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PERSONAL REAL ESTATE  
**INVESTOR**  
MAGAZINE  
BUILDING WEALTH THROUGH PROPERTY INVESTMENT



## By Editors

Dean Graziosi is arguably the most successful real estate educator in the United States, if not the world. Over the last 13 years his companies have touched hundreds of thousands of investment-responsive customers. Graziosi has helped thousands of these students succeed in real estate and generate many hundreds of millions of dollars in revenue. This has not been without controversy, lessons learned, and an education in real estate investing that he is most willing to share.

### NO “SUGAR HIGH”

“We began like most other real estate and wealth educators, but with one big difference,” says Graziosi. “We worked out how to keep clients successfully engaged while we were being financially successful. Unlike classic, quick-

# THE EDUCATION OF A REAL ESTATE INVESTMENT EDUCATOR

hit infomercial gurus, we felt that we owed people more than a quick boost to their expectations that we then failed to deliver on. What followed these unreasonable expectations was the educational equivalent of the crash following a sugar high.”

Everyone knows the story. The result is customer complaints. Have you ever noticed most real estate educators are nearly impossible to reach? Each one’s website has some anonymous toll-free number like “1-800-DON’T-CALL” or a “Contact Us” page that goes to info-at-the-hard-to-find-guru.com.

Graziosi changed the game when he began using social media to conduct an orderly two-way dialogue to manage complaints and comments and leverage this feedback to the benefit of everyone involved.

### SELLING INVESTMENT EDUCATION

At Personal Real Estate Investor Magazine we have an aversion to most real estate education gurus. It is mutual. The gurus have taken a dislike to the fact we publish a magazine for investors, often discussing education and potentially getting between them and the gullible. We discovered many were not selling much value with recy-

clad ideas as new again. These were positioned as “The Second Coming” accompanied by breathless promotion and promises of insider secrets to “making a million by midday.” This just made them more distasteful to us.

I had seen Graziosi’s ubiquitous infomercials and found these promotions remarkable, not because of their content but the fact they never ceased, even during the darkest days of the recession. As reference, over the past five years, Graziosi has bought an average of about \$1 million of television time each and every month. This is more than all other real estate investment educators combined.

I was intrigued on why he succeeded while everyone else had gone dark during the recession of 2008, 2009 and 2010. Emails from the press to info@DeanGraziosi.com went nowhere until I noticed a familiar infomercial face sitting two rows in front of me at a local event. The rest is history, and this article is the result.

### STOP TALKING & START LISTENING

Graziosi impressed me at our first meeting with how much he wanted to share. He gave me his latest book and asked me to read it before our future interview. The book, “Thirty Days to Real Estate Cash,” is a “how-to” for finding cheap houses, acquiring them, and wholesaling them to a buyer — all for no money. It is not that this book contains original ideas, but it does provide a thorough, step-by-step recipe for the new investor.

All of Graziosi’s books contain practical advice, checklists and summaries. Each reads like a field manual. “When you encounter this, these are the options, and the most efficient way to answer the question is...”

“We learned this from listening to students,” says Graziosi. “They want simple, little executable steps. It is impossible to write an effective general real estate success book. If you do, it’s a book of theory, overview and strategy. These have their place, but just like a newly minted college graduate, there is a gulf from theory to profitable practice. We teach the practical field experience of tactics and executables away from the classroom. This means any useful real estate book must take one sliver of the broad swath of real estate investment activities and break it down into simple steps: ideas, application, the various approaches, questions, answers, and solutions.”

“Thirty Days to Real Estate Cash” does this for the new investor short on cash. Read, follow each step on the path, and things should work out. Everything is here, but if you need help just call Graziosi.

“At the end of day bad advice is the most costly advice in the world, whereas true wisdom is cheap,” says Graziosi. “Bad wisdom is worthless and stings and creates

deep discouragement on the part of a student who is genuinely looking for help. Real estate investment educators have a significant responsibility, but many consciously get it wrong by putting their own income first."

