, some guy Roger Butcher, and he's got all these things he's going to teach or whatever FSBOs and all this sort of stuff. My dad had bought a Coldwell Banker. So I had gone to that year. I got my license. I went to the event and I sat through a bunch of these classes.

People teach and stuff like David Knox and some of these other people. And I was picking up little nuggets along the way. And I think it took me a few months to make my first sale. I remember one of the agents in the office tried to steal the deal from me, trying to help me, but then tried to take it from me.

I'm like, what, is he really trying to steal this client from me? and I, it was not easy, I would say for sure. I remember that there were some expired listings that the company had and my dad was, nobody wanted them and they were REO. I didn't know what that meant, but I was like, they were like all under 40,000.

I was like, I'll take them. You have to me. So I picked up an REO count early on and there was never any money made with that. There's so low commissions, 750 bucks or something like that was all you made, and I was on a split, of course at the time, so it didn't really make a whole lot of money, but I ended up selling like 20 houses, I think in the first full year, coming into 1998.

And so that was my first full year was, I think it was 22 houses that I sold in. Most of it was buyers coming from floor time. and then I started figuring out FSBOs and expired that year as well. And so I had a handful, I remember filling out my goal sheet word. My last 10 deals, where they came from and it was like personal referral.

Alright. REO. And then it was expired. FSBO, expired. Like you could see what's working right? These expired things are working pretty good. And so that was really where, that's where I learned, when a listing was working FSBOs and expires, for sure.

Casanova Brooks: [00:08:48] Love it. I love it, man. Now you were able to then gain the recognition and then start a coaching business. So you started coaching. What was the

transition like for that? And did it come out of a necessity? Did you get thrown in or what was that like?

Jay Kinder: [00:09:04] Oh yeah, man. So I continue to sell real estate. And, got a good friend of mine, Mike Reese into real estate. I was probably 20, this time I was probably 22, maybe 23 years old. And I was selling probably three or 400 homes a year. At my peak, I did 531 homes in one year.

Casanova Brooks: [00:09:20] Did you have a team?

Jay Kinder: [00:09:21] Yeah, I built a team. I built a big team, and about three years prior to that, still on 300+ homes, I saw a buddy of mine, Mike Reese at Lake Texoma.

I knew him from the one college clerk course that we took together. It was like, it was a music appreciation, I think. And he used to laugh because I say I would stay for roll call and then I would just sneak out the back door. I wasn't very good at doing the college thing, but, I ran into him at the Lake and I had a big boat.

I've always been a bit, I'm a late guy, but I like always been a big boat fan. And as soon as I can afford one, I bought a 35 foot fountain and he saw me on his boat. "Is that Jay Kinder?" And one of our mutual buddies was like, "Yeah, man, that's him." And he comes up to me, "Hey, man, is this your boat or your dad's boat?"

I was like, "This is my boat." "What do you do?" I said real estate. So Mike hits me with a barrage of questions through the rest of the day we're talking business. And then he literally quits his job and gets into real estate. I never really helped anyone in real estate before a little bit.

Cause like when you go to events and they put you on stage and you're telling your story, what you're doing this, and then people want to ask you questions. And I always enjoyed helping people. Like I will talk real estate even to this day, all night. Like you want to talk shop, I'll talk shop with you.

And eventually, I guess at one point it just got to a point where I was selling, there's one month where I sold 50 homes and the first rolled around and I was like, man, I gotta do it again. Like it was a rough month, you know what I'm saying? It was like a lot of work, a lot of weekends and late evenings.

And then it was just like, man, I got to do it again. There has to be a better way. And so Mike and I, I helped Mike built his business to 300 and something transactions and is in his second year, he did in his second year or third year, he did 1.2 million GCI. His third year he did at 1.2 million.

So like he did it way faster, like a half the time, but it was because he did the right things in the right order. He didn't make all the same mistakes I made. I couldn't have told you how I had become successful because I've done so many things that didn't work, but I tried everything. And so I tried all these different things and I remember, I bought this, whatever this course thing was. And then Rick DeLuca and I go through it and I would try something

and it wouldn't work. I'd be like, dang. And then I would just go to the next thing and try something else.

And, eventually you find things to work, but like I did a lot of things that didn't work. So it took a little longer for me to become successful, but Mike didn't make mistakes. Like he had the same website I had come in. Before he even had a license, he had the website that I was using that was generating leads with.

And so like he had the shortcut to success is what I call his modeling success. But, I didn't know that I could have helped him get there faster necessarily because to me it was just really hard. But he would ask me, "Hey man, should I do this or that?" "Oh, don't do that.

That's a waste. That doesn't work at all. So don't do this." And so that was not really coaching, but we both were inspired by the fact that it was that easy for him. And we could probably help other people do it. And so we wanted to do something together.

