

# TRG026.mp3

Fri, 10/18 5:11AM 22:39

## SUMMARY KEYWORDS

businesses, franchises, podcast, barbers, state, investing, real estate, richer, owning, trucks, tech, questions, bob, interview, settlement, dispatcher, ran, review, leverage, talk

## SPEAKERS

Nichole Stohler, Mike Stohler



### Nichole Stohler

What if you could be doing something smarter with your money that creates income right now, if you're an IT professional is wanting to get ahead financially and enjoy greater freedom of choice. And if you wonder 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 for helping IT professionals find creative ways to build wealth and financial freedom. I'm your host, Nicole Stoller and in this podcast, you'll hear from others who are already doing these things and learn how you can too. Hey, everyone, welcome back to The Richer Geek Podcast . I need to start this episode by saying that I talk with and connect with many people for this particular show on a weekly basis. And if the guest has an expert like a CPA, a lawyer, I send the framework of the questions we scheduled a session Generally, that part is pretty easy. They're used to being on podcasts. And we're good to go. Now if the guest is someone who works in technology, who is not used to being on podcasts, often have a prior discussion, slash interview with them to talk about their experience, their background, and then to formulate the questions. It's all really to make sure that they're comfortable with what we would discuss during the live recording. Now, what I found is that for some reason, it depends on the person and their situation. schedules, travel, what's going on with their full time job, the interview with the tech what or whatever happens then is that for some reason, schedules, travel work. The Interview with a tech person isn't ever live recorded. Now. Normally, the That would not be a big deal because I'm talking with so many different people, except there are three folks in particular so far that I've talked with that have these amazing

stories. And I'd love to get them out and share with you. So what I decided to do for today's episode is that Mike is going to interview me about some of these folks. And we're going to share sanitized versions of their stories because they haven't actually recorded them, but I have talked with them. So at least you can learn and start to hear about the amazing things that others in tech are doing to build wealth. So I'm going to turn it over to Mike.

M

Mike Stohler 02:42

How's it going, everybody? So let's start with interviewing number one. We'll call him Bob. Tell us Nicole, bit about Bob and his background.

N

Nichole Stohler

So Bob spent 10 years in the military and outside of the military, he's working in tech full time. He travels every single week, at least four days out of the week. There's no break every single week. And he bought rental properties while in college, and he grew to about a dozen single family homes. And that in itself is very good, but not earth shattering. However, he also then bought a barber shop with four chairs in his home state. And he started a trucking company. This guy is truly amazing considering he's traveling that much, and he's able to do all of those different things.

M

Mike Stohler 03:36

You know, that kind of sounds amazing. I mean, what in the world led Bob to invest in these type of diverse businesses?

N

Nichole Stohler

That is a great question. And I will say that I didn't fully get to explore that with him on our initial call. But what he really focused on is how he is able to drop down his taxes. He said by four different brackets from where he would have been without these businesses and then afterwards. And what he said is that his rental properties, of course, get depreciation and that detracts income on a long term basis, like 27 and a half years, which we already know that. But he also talked about, in the shorter term, his trucking company, he said he bought five new trucks. And they were \$130,000 each. And so he was able to depreciate those five new trucks on a five year schedule. And then, after doing that, he said his income is almost zero.



Mike Stohler 04:41

You know, it's pretty amazing. I mean, he's working full time. He's traveling. How does Bob manage these investments?



Nichole Stohler

And that is exactly what I asked him again. Again, this guy is amazing because he's in tech, and he figured out a way to use technology to help manage the investments. So when it comes to real estate, in that case, he's got property management. And we've explored that in different episodes, how you can leverage property management. And we'll continue to talk about best practices around that because I get it, you're not necessarily going to be the one day to day handling calls from your residence. But what was eye opening is the way that he managed the other two businesses. So he talked about the barber shop, and he said that in that particular business, in his state, you are not able to charge a booth rental. So normally, that would be like the easiest thing. It's, you know, \$200 a month to rent a booth in this space. But in his state, that's not an option. So he had to charge a percentage of the revenue that the barbers were making. And this particular business is very a cash type of business as opposed to credit cards. And so what he found is he was not actually making the money. That he knew he should be making he had leakage because his barbers were not accurately reporting the number of haircuts and shades that they were doing. So he installed cameras. And he basically pulled the data on a weekend. And he scrubbed it to get an accurate count of the number of customers that were coming into the shop. And since it's a barber shop, it's pretty simple. There's not a lot of different things that people are doing there. So he was able to very quickly identify how much revenue per barber he should be getting based on the traffic. And he said it only took about two times going back to the barbers and saying, Look, I know that you had X amount of people, I can show it and I can prove it. And this is what you actually Oh, and he said after that, no issues so he was able to, you know, install technology to effectively monitor and make sure that he wasn't having leakage for revenue that was due to him.



Mike Stohler 07:07

Yeah, it's pretty funny. You know, I mean, cameras Don't lie. Do they know, what are the positive outcomes you've seen as a result of owning those type of businesses?