### A REAL PERSON & A REAL MISSION

Graziosi is not the "over the top" pseudo-TV-star guru type you may expect. Quite the opposite. He has a quiet confidence developed from experience, tests and failures, tests and successes, but most of all, knowing he has taken all this experience and focused it to deliver what most of his customers want.

"Our business became really good at selling investment products, but early on we knew there was something missing between selling education products and ensuring student success," says Graziosi. "We were not helping our customers execute. Five years ago, we knew without any doubt the techniques we sold worked. They were developed from my ongoing personal experience as an investor. I was broke and out of a job when I started, and I wanted people to understand what I did to make the necessary changes.

"I knew what I had to do to make personal investment work. Effort, trial and error, failure and success. This I could teach, but I was unsure how students would benefit. We heard complaints. The problem was that these complaints were often late in the dissatisfaction cycle after we had lost dialogue with

the customer and the opportunity to resolve a complaint. There were messages, but no communication.

"We needed two-way communication so I could understand their fears, the dangers and obstacles they faced, the mutual strengths we each had, with me as the educator and them as the students, so we could work together to help them achieve a mutual success.

"I could succeed selling something, but if the student failed, so did I. It sounds corny, but I could not understand their issues until we had lots of feedback. Social media made this communication possible and manageable so we could spot common issues and challenges so we could respond with real advice and answers as if personalized to individual students.

"People will listen to you when they feel they are being heard and understood, not just when they understand you," says Graziosi. "This is the basis of the current student success process we believe in and follow today."

### OLD GURU, NEW GURU?

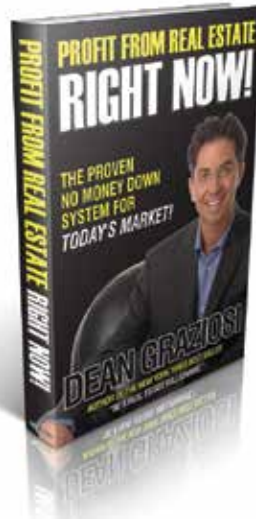
**Old Way:** Most real estate investment education is about selling. The sale is based on emotion overriding logic.

"The old way was to get someone emotionally excited to make a buying decision," says Graziosi, "and you can sell them anything. Now you have to sell them everything you have in as short a period of time as possible, paying special attention to federally mandated rescission periods and then never talk to them again."

The fear of following up was you might "kick a sleeping dog," and an unfulfilled customer would now ask for a refund. This popular old guru model is based on negative options, default thinking and conscious or unconscious underlying acceptance by the guru that the products are substandard and based on inflated expectations. This guru has to believe that the advice really works. This is the old way of doing things. The majority of feedback is expected to be less than positive and encourage refunds so it is simpler to ignore.

**New Way:** Graziosi decided if the old way was the only way to stay in education, this was not a business he wanted to be in. He had come to realize that just as in any successful relationship, communication is the key to improving everyone's experience. He quickly realized more open communication was better.

Even negative feedback can be turned to positive if any such instances are caught early and often. At any company, complaints and questions are very a small part of the total dialogue when open communication is encouraged. The use of social media has raised the amount and quality of those people-to-people exchanges, and what was a complaint is now an opportunity to understand more about



## CUSTOMERS FIRST

Graziosi believes in congruence, so every step or program works toward fulfilling the outcome promised by the mission and message.

Using a student-centric versus guru-centric approach, Graziosi has helped more students succeed than all other real estate investment gurus combined. This began with trial and error and listening to the education gurus who had gone before.

First he followed the traditional or "push" marketing approach. This is all about making the most income for the guru as fast as possible. These begin with breathless email campaigns to sell the tease and Level 1. "Buy before midnight," "a once in a lifetime limited offer," etc.

