

TRG 60 Transcript

Nichole Stohler

What if you could be doing something smarter with your money that creates income right now? If you're an IT professional who's wanting to get ahead financially and enjoy greater freedom of choice, and if you wondered who else in tech is creating ways to make their money work for them? You want actionable ideas with honest pros and cons and no fluff. Welcome to The Richer Geek Podcast. We're helping IT professionals find creative ways to build wealth and financial freedom. I'm your host, Nicole Stohler and in this podcast, you'll hear from others who are already doing these things and learn how you can too.

Welcome back to The Richer Geek Podcast. This is part two of our conversation with Alex Caputo. Now if you didn't catch last week's episode, here's a quick reminder, Alex Caputo worked in a variety of technical sales roles and he found that he was also drawn to entrepreneurship because he's passionate about fitness. He got started with Orangetheory Fitness franchises. She successfully sold transitioned the those funds into car washes. And we discussed all of that last week. Now this week we're talking about his newest endeavor, which is in the waste management industry. Let's jump into the show. Alex, welcome back again. Let's hit part two, let's talk about the other businesses that you've owned. Also, while working full time you transitioned into car washes, which I love, because that is something when when we just were talking about passion, you maybe weren't passionate about car washes. So tell us a little bit about how that came about.

Alex Caputo

You know, this is the best part of it too, because I never had a million years thought about owning any kind of car washes right there. They're just kind of the drive thru carwash and you know, you bring your car in, you put in your 250 and spray it down and you dry off. I mean, you know, you look at something like that and go I can't wait to get into it. But this is where I go. From that transition of being passionate into a business, and now I start looking at things strictly for the numbers and for the needs, and will they be recession proof? And will they, you know, will they continue to be profitable here for me? And that's really what I did. I looked at them, I was like, you know, we can't lose here, you know, and the carwash, the car washes their plural, we bought two of them, and again, back up in Utah with some business partners, but they've been around since the 80s. So we know that they're going to be sustainable. And they don't need a whole lot of work. Definitely not a whole lot of employees and a lot of attention. And that's what made it really easy for us here. And, you know, we we just invested with those other folks, and they've been great so far. We've had them for a little over a year now. They're thriving, what can I say? We're coming into the spring and summer, which is the best time of the year for them.

Nichole Stohler

Are those franchises? Or are they independent carwashes?

Alex Caputo

Now they're independent. They were actually built by some folks up in Utah from the ground up. One single loaner got old enough, pass him down to his kids. And now the kids just wanted to sell them. They're older now. So it was just time and they sold them to us. And we're very glad that they did because again, they're just the great little car washes. I mean, they're nothing fancy, you know. I mean, they're just the nice little moneymakers.

Nichole Stohler

I think it's so interesting, because in the previous episode, you talked about, hey, the things you learned about yourself from the first franchise, the orange theory, and one of those was you didn't want to have a lot of employees. So the car washes that's very appealing, right? I don't even know if you just have someone who just does maintenance once a week or how that actually works.

Alex Caputo

Yeah, definitely check the boxes. So couple of employees and really all they do is just go there just to make sure that everything is still full, everything is still running. And, you know, the one thing that we do is we pride ourselves on you know, you got to keep anything to attract customers. You got to be clean, right? You got to be working. So that's what really do just keep eyes on I'm making sure that change machines are given quarters, you know, and and collecting them at the end of the day and depositing them into the bank here. So nothing super fancy, just, you know, hourly rate employees and they do their job. And in the day, you know, we have clean cars and happy people. Now, you said you have a partner in this, what is the role that the partner plays directly the managing partners, so what they do is, you know, they invited us to this opportunity. And they pulled us in and they said, well, we'll take care of because they they're locals, so they live there. And what they do is they, they will actually go day to day, and thankfully my business partners are mechanically inclined. So if there's anything that is a little more than minor, but not major he can do. So that's very, very helpful because I am not mechanically inclined. It's just there to I could probably clean up the garbage maybe and clean up the base that's about as good as I can get lift heavy things. But aside from that, you know, they do a fantastic job of making sure that those things are up and running and then coming Give me back to us. I mean, it's not like, you know, we need to report every single day. But it's, you know, monthly report, how are things going and what can we do to help. But again, it's super, super easy.