We thought maybe open a brokerage or something like that. And then, we had one of our mentors, Jay Abraham, that really helped us Have a concrete vision for what we were going to be spending our time doing, building something that's of value. And, it started out with partnering with the website company that we had and we sell websites.

And we did a whole bunch of stuff and ultimately, the real part is, I usually don't tell this part of the story just because I don't want to take up all the time telling the story, but, it was horrible. It was horribly hard. Like I stepped out of my business and it immediately collapsed.

So I was the key to the business being successful. And I was frustrated because every time I would step out of production, I get sucked back in. And when they start losing money and I couldn't figure out how to get out of the business. And so I was like, I did it three times before I finally nailed it.

Read a book by a guy named Greg Crabtree. And this is my secret to success if y'all haven't figured it out already, it's I'm going to mess up. But I'm going to find whoever the best in the world is, and I'm going to pay them. I got to pay them to learn what it is that they know, because somebody probably has the answer somewhere.

And that's what I always have done. I'm like, so I finally was like, I just don't understand the accounting side of this. I don't know what I can and can't do. I need somebody to help me with the books and setting up a business to be profitable without me. Like I don't want to be the one that makes it profitable.

And I read this book, Simple Numbers, Straight Talk, Big Profits by Greg Crabtree and changed my life. And it was an accounting book. I read it twice in one weekend and I was like, this is amazing. So we hired him. The guy flew him in. We laid it all out, applied his principles to the business, did the math.

I was negative 3% pretax profit. But we started running the business on the metrics of the business and I stepped out again and we drove it up to 15% pretax profit the next year, then to 22% pretax profit without me in the business, fully removed, living in another city.

At that time, when we did that, no one else had done that. People would say they'd stepped out of production, but they were still in the office every day. I moved to a different city. So it was really hard. And what would made it worse was, this was 2007, 2008. So at the same time, my number one guy, my top three agents and my listing coordinator all quit to go start a company together mid middle of 2007.

So things were falling apart anyways, right? Like with the crash and business was still doing well, but it was definitely going down. Things were changing. Listings weren't selling. Price reductions became a big deal. I had my listings ballooned up to 200 at one point. And none of them were happy cause none of them were selling. It was disaster. It was all, like all my success was born out of disaster. Back in the business through 2007-2008 took me 'til 2010 to really come out of the debt that was created from that.

All my rentals, all my new construction, developments, everything just came crashing down. I almost, I came this close to, I never really thought about filing bankruptcy cause I didn't really know how to, and didn't know what that even meant at the time. But all I knew was just work harder, get up earlier, work harder.

And I tried to muscle through it and so we made it barely. but we survived it, but I learned the most about myself during that time. And it wasn't any better in the coaching business, by the way that we'd started we're so brilliantly, at the same time, we were selling these websites, 90% of the revenue was coming from these residuals from selling these websites.

And then one day they got sued and never again did we get a check. So we had 12 or 15 employees. And we basically didn't have a choice, but to shift into a coaching model. And so we launched our coaching, and we're this razor thin, close to dead. And I remember me and Michael looking at each other, man, we've gotta be crazy.

Like we've gotta be absolutely stupid or crazy to continue this when this company should be dead. We should already be dead. We shouldn't even be in existence. And so that, so we shifted that barely make it out of that to become a coaching company. And then lo and behold, our accountant that told us, he told us, I'll never forget it, we're at Lone Star Steakhouse and Mike had interviewed this guy to be our, kind of our operations guy and our accountant for the company. And he said, "If accounting was an Olympic sport, I'm a triple gold medalist." I was like, that's a pretty bold statement.

I believe this guy might be good. So he decides, instead of paying the payroll tax, he decides to not pay the payroll tax. And he doesn't tell us that he does this. And so we accumulated a loan from the IRS, essentially for about, ended up being over a hundred thousand dollars, wheeled the IRS.

We didn't learn about that until about the middle of 2007, about the same time everything was falling apart. So all of that stuff was the things I don't always get to tell them the story of success, but let me tell you like anybody that's going, if you're going through some stuff, keep going.

If you're going, went through hell, just keep on going. Because on the other side of it is the lessons that you take away and you learn, that really helped you with getting to the success

that you were tasting in the first place, but there's no easy road, that's for sure. Not that I've found anyways.

Casanova Brooks: [00:17:00] No, man. I love that. I always say joy wouldn't feel so good if it wasn't for pain. And it's always gonna rain and it's always gonna have sunshine, but you gotta be able to weather the storm. And I think that was what you did and so kudos to you for sure. But one thing that it seems like you've always been able to do is scale really quickly.