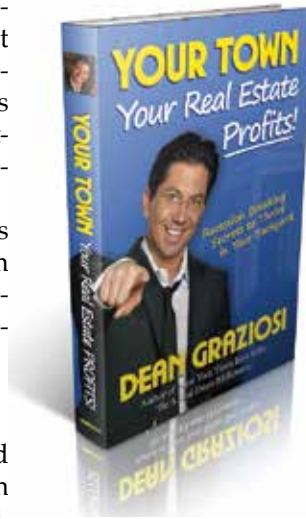
Graziosi found that when he really got involved with students, sales went up, but this required a real commitment and investment in communicating with them. The attraction or "pull" marketing made possible with social media was more powerful, and it reduced buyer remorse as well.

clients, solve a problem, and satisfy a disappointed customer. The biggest benefit is that when such instances occur, a complaint satisfied provides more information about business practices and products, but above all even better testimonials about the company, the teaching and the student successes.

“The greatest lesson we learned,” says Graziosi, “is that a customer with a problem made right is a far better resource and referral than a customer who has never had a problem.”

### SOCIAL MEDIA MAGIC

“I was introduced to social media and immediately decided we were going to launch a new website using these tools,” says Graziosi. “When I told others what I was about to do, they told me I would be taking a huge risk. Their experience and warnings were I was just going to give my critics a forum to criticize me, indulge in trash talk and run me down. But I saw something different in the two-way conversational focus of social media. It gave students the ability to provide real feedback and feel they were being understood. The tools let



me easily listen to thousands of students, hear their issues, sort them into common fears, confusion, objections and puzzlement, and then answer these without having to talk to thousands of customers one-to-one. It also helped us find where our education material or teaching was not precise.”

“Email is fine, but it offers very narrow and serial dialogue,” says Graziosi. “Using two-way Web video that encourages discussion, and webinars that encourage forums and comments, meant we now had mass communication without losing the personal experiences of our customers. I could measure customer feedback and respond quickly with an appropriate video and webinar answer versus diminishing the technology to that of just another sales platform. My revelation was social media was not just more ‘push marketing’ but provided a tool to manage the push/pull dynamic of a personal conversation between a teacher and a student, multiplied by however many students wished to comment. Now we knew what people cared about, where we were covering subjects adequately, and where we were not.

“The inherent message,” says Graziosi, “was we cared. Our students knew they had the option to get more involved, or choose to stay passive and comfortable knowing when they needed help and guidance, they could easily ask for it. Student satisfaction went up, our return rates dropped to low, single digits in an industry known for dissatisfaction and return rates in the 25 percent range.”

### PASSION & BELIEF

Many salespeople and gurus have justifiably earned shabby reputations. “If a salesperson is selling something that is going to hurt the buyer, selling can be bad,” says Graziosi.

“The transformation for me in building a successful real estate investment social community,” says Graziosi, “was helping people make money. You notice passion in people when they believe in what they sell. Say you go to a movie or restaurant you like. You share the experience. You are at your best recommending this venue. So when you sell something that could change their life forever, I am obliged to be the best on the planet at what I do. If I am not engaged

## COMPARISON OF MARKET PHILOSOPHIES USED BY MARKETING GURUS

Market Philosophy	“Push”	“Pull”	Revelation
<b>Sell Book</b>	Tease. Read “Secrets to Becoming a Billionaire.” But to really make it work to need to go to the next level. Book is a hook to get to the upsell.	“Read my book. It’s all you need to make money.” All-inclusive recipe book. No missing ingredients or techniques.	If book is bad, why buy more? If book is great but need more help — please sell me more? Everything here but if guidance needed will help. Personal Trainer analogy.
<b>Level 1</b>	Very good but really a tease. Only the beginning of what is needed to succeed.	Curriculum teaches students how-to. Students implement on their own. Next level is support, guidance, answers & motivation.	Graziosi’s Academy Student is accountable for change. Coaches are RE investors. Dedicated coaches strategic partners and contracts.
<b>Level 2</b>	Less “what” & more “why”. Good education but always omissions to push upsell.	Included	Students attend local groups. Field support by Graziosi graduates.
<b>Level 3</b>	Nothing held back. Includes steps to execution.	Students become trainers & work with new students. High rate of success.	Nothing succeeds like local & shared success by Graziosi instructors.
<b>Rate of Return</b>	Up to 25%	In sub-single digits.	Over 97% satisfaction