Nichole Stohler

That actually sounds similar to one of our hotels where we have investors in the hotel, my husband's running and working with our management team on day to day operations. Everyone is welcome to come see the hotel, and there's regular updates. But it's kind of nice is more like a passive investment, which is sounds like what you're describing.

Alex Caputo

Yeah, you know, and it for what you're saying is like, a great quote that came out to me and you don't want to be in the business, you want to run the business, right? So you leave all your folks that are you know, your managers, your general managers, let them run the business, right.

You just need to understand the business. Hear that? Okay, what's next? How do I support it? How do I keep it going and then strategically think, okay, what's the next big thing for us for the business or for yourself?

Nichole Stohler

Now you are starting a new franchise. I'd love to have you tell us a little bit about that opportunity and how that came about.

Alex Caputo

So the the business is called Smash My Trash. And it is so brand new like this started franchising back in November, I think I was about early December is when I started talking to the folks there, how it came about. So, if we go back a little bit to, you know, I talked about if you're, you know, first time franchisor you know, what do you need to know about yourself, and I think I knew about myself as to as to what I can do and how I can sell things like that. But I actually was looking at a different franchise in Phoenix, it was, it was a junk removal type of thing. So I clicked on it, because I was researching, you know, I need to get another business here. I can't go back to an office. I'm a little bit bored. What can I do, right? So when I clicked on this, it asked me to fill out some kind of form a little questionnaire so it's about 2020 questions here. kind of gets you out a little bit financially but also really gets your background so when I submitted it back then I got contacted from one of the sales reps there. And they went ahead and said, You know, I've got these three really good ideas I might fit your skill set. So one was a sort of like a painting company. Another one was a senior advisor placement or a senior placement advisor, type of company, and then there was smashed my trash. And I actually did three calls with each which each franchise to really find out if it was a good marriage, in a sense, right? Where, okay, does this fit me? And am I a good fit for them? Right? And so I like them all, they all actually have a really good product and system. But again, checking the boxes of what I really, really wanted was I want to do this more so with the least amount of employees as possible, right? I kind of harp on that a little bit. But I think for me Just the less moving parts the better. You know when it comes to that, you know, I'm going to have basically a truck driver, a salesperson, which will be me and have my own accounting and bookkeeper. And then I'll expand it from there and see what exactly so simple is really what I wanted smash my trash fits that. A little bit about the franchise if I can explain it to you and, and your listeners there. What it is, is it really is a we're simplifying waste, right? So we're actually going to take this big truck looks like it's got a big tractor arm on it, and a rolling pin with teeth on it. Okay, so I'm putting hopefully I'm painting a good picture and you go to these big roll away dumpsters that are like 30 hours and 40 orders. If you ever take a look inside them. A lot of the time they're filled with wood pallets, cardboard boxes, glass bottles, you name drums, things like that. I'm going to take that that rolling pin in there and I'm gonna roll down and smash that trash from let's say a 100% capacity. type of rollaway dumpster and bring it down to about 20 to 25%. And really what that does is it just reduces your haul costs, right? saves the customer money, it actually helps the environment as well. So now there's less traffic back and forth to that landfill, right? Less emissions out there. So I looked at that I'm like, that is a win win. That is for me. And then of course, my wife will say, you know, boys and their toys, right? Where they want you to take that truck and you want to get in there and you want to smash that down. So

that's the exciting part. For me. I'm really looking forward to this. I think it's going to be there's no competition that's out there right now. It is going to I hope it's going to take off I really believe that it will. And Phoenix is one of the big markets that's about to to explode here.

Nichole Stohler

I think that I'm just thinking about houses and front and the real estate side of things. And we had a hoarder house one of one of our small rental properties. And I don't even remember the size that we we got it from Republic services. It's this massive I've got pictures of it that the pile of stuff in this hoarder house. Yeah. So I think you could go after all the real estate, the flippers and the clean out and the hoarders, because I mean, there was that thing was over flowing.