And you also have been able to get out of your own way at least. After that first step where you said, listen, I keep trying to get out, but I can't. And I feel like what a lot of real estate agents, especially, or even people who start their own small brokerage, they can't get out of their own way.

And they don't understand the power of scaling. Was there a book, was there a mentor, where did you learn that? To be able to go quickly?

Jay Kinder: [00:17:42] What a great question, man. And yeah, there's the first book was Mastering the Rockefeller Habits by Verne Harnish. He has since wrote a new book called Scaling Up, as you might imagine.

And that was getting to a million dollars in a business. That's not that hard, really. If you have sales and marketing skills, anybody can build a business to a million, I believe with a couple of key people with you, right? Like you need a couple people that can do the things you can't do and that you shouldn't be doing.

Up to a million, I think that it's an optional person, assistant process type person, somebody that can take your, idea and get it to 80% executed. And then you polish off the last 20%, that kind of person that can, it's an operator minds. It's an operator, someone that's a get shit done person.

That kind of person is extremely valuable with an entrepreneurial person. Visionary are these ideas that you've got all the time. You know what I'm saying? You need somebody that can help you execute. And depending on your personality, it could be something else.

Like I'm the visionary kind of guy, an idea guy and want to do something big and so almost throwing these things out there, but the operator that you work with is really good for me because they'll make that shit come real. So that's a key piece of it.

And it could be, you're a processor, but then you're going to need an operator or you're going to need, because otherwise you'll just overprocess everything, right? You'll be like, yeah, I was going to do this open house but I needed to build a process first for how I was going to do this and this.

And you never actually do an open house. So like there's different personalities and it doesn't mean you can't be successful. You just gotta know who 's Batman, who's your Robin, so to speak so that you can execute things faster.

Cause you'll overthink them. So you just understand your personality and get that opposite kind of, in a lot of ways, sometimes the opposite of you. Cause we tend to gravitate towards

hiring people that are just like us, but yeah. Why? But I like that person. That's probably because they're just like you, that's probably not who you need.

You need somebody that can do the stuff that's low dollar per hour. It's not the highest return on investment of time type activities. And a lot of that's the stuff that we get stuck doing in real estate. And yeah, that's, to a million, I think that's a key component is the right people around you going from a million to five was the hardest. There was so many lessons in leadership and people and, just things, systems and processes. And there was just a tremendous amount to learn and business model, to be honest with you, is what you're doing sustainable.

What's the lid on your business model? And we didn't learn a lot of stuff until you hit. We hit the ceiling on some of these different business models that we had. It's definitely interesting as an entrepreneur.

Casanova Brooks: [00:20:08] Yeah. For sure. And when you say a million and then one to five, you're talking specifically in GCI?

Jay Kinder: [00:20:13] I'm talking about it, yeah. This income . GCI would be if it was a real estate business, but, one to 5 million in selling real estate, I've never gotten above two and a half million, I don't know. I couldn't really coach you to get to 5 million in GCI. I've actually, we have coached a few people that got there, but it's, it scales to a certain point.

And then typically most teams, the business model fails them, right? Your best people leave and go out on their own. And unless you can create opportunity for those best people. Cause that's what sucks about building a mega team is, your best people eventually are gonna leave you because they I'm going to stay on that split forever.

And eventually what happens is your best people. That ones that are closing two or three or five deals a month are going to start getting referrals from the first year that they were within the second year they're with you and then buy your five, there you do the math. And I remember I hated this.

The question would be, "Hey, I want to meet with you, Jay. I want to talk to you about my split." Oh gosh. I knew it was coming. And then, so I have pulled the data and I'll be like, shoot, man. Half that business is coming to them. Not through me. And even though it may, it came from me before and it was a referral.

They would have followed them somewhere else because they had a good relationship. They did a good job, whatever. And so you know that now it's 50-50. And so like the value proposition for 50-50 is not quite sustainable. They're going to leave, they're going to do the math.

They can do half the deals and make the same money, or they can do twice to me. They can do the same deals and double the money. And then they had to put some systems in place and solve some things, but that was always the challenge. And so like at a certain point in trying to scale up your real estate business, you run into this rebuilding that you have to do around your agents consistently and a lot of people think they can get around it and it's very

hard to avoid it completely unless you create opportunities for them that is in alignment with where they want to go at a certain point.

If they want to go to the next level and become like you and build their own business, then you know, you got to have a solution for that.

Casanova Brooks: [00:22:11] I love it, man. Do you think, seeing what you've seen over the last, 10, 15 years, do you think that the traditional model is sustainable for teams? Or do you think that there has to be evolution even in that sense?

Jay Kinder: [00:22:26] Yeah, I don't know how you could possibly, it's not sustainable. And can you build a big team? Absolutely. Can you build it to a certain level? There's a couple of people that have done a really good job of creating opportunity for their key people.