Nichole Stohler

Well, actually, let me also share with you the trucking company because that was also

super interesting. He said that what he did first is he hired a dispatcher. And then he was able to find drivers very easily because they wanted to work for him since he had brand new trucks with Bluetooth and GPS and all of the bells and whistles and so apparently that is a huge benefit when recruiting drivers. So he said his dispatcher handles the day to day. And then what he does is he tracks everything in Excel. And then he and his dispatcher meet about two times a week via WebEx and they just review the shipments. What's happening with the drivers. And then he uses auto logging teletrac GPS to really see where the trucks are and what's happening. So I thought that was super fascinating because he's figured out a way to optimize both of those businesses. Now, when you asked about the positive incomes, he again really emphasized the tax benefits. But the other thing is, he really seems to me like the kind of guy that understands how to use systems and processes to scale and how to have a team that's working for you in support of building a business. And I think that he really enjoys that. We didn't get to explore that. And I would if we had a regular interview, but that really seems to me besides the financial benefits, to be something that is high interest and value to him.

M

Mike Stohler 08:55

So what advice would Bob give someone who's looking to buy or build business while working full time like this.

N

Nichole Stohler

Yeah, so he said you don't have to be hands on. It is really about systems and processes. He said he's never cut hair in his life, nor has he ever driven a truck. So the fact that you aren't actually doing the work day to day, he said, doesn't really matter as long as you have those good systems and processes and build out a team. He also talked about you need to have the right temperament to run businesses like this, because trucks are going to have flats, barbers are not going to show up on time. These kind of things do happen. And they happen in real estate too, right? There's a huge flood and now you're your resident is, you know, having damage in their particular rental property. There's all kinds of things that absolutely go wrong, and having the right temperament to push through that and continue to work with your team, he said is key.

M

Mike Stohler 09:59

No, that's perfect. This guy is my type of entrepreneur. He's not afraid to do anything that he sees the opportunity to do that will make him money. And we hope to actually have Bob on the podcast someday. It's great.



Nichole Stohler

Yeah, I, I'm so disappointed that I haven't been able to. And I will keep after it. I will tell you I was so inspired by him and I really wanted to bring that to the audience. So at some point, we'll get there.



Mike Stohler 10:30

Sounds great. All right. interviewee number two who we shall name Jim. Nicole, what is Jim's background.



Nichole Stohler

So Jim works in tech. And he shared that he invests in pre settlement law. He's also investing in multifamily syndications with real estate. He has a long term rental and he ran an e commerce business in health and beauty products for 10 plus years. So he's done all of these things while working full time.



Mike Stohler 11:04

Alright, so let's dive into his investments. What are the passive investments in pre settlement wall?



Nichole Stohler

Yeah, so I actually didn't know this existed either. And I had a fascinating conversation with him around this. And I will probably have a company that specializes in that space on the podcast at some point in the future. So what he shared with me is that when lawyers are in the midst of a lawsuit, and they're plaintive, doesn't have the funds, and maybe doesn't even have the funds for day to day expenses, they will take the case to a crowdfunding type of platform. And in the case of Jim he uses a company called yield St. And he said they'll take this mostly the injury cases, they'll take it And they basically get a loan against the future settlement, and it's at a certain percentage return to the investors. I find it really fascinating. And I didn't know that that whole industry existed.



Mike Stohler 12:13

I mean, how did you even find these opportunities?

N

Nichole Stohler

Yeah, that's, that's a great question too. So I actually connected with him as a result of in Toledo. So if you haven't listened to Episode Three, I'd encourage you to listen to that, and runs a website called the real estate crowdfunding review. Now that website is like a third party, not affiliated with any crowdfunding platform and in basically rates and reviews, the different platforms that are out there, and primarily we are talking about real estate. But inside of that, he's created the private investor club and that investor club is for accredited investors. And as a result, there are companies that will bring the opportunity Nice to the accredited investors. And apparently he was able to find about these kinds of opportunities through that particular platform.

M

Mike Stohler 13:09

Well, you know, I definitely know the pros and cons of investing in hotels. But I mean, what are some of the pros and cons in this type of investment?

N

Nichole Stohler

Yeah. So I asked those questions, too, because I was very curious. I mean, what happens if they don't win the lawsuit? Like, what? How does that work? But what he told me is that some of the things that he really likes about these type of investments is that they're not tied to the economic cycle. I mean, it really just doesn't matter. These are lawsuits that are happening, whether the economy's up or down. He said, though, they are very limited to being having trust in the company that you're investing with. Not the platform. So yield street is the platform but the company within yield Street. He also said there's a Limited due diligence. So it's a little bit tough to get into the details that you might want to get to into or the you certainly can if you're talking about real estate syndications. But in general, he still felt like he was able to get steady returns based on the projected returns from the platform itself.

M

Mike Stohler 14:21

All right, but he also previously ran an e commerce business while working full time. I mean, what about that?