Alex Caputo

Yeah most definitely. And you're right. So construction is a big side of that, right? There's also distribution, manufacturing, or those are the three biggest industries that will be it are the folks that will be using our services. So it's amazing. You won't believe how many actual dumpsters are out there. When you look at like Google Earth, there are so many out there. So there's so much opportunity and they don't even know that coming and what we're about to do for them. So it's, it's going to be an exciting franchise and I think compared to orange theory, so if I was still number 381, I probably came in here. It's nice. My trash is probably owner number 12 or 15. So I was up the curve in orange, don't get me wrong. But this is like the curve doesn't even start. That's how thrilled and excited I am to be a part of this.

Nichole Stohler

So is that what you would recommend? Then people want to maybe look for the newer franchises as opposed to multi year established? Because because there's always a territory protection, right. I mean, that's a that's a component. So yeah, theoretically, would that matter?

Alex Caputo

Well, I would say what's your risk tolerance is the question, right? So what do you think? I mean, you're coming into this, right? You've got \$150,000 of your hard earned money, right? And you're looking at it going, Okay, I can lose this. You know, I might have to start How long did it take you to save that, you know, and that's a lot of money, you know, for a lot of people so you really have to go and go, what's my risk tolerance? And I'll tell you with with orange, you know, we, we were nervous. There's no doubt about it. Again, that was first to market. This is first to market but I'm not I'm not afraid of that because now I look at it and I go people need this. This is absolutely going to be a game changer, you know, for the waste management industry. So what's your risk tolerance? Is the answer the question there? I think there's some folks that will be certainly happy to to throw their money into. Okay, well, we can go ahead and do this and be comfortable with that type of living, you know, and then there's other ones that really want to you know, aim for the, for the moon in the stars. So, again, that's a it's a great question. It's just a matter of your own personal tolerance.

Nichole Stohler

So interesting. I love I love hearing about the different because you've done so many different things. And I love it. You know, two of them are franchises, which I've been looking for someone who could chat about their experience with franchises, because I personally, you know, our hotels are franchises, but that's still slightly different. We're buying it more from a real estate perspective. But I can, it's interesting to have, you know, different franchises, different hotel brands and to be able to compare there's definitely pluses and minuses and when you're in a franchise, like In your case, and you're investigating from the very beginning, having that list of those things that, you know, you know about yourself, you know, you don't want employees and basically kind of narrowing down this list of criteria and then using that, to make your final choice.

Alex Caputo

Yeah, you have to, I think that going into it, there's nothing wrong with being a risk taker, but it's got to be calculated risk, right? And that's what you have to know about yourself. And, you know, I wouldn't say listen to everybody, I would love to say, Listen to the folks that are actually in the game, because it really is there a whole different type of folks that will tell you, you know, the real truth to it all. Not everybody takes these type of chances. Nicole, you did this, you know, and, you know, you see how it's paid off. Right? for you guys. And I don't know you tell me I would you do it again?

Nichole Stohler

Oh, yeah, absolutely. But, but it's not without its pluses and minuses to your point. Right. And I think if you go into that, and also the other thing is is you know, as you look at numbers Just having this awareness that okay, you know, one of the things we did as a lot of stress testing, when we were purchasing this, this hotel that we just closed on in November was okay, in 2009 2010, when hotel occupancy was really down, what did that look like? So stress testing to say, Okay, well, that's our worst case scenario. What does that look like?

Alex Caputo

Hmm, for sure. That's a big risk to take in 2010. But you do know what's going to come back. Right? Yeah, they have their cycles, they bounce back. And, you know, it took off. We're good for you guys. And I'm glad you guys took that risk. And, you know, just do your homework is what it really boils down to.

Nichole Stohler

So tell us, how can listeners get in touch with you or learn more?

Alex Caputo

Oh, they want to talk to me? You bet. Absolutely. So I have an email address. You can email me at Alex cap 45 at me.com. That's an apple email there. So Alexcap45@me.com, and happy to help anyone out that, you know, this is kind of the cool thing. And I hope someday I can be somebody's mentor to this, right? That's one of the things I'm looking for. So, you know, as doing this for now, we're going on seven, eight years, you know, finding a mentor would be really, really awesome.

Nichole Stohler

Perfect. All right. Thank you so much for sharing your stories on these three different very distinctly different business models and business types. And, and we appreciate you coming on.

Alex Caputo

Nichole, thank you so much for having me. Really appreciate that as well. This is fantastic. So thank you.

Nichole Stohler

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