So creating a spinoff of, "Hey, listen, you can own a piece of this and you recruit agents and train and do all the things that we would do as a team leader. And, they're your responsibility. And here's what, you could do that and expand into new territories and have your best people, have those opportunities as a part of that and get it to be more sustainable. "

I've seen it, I've seen that expand to a thousand to 1500 transactions and stuff like that. And some of it in some ways, maybe even more than that I don't know of, but it can be solved. But I think for most people, just that traditional team model is going to have a lid on it at some point, and what really makes it hard is when you try to step out of the production, because you're the majority of the revenue is a hundred percent drops to the bottom line when you do a deal and to replace that with someone else, getting a percentage of that, it becomes very difficult to maintain profitability unless you're in a really high average sale price area.

Casanova Brooks: [00:23:35] I love it. Now, a lot of people right now, the buzzword in the real estate world, as we both know it, and it has been, and for the last couple of years is eXp and that's something that you've just came upon the last couple of years, but you've really taken the bull by the horns and you've taken off with it. How did you find out about eXp and did you instantly know that this is where I got to go. Or was there a little bit of hesitation?

Jay Kinder: [00:24:02] Yeah. There's always some ego in the way and I'll explain what I mean by that in a second. But we were building a coaching, we had built the coaching and ultimately what Jay Abraham taught us was to build a system. Like he said, he literally asked this question in 2006 and then they had it on video. So they video the whole thing. So they had the video. The question, I didn't even remember asking this question to him, or his answer, but in some way, shape or form our vision for where we were going.

And we never really got off of this. We were pretty good about like when you're evaluating opportunities, is this in alignment with where we're trying to get go, right? Is this an alignment with the vision or is this going in a whole different direction? Cause if it goes in a whole different direction, you got to say no, cause it's not an alignment to the true vision.

And it becomes a distraction. But Abraham said, man, he says, "How are you? I would create a coaching and training company. I would partner with agents and if your systems are duplicatable, then you install your systems, your marketing in place, in their business, and partner with them for a piece of the ups.

We'll find agents that are like you, directable, good values and partner with them and build it that way." And that was essentially his idea. And so we were trying to get to that before we got hit in the face. Everybody has a plan until you get punched in the face.

So we got punched in the face a lot. And so the plan didn't get executed quite the way that we had originally described it. We became a coaching company by accident. We were taking over the sales from a website company right before that.

And then as we were evolving, the more we did coach agents to success. And we also had a company that did radio and television for real estate agents exclusively. And like Barbara Corcoran, endorsements, different celebrity endorsements, stuff like that. So we could help an agent really dominate an area.

Like become the Incredible Hulk in a marketplace. And so we helped a lot of people get to that level, but we got to look under the hood of a lot of businesses along the way and help them do it the right way. Cause we understood profitability now. We didn't before, but we can help you do it profitably and get to the point where you could maybe step out of the business, which was ultimately what most people aspire to at some point, at least get your weekends and evenings back.

So

It's like I looked at it half-heartedly somebody mentioned it to me didn't even give it. I didn't even give it a look.

I just didn't know the guy and, in all honesty, my takeaway from the conversation, he was showing me a stock and this, that, and the other. And because we had built a brokerage in Dallas, we had started a new brokerage in Dallas. So I'd actually sold the one in Oklahoma, started a new one. And, it was growing and we had a vision and we had a team of 40 plus individuals in our company.

We were an \$8 million in revenue. We did 2 million our first year in GCI and the brokerage and with 10 agents and we put all our horsepower systems behind the agent, they built their personal brand. It was pretty fun. It was pretty cool. So I was looking for better solutions for our model and the takeaway I have from that was like, we got to put stock in our business model because that guy wouldn't stop talking about his stock.

And I just, I wasn't ready. And I wasn't, you know what I'm saying? I wasn't ready to listen to the business model as an opportunity at all. I was looking for what's working with this

business model, adapt and adopt and apply to my own. And so that was my big takeaway was ownership was a key thing because that dude is crazy out here recruiting.

I didn't even know the revenue share model existed, but he was out, he was like, crazy trying to explain the model to me, all excited about it over the stock. I was like, I've never seen an agent that excited before. So that was my takeaway from that. And it was at an OU game an OU football game against Ohio state.

And, it was me and my son, like this dude should be asking me questions, but he won't stop talking. Like I remember thinking that, but he was so excited. That was my takeaway was like, man, he really loves this company. So anyways, that goes on everything about it again, and then a good friend of mine, Chris Waters, who was a client of ours for years.

He's number one agent in Austin, Texas. He sent it to me and I listened to a webinar that had been recorded and I remember my CFO at the time was sitting on a plane next to me. And I was like, you look at this model like this may be brilliant. And I can't remember what we were doing, but we were we're going somewhere or whatever.