or believe in helping you achieve what you want to, I'm like every other salesman trying to earn a living. In my case I will ethically bribe anyone to help them do better, such as bribing a smoker to stop smoking. My job is to make sure this year is a better year than last year was for each of my students."

### TO SERVE & TO SELL

"Once we built DeanGraziosi.com around a social media model, it exploded. We now have 300 to 500 voluntary posts per day," says Graziosi. "I read this every day. I had to understand what they were saying — good, bad, or indifferent. Unless students believe I am in the trenches with them I cannot get a feel for the real problems facing our customers.

"I never stopped being an investor," says Graziosi, "as this is the only way I stay in touch with market reality. It also helps me find better, faster and more-efficient ways to identify opportunities and solve problems.

"I have bought 270 properties in the last 100 days which we have either sold on the open market or to our students. We partner with many students in some of these properties," says Graziosi. "This is a force multiplier for both parties. If we partner with 10 students and they, in turn, help another 10 students, we effect material change for hundreds and then thousands. The collateral benefit is that students are also a source of some of the best ideas."

### THE DEAN ENTERPRISES MACHINE

The Graziosi companies are on target to easily meet revenue goals for 2011.

"It was not always like this," says Graziosi. "I started out pretty modestly — just me and a couple of assistants, but over 13 years we have grown to a \$100 million-a-year enterprise.

"Dean Enterprises is the main company," says Graziosi. "This is where the creative team creates, manages, and



[www.DeanGraziosi.com](http://www.DeanGraziosi.com)

800-489-7003

runs every one of our websites and social media channels. We publish my books and manage our student membership, maintain quality control on our fulfillment partners and create, film, produce and publish all of our digital TV, videos and infomercials. We also coordinate and manage the hundreds of alliances, strategic partnerships and students acting as independent contractors fulfilling, serving, and teaching others."

Graziosi also uses major fulfillment companies that are under unique agreements. Graziosi demands a dedicated staff of qualified investors whom he personally trains to serve his customers. This allows more authentic responses and personalization as well as a higher degree of confidential service.

Dean Enterprises also runs Dean's Real Success Academy event once a year in Phoenix, attended by close to 1,000 students, as well the hundreds of small regional events each month for students, staffed by Graziosi's graduate students.

### A CUSTOMER IS A PERSON, NOT A LEAD

"I hate the word 'lead,'" says Graziosi. "These responses (web, phone, mail or email) are not leads, but a valued prospect and client. A client or a customer is a person. The term 'lead' marginalizes this response as a number. Our whole industry has lost much of its way by reducing people to numbers and then numbers to dollars.

"The industry gets lost by cross-using lead lists," says Graziosi. "They use a book written by someone to cause me to respond, only to devolve into a lead on a list that is broadly used by multiple gurus. I feel abused, as the lead is shared and used by everyone trying to sell something related to wealth or investing. At Dean Enterprises we do not share our lists with anyone, so we do not burn out or abuse our customers."

### THE NEXT BIG IDEA?

"People miss how many people in America are investors," says Graziosi. "If I do nothing else with my business, I want to make being an entrepreneur and investing in real estate cool again.

"The next big thing we are doing is a reality show," says Graziosi. "We are going into people's homes and showing them how to make serious money in real estate in six months or less. We are going to film their journey."

"We believe in the principle of *teaching* a man to fish versus *giving* a man a fish," says Graziosi. "I have been given much and I have learned it is my obligation to serve and return to my students and prospects even more. When I do that my life just gets more abundant."