N

Nichole Stohler

Yeah, so that's a great point. It was funny because we were chatting about the, you know,

pre settlement law and the investments he makes there and a little bit about real estate that he physically owns. And you kind of made this offhand comment about any commerce site that he used to run. And so I dug into that a little bit. Now, I did not get as many details as I would like to have because I'd like to have, you know, diverse stories that we're sharing on the podcast, but what he said is that he ran an ecommerce site in health and beauty products. It was an online store that had almost 4000 different products and skewed they had he and his wife are running this and actually she was running at full time while he worked in tech. They had 16 people working for them. And so this was a big operation, but I didn't get into the details. I do know that he recently sold it. I'd love to know why. And get into some of those details if we have a future interview.

M

Mike Stohler 15:36

All right. So passive investments in pre settlement law, e commerce business, but you know, I'm a real estate guy. So I have to ask, you know, give me a little bit about the real estate investment the gym zones.

N

Nichole Stohler

Yeah, so that is more of his steady Eddie and I think that is a great way to look at real estate investing if you if you're doing something on like a crowd for insight, there's a term it's five 710 years and then after the term, then your money comes back to you. And then now you need to find a place for that capital again. And same thing ecommerce business, he built it up, they sold it, then they had cash and now they have to find a place for that cash to continue to grow their wealth. The cool thing about real estate is that it's it is the steady Eddie you own the physical property, you're able to keep it for ever really. In his case, it's a single family home. It's not super big, massive real estate portfolio, but it is in California. He does use that property as a long term rental and I asked him about short term, and he said that he'd love to do that but it is in a place with an HOA, and he is just not able to do that as part of, you know the current location and situation.

M

Mike Stohler 16:58

That's really good. Let's go on to the door number three, I mean interviewee number three, and we'll call him Frank. And what is Frank's story?

N

Nichole Stohler

So Frank works full time in tech. And he might be into fitness. I don't know 100% for sure,

because this would be a question I would ask and get a little more detail on a live recording. But what I understand is that in the state that he lived in, there were a number of fitness franchises within, you know, particular brand popping up, and he was very interested in owning one. So he reached out to the franchise group and he was told that there were no territories available in that particular state. But he was so interested in owning this particular franchise that he looked at neighboring states and he decided to go ahead and move forward with developing two stores in another state. And he owned and operated those for about two plus years now maybe a little bit longer. And he basically would travel. I don't even know the time if it was once a month or every other week. This is these are some of the questions I would ask. But he would travel to go and visit those locations and manage the rest of it remotely.

M

Mike Stohler 18:22

Well, we definitely know the pros and cons about franchises, especially when it comes to hotels. So how about, you know, this type of franchise? What are the pros and cons?

N

Nichole Stohler

Yeah, so what I heard from him is that the franchises were very profitable. But the challenge that he had, and this may be, again, just him being remote, is he had a hard time keeping solid consistent management in place. And then without the management, obviously the employee level and the consistency there and then the experience for the customers. That was all Very challenging. And I do think maybe that was because again, he was remote, and he could easily get over there. But he did describe that as being one of the challenges, but again, very profitable business for him to own.

M

Mike Stohler 19:15

And so what's he do now?

N

Nichole Stohler

So he told me that he ended up selling those franchises to more of like a regional director that owned other franchises within that particular state. So, you know, kind of keeping it in the family. And he told me that he leveraged 1031, which was kind of interesting to me because I really only think of 1031 exchange as it relates to real estate investing, but that's what he did, and leverage that to then go into car washes, which ironically, he is also doing the car washes in that same state, which is not where he lives. So those are remote



as well. So it is very interesting. If you listen to episode number seven, I had Kenny rose from some pa on Kenny is a franchise consultant. So he represents a number of different companies. And I asked him the same thing, hey, I'd really like to talk to any of your clients that are in tech that are willing to share their story. And I will tell you, I've really struggled to find tech people who will talk about owning franchises. And I know that they are out there. So if that's you or you know, someone, please send them my way. So, thank you so much for joining us this week, check out our show notes, because we're going to have a massive list of resources around these businesses, including where to find similar businesses, some of the tools that you would need to manage and other helpful resources because we covered a different, a whole different spectrum of different topics that you could be leveraging To build your wealth, and I do hope that we actually have the real recordings from these folks at some point in the future. Again, they were all super inspiring and interesting and different. Now, if you're listening to this, and you say to yourself, oh, my goodness, I want to do everything I can't choose, it's really tough. Or Also, I'm not exactly sure where to start. Go ahead and check out we have a quiz. It's on the richer geek.com. If you just pull up the main page, it's right there. And there's a series of eight questions that we always recommend anyone talk about or think about before making decisions around where you should invest at the next level. Thank you so much, and we'll catch you next time.



Mike Stohler 21:54

Take care everybody.



Nichole Stohler

Thanks for tuning in to The Richer Geek Podcast. For today's show notes, including links and resources, visit us at [therichergeek.com](https://therichergeek.com). Don't forget to head over to iTunes, Google Play stitcher or wherever you get your podcasts and hit the subscribe button. help us spread the word by sharing with others who could benefit from listening and leave a rating and review that'll help us get the podcast in front of more people. I appreciate you. Thanks so much for listening.