And my CFO is with me, it was probably an important meeting, so we're still moving down the road on our vision, but like I saw it and I was like had a glimpse of it, just the timing wasn't right for me to really, truly investigate it. And then once we solidify some of the main numbers in our model and it was time to scale, the reality was now we have capital intensive model of investing in the marketplace. We would hire the agent, an ISA. We would do all our Facebook ads. We were running like \$125,000 a month on Facebook. We were coming, but we were going to have to raise money to scale. There's just, it would have been too difficult to bootstrap it with the model that we had.

We were delivering too much on the front end for these agents. But it was an attractive model, but I could see what the next 10 years of my life was going to be. If we raise capital on this business model, like I was going to spend the next 10 years of my life building this big real estate company and a buddy who was, out-state sick, who was at the time had just lost his two top agents. We in our masterminds, we're all talking about how do we keep our best agents? We thought this partner model was the way to go. Anything I didn't like about it was we tend to find agents at about 15 to 20 transactions.

That would be our partner in a territory. And that's not the people we like to working with the most, right? Like the people we like the most were like us, they have big businesses and are entrepreneurial, and that was the people we liked. And so we tried to marry our mastermind to this model as being area partners.

And then they would get the opportunity to build it out in that territory. And that was cool. Cause now we're getting our best people involved. But what we learned is what we could do in Dallas, most of our top agents and clients couldn't really execute on that easily. Even our best ones had a hard time implementing a call center and running Facebook ads to all these territories.

Like it was pretty heavy. So we're seeing some of the constraints in the model and Al Stacey says one day, he's moving to eXp. I'm like, oh shit. So I'm thinking, like I gotta pull coziness

number one, because he's one of our top guys and I don't want him going off in some new direction.

And number two, I want to look at it because it was better for him. I wanted to understand it cause he felt like he'd done the homework and was pretty excited about it. So I looked at the video and I just read the book principles by Ray Dalio and I'd actually was sitting in the living room floor and I was going through it with my wife and my son.

And I was really, cause I like to teach it, you know what I'm saying? And if I teach it to someone else, I'm more likely to remember, but I remember I was trying to teach it to my wife, but it was radically open minded and transparent. Let's assume that you're wrong, in whatever you're thinking is, right?

So like, When I mentioned ego earlier, that was what was in the way most of the time and is for a lot of people is the ego, right? Man, I built this company to 10 million. Yeah, we're an inc 5,000 fastest growing company, six years in a row. I'm not going to push my vision aside just because I see a better business model.

That's not happening. That's the little voice in your head. "You can do it to Jay. You can do it" No, you gotta assume that you're wrong or your way's better. That's the other voice that was in my head is like what y'all was doing is going to revolutionize the industry we were, and it was premised upon how do we add the most value to an agent's life?

Like we were just moving further down the value chain, trying to deliver the maximum value. Like it's so hard to go implement all this stuff. If we could teach you to do, we just said, we'll do it for you. And you become our partner, we're going to build your brand.

And you're going to be the dominant agent right in the marketplace, because we're going to make sure you get there. And we had all the training and all that stuff to do that. So like we knew we could help them with what they needed to learn and the skills set and all that kind of stuff. And you know what to say, and the presentations and we built all that through NAEA, all that was so we had all those pieces. And it just seemed like it was a better way, but like I was for the first time, I was really understanding, I'm just going to assume that I'm wrong.

And let me just look at this with an open mind and say, "I'm gonna assume that what I think is wrong and always not better." And I watched it and man, I remember pacing around afterwards, and if this shit is real, if this is all true, everything that I've seen here, like either we got a lot of work to do, cause we didn't even see revenue shares. we didn't have a virtual office. We were already running into that and in Atlanta with the office and trying to get the office set up and going, and it was just like, the legal, the amount of companies that we had already had to set up and it was overwhelming and it just, we were not ready for it.

And I knew what was going to happen. I knew what was coming. It was going to be, we will learn something like that two by four in the face I've taken before. I started feeling man, I don't know if I really am that passionate about this.

It's going to be harder work than maybe I've ever put in before. And I started thinking about this model, thinking about this model. I said, man, and I skipped out, I didn't even tell Mike, I skipped out on a trip. We were supposed to go on together. And I went to eXp con. I went and I met every person in the company that Brent Gove would connect me to.

And I saw the team that they had around them. I saw that they had built something special, and I understood that this model forwards and backwards and understood why it was. I believed in the model. I believed in the model and then I saw, I went to the event and I saw people that I knew that I respected and people, that I saw a bunch of people I knew.

And I'm like, man. What's up. Clayton Gits. What's up, Cliff Freeman. He used to coach for me, Clayton used to be a client. What's up, Williams, Jeff Williams friend of mine. And I started seeing all these people that I know and I'm like in the vibe in the room, was like real, a lot like our big events that we used to do, I felt this energy around it, I'm like man, I got goosebumps.

Casanova Brooks: [00:34:04] It's like a startup. It's like a startup. That was what did it for me as well. I had already signed on. But when you go to those events and you have, not even just eXp con, but something that's been really dope is, Brent Gove, as you've already mentioned.

And a lot of other leaders, they put on these smaller events and, 150, 200 people can go twice part of our art, and now in Dallas, what is that? In October? The Tony Robbins, the Dallas event, is it October or November?

Jay Kinder: [00:34:37] It's actually September, but I think they're going to have to push it due to COVID-19. I think we're on lockdown here in Texas. So I think that's getting pushed once all this frees up. Yeah, you're right. There's a tremendous amount of events to be able to get in a room with the top people in the industry. These are not just talking about. And, there's the opportunity.

What I saw was the opportunity was real. I met Rob Flick. He showed me his monthly revenue share checkup at the time was 155,000. I'll never forget it, asking how I get it. And he told me he was doing these things called lunch and learns. And I was like, if he can do that, I know I can do it. Cause we can build systems around this.

And do it. We can go crazy with this. And Oh man, I went all in and I didn't know if it was real or not. I didn't know if the opportunity was real or not. I thought it was, I saw that it was possible. And we jumped in with both feet and I pivoted our brokers all the way into it and just leaned in on it and spent the next, the next really hunt. Six months, all that's all I did.

And Mike wasn't even in, he was, he had two other business units that he was working. And, we were basically a split all our business units. So we had about six different companies and we gave it ownership to one of them, to one guy and then Mike took two and I took the brokerage coaching.

So we're gonna, we split them all up because we were doing it with a brokerage and everything we're doing about 10 million in revenue, but we were stealing resources away

from one to the other. And so you really couldn't see which model was actually producing the revenue. Cause it was too blended.

So we split them up separate P&L's, and we're going to shoot the ones that are losing money, and we're going to keep the ones that are winners. We ended up shooting them all except for coaching. And the brokerage turned into eXp, which was the biggest opportunity of all. And that's when Mike eventually pivoted all his into alignment and he's fully into exp and it was a heck of a, it was a heck of a thing to do.

To do that and to even consider doing that in the beginning was not an easy decision, but yet it was because I just believed in the model, we tried everything to solve and it just solved the biggest problems that we had seen. And it created opportunity bigger than what you could create for yourself.

I couldn't have built a company that was going to create the opportunity that eXp had already created. That was the takeaway, right? Like I'll build something myself and hopefully don't screw it up. And everything goes great. 10 years from now. Maybe someone buys it and maybe, and then you're like, do the math, what's it worth?

And then I did the real trends. Steve Murray has been a part of every big real estate sale that there's ever been. And if you read his stuff, go study it. One and a half to three times, EBITDA is where it's at. Even if I'm on the high side of that, we knew what our projections were for, down the road, I'm like, that's a long time and a lot of work for 2000 agents was our target.

And, we were trying to build all of them super successful. So like we were taking an agent per market, a territorial type approach, which would have been great, for those agents that were in those territories. But it's also limited. But yeah, or I could be now where I'm at 3,400 agents in eXp and I have zero costs and zero overhead whatsoever.

I'm living my best life. It's a real deal. It's the real deal, man. If you're not looking at it, you're not doing the math. That's the bottom line.

Casanova Brooks: [00:37:41] Absolutely. And I agree. For somebody out there that you've talked a lot of high level vision, you've talked a lot of big business, but for somebody who is that one to \$3 million agent right now, and they're just trying to figure out how they can even get to five to 10 million dollars. Do you still feel that eXp is the best option for them?

Jay Kinder: [00:38:00] Yeah, it's a great question. And I think the key thing is, yeah, man, you gotta be, this is what the secret sauce here in this company is the fact that people are willing, the best of the best in the industry are incentivized to help you.

You can't really put a number on those events. And for instance, like we used to do events. They were, it was 25,000 to be a member of our mastermind. Not anymore. There's events like that everyone in the company is putting on that you get to be a part of, that you otherwise would never have been able to get in the room.

And so that's where I found all my success. I found my success by learning from others. And unfortunately the brick and mortar model is not conducive to learning. You have to get outside. And anybody that's been successful will tell you the same thing. I didn't learn from my brokerage. I didn't learn from anybody in my brokerage.

I paid somebody outside of my brokerage, probably outside of my marketplace. Most likely because nobody was in your office is going to tell you what's working for them because you're right there. You're a competitor. It doesn't matter. If it's not a congruent thing, there's not this helping each other vibe in that brick and mortar model, maybe somebody else had rematched from another market.

If you go to the national event, we'll help you. But you still got to get out of your office and go learn from other people. And the eXp is different. We're in there, we're in alignment. And and we all have stock in the company. So there's this company first mindset. Even my dad's brokerage.

I didn't care if my dad tried to come at me with the vision and blah, blah, blah, I'll be like, yeah, that's fine. As long as you don't miss my split, you know what I'm saying? We work, it wasn't congruent. You're taken for me, not in eXp. That's not the feeling. We want the company to succeed.

Why? Because we're owners in the company, number one, and then there's this incentive for you to share and give back and there's a platform to do it on. And so now all this stuff that this training and all this, 55 hours a week of training, like you tell me you want to be successful and you're doing one to 3 million then I can tell you that it's all right here in the brokerage. It's different than what every other company can say. And if they do it, which Keller Williams is the only one that does. If they do, they charge you for it, that's different, right? That's not true alignment, right? It's a profit center for Keller Williams.

They're not meant to make you successful. They know that the average agent is going to come in and sell three houses to their aunt, uncle, and cousin, and then to get out of the business. That's the model of real estate. It's a recruiting model. Okay. No, one's really waking up every day thinking about your success and until you have alignment, like they do at eXp, I wake up everyday thinking about the agents in my group and what am I doing to help them become more successful?

And I'm doing it for free. Why? Because I get paid on the backend. That's a little bit of money off of what you pay into, the little bit of money you pay in eXp.

Casanova Brooks: [00:40:39] Company dollar, not their dollar.

Jay Kinder: [00:40:41] Company comes out of what you pay in on the 16,000 cap. And it's just a little bit. But a little bit. And then, if I help you bring another agent on and become more successful. If I can help people become more successful, we all win together. That is a special, it's a special thing. And it's something I've never seen in real estate. And it's even, I don't think I've ever seen anything like it in any business model where you've created this leverage, Glen's a genius.

He leveraged the best in. And I remember a comment somebody made from a long time ago, a post that he made, he said, "We're going to make the opportunity big enough that the right people will join us and help grow this company. And that's what he's done. He made an opportunity bigger than anything that you could do for yourself.

And now it's not just the company has to provide this training and come up with how they're going to make you successful. He's got everyone in the company wanting to help everyone in the company become successful. And that's a kind of vibe. You don't get it in any other company. And that ended up itself.

If you're a one to 3 million and you're telling me you seriously want to grow, then, get with the people that are incentivized to help you grow. And, I think that your chances of doing that are going to be a lot greater in eXp than any other company.

Casanova Brooks: [00:41:46] I love it. And I'll tell you, the thing that I resonated with the most is when you start talking about leverage. A lot of the times when you've shown that you can build any type of business, so you can build an influence, people always want to pick your brain and they want to sit down with you, but they don't want to pay. This is your prime opportunity. And here's the other thing. Sometimes people are like, "I don't want to go recruit."

The best part about it is, not everyone, we've maybe say 5% of the company actually goes out and recruits, but here's the thing, Jay, Casanova, whoever it is, that's above you, they have an incentive and it doesn't have to be looked at as recruiting is just, "Hey, we want to bring everybody to become a part of our tribes so we can all win together." And just like that. We have stock in it. There's so many things and people, hopefully at some point, they'll see it because for me, it's funny.

The guys who came and recruited me, they came into the Berkshire office, right? I was Jeff's in that office, Adam Riley's in that office, all those guys, they came into the Berkshire office and was like, look, if you just give me 15 minutes of your time. So I didn't know that this is what they were going to pitch me, but the saying goes is once you see it, you can't unsee it.

So I saw it and I'm sitting in and I'm thinking to myself, and I'm like, same thing you said, man. But if this is true, if this might cause I'm thinking at first in the beginning, I'm like, man, there's no way. I'm like, there's no way. And then as I see it, I'm about 15 minutes in and I'm like, Oh, there's way.

There might be a little way. And then when I go to the event and I see, okay, I got Jay Kinder here and I go back and I'm Googling. I'm like, is this that same Jay? Okay. That looks like him. This is the same dude from YouTube. Okay. And then from there, you can go up and you're sitting around the pool and you're like, Hey, so why did you come?

And just like you said, if the energy is something that's unmatched. And so I hope that everybody gets to experience it because the one thing I tell people was the only regret that I've experienced from anyone in eXp so far is the regret that they didn't make the decision sooner. That's it.

Jay Kinder: [00:43:50] Yup. No doubt. Yeah. It's the real deal, man. Yeah, I couldn't be happier with all the things that I've done and you hit the nail on the head, leverage is the key. There was no leverage in the model that we were building, it was gonna take a tremendous amount of effort and I'm a hundred percent of my focus and attention and now, I have zero employees.

I worked from home and it's not recruiting. Like the people that get caught up in that, first of all, if there was a way for you to get financially free, you're in have ultimate time freedom wouldn't you want to learn that skill anyway? If that was an opportunity for you, like that's like saying no, I don't want to learn how to go after, because I don't want to make the calls.

We'll then fine. Then be unsuccessful where you're at. That's fine with me. But you can be successful at anything. And the thing is what people experience, once they join, is this not recruiting as people coming up to them and being like, "Hey, so how do you like it in eXp?" And you're like, shit, I could probably recruit this person if I knew how to recruit.

So they'll come back to you later. I know I told you I wasn't really going to be interested in this retreat thing, but people keep asking me about it. Shouldn't I be doing something like cinema videos or this or that. I'm like, yes, there's a process here let me show you what the process is.

All right. And then, they put somebody on a call with you and that person watched the video and they're like, I get it. This is great. I don't have really any questions. And it's not selling at all. It's like, either you get it or you don't, and for the right people.

I'm looking for people who are looking for me. I'm looking for people that are looking to be successful. And I believe that this is a place you can become more successful. So if you're looking to be more successful then this is a no brainer, if you're not looking to be more successful, stay where you're at.

Okay. that's how I see it. And it's not this, people that tell me that they're not interested in recruiting it's such a cop out to not look at the model deeper because if you look into SOC you look at the technology, you look at the alignment and the people that are going to be helping you.

You look at the training, you look at the technology, you look at everything in this model and you do the math. And be a damn business person like you should be, and you do the math. Even without the revenue share side of it, the math is going to be in your favor. And if you're a producer, it is absolutely in your favor.

If you aspire to be a producer, it's, the best place to be because people that are around you will suck you up to the top. And they're incentivized to do that. You never recruit a person at all. You still should be in the eXp if you do the math, in my opinion. That's, those are facts.

Let's do the math, sit down, challenge me. You know what I'm saying? I'll show you, but because if you haven't done the math, then you owe it to yourself to at least get real with the numbers.

Casanova Brooks: [00:46:19] I love it, my man, Hey, this has been a phenomenal conversation. There's somebody out there though that is, that they want to blaze their path just as you have, right.

And become a top producer. They want to build a big tribe, but they have the load of voice in their head. And that little voice tells them that they're not smart enough. Maybe they're not strong enough or they just don't have enough resources. What's the one thing that you would say to that person to get them to just take action.

Jay Kinder: [00:46:46] Man. Shoot. The thing that always really resonated with me was Darren Hardy. And Darren Hardy talks about, the pendulum, it doesn't swing to success, right? The pendulum swings first to failure and then success. and the more you swing to failure, the more success you have, the more you swing to failure, the more success you have.

And that's been actually absolutely like my story. Yeah. you know what I'm saying? Like my whole life has been pushing too far. I wasn't trying to fail, but I pushed to failure and then I'd have a little more success and so just embrace the struggle because the struggle is the way. Just know you're going to fail.

You're going to hit walls, but because of that, the pendulum will swing more to success in your favor. Nobody makes their first call. And on an expired and gets it. And then it gets everyone after that. Like people are going to hang up on, you're going to learn. And so just embrace that struggle if you're comfortable and you feel safe where you're at, then you're dying.

Okay. you got to get into that world, man. I feel uncomfortable. if there's something that you don't want to do it right now. Like those moments where you're like, man, I really don't want to do that. In that moment, you got to change that trigger to be, do it now. Like me, if I don't want to do that, I'll do it right now. I don't want to make these calls, shit. I better do them. I'm doing right now. Do it now. It's like this. Start changing your framework and embrace the struggle, embrace failure and you will become successful. That would be my advice to that person.

Casanova Brooks: [00:48:10] I love it, man. That's all you needed to hear. For anybody that wants to stay connected with you, where can they find you at?

Jay Kinder: [00:48:17] Oh, so yeah, I'm easy. I'm pretty easy to find, man. If you just go Instagram, Jay Kinder, I think it's just taken ready to, or, Facebook. Find me on Facebook or whatever, and, happy to have a conversation with anybody, whatever it is you're trying to accomplish. If anything I said resonated, I'd be happy to have a conversation.

Dope, man. Thank you **Casanova Brooks:** [00:48:33] again. I want to be the first one to say, thank you. This has been a phenomenal conversation. I look forward to having many more with you, my brother, hopefully next time, my ties and maybe Texas or port of arts, again. Remember dream nation and the dream we trust, but just as he said, you have to take action and there's going to be a lot of failure that comes with it, but just know that your pendulum will swing the other way.

Remember, in the dream we trust, we have to take action. Otherwise, it'll only merely be a fantasy. We'll see you on the next one.