

## Tales From The Inside

By Carol Ayo

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***“Everyone pays a price, whether they realise it or not.  
The only difference is when you pay, and how much.”***

Hi, my name is Carol and Steve has asked me to write this special Christmas Hot Topic.

You see, I've just finished three weeks of 'work experience' within the Bradley McKnight Group and I'd like to share some of the insights I have gained from working closely with Steve, Dave and Tim.

### **How I Came To Get Secure Work Experience.**

Steve and Dave receive many phone calls and other offers from people who want to take them out to lunch or work for free within their office while they glean the secrets of their massive wealth creation. Just on that - I can vouch that the guys really do own all the property they say and have been very successful on the wealth accumulation strategies they've implemented.

But despite all the offers they receive they almost always say 'no'. So how was it then that I was able to gain the golden ticket to their humble offices in Mont Albert?

Well the story begins way back in August when I purchased a ticket to attend a wealth-creation workshop in Melbourne. Steve was the guest speaker at the event and I signed to attend his 'Property & Wrap Secrets Revealed' seminar on 22nd September in Melbourne. The only problem was I later realised that I had double-booked myself to attend another seminar on that date too.

I was able to swap to the Sydney seminar on the 15th September and eagerly booked an Ansett flight for the Friday night. I bet you can guess what happened! Yes, Ansett collapsed four hours before my flight was due to take off so my only option was to hire a car. I was beginning to think that the seminar was becoming indirectly quite pricey!

So off to Sydney I go in my trusty Lancer hire car. Things weren't looking much brighter when I was pulled over by the police and given a \$524 speeding ticket, but nevertheless I still miraculously arrived just in time (okay – I lie. I was ½ hour late) for the beginning of the day.

During the event, Steve also mentioned that they had also booked with Ansett, had taken the hire car option and had to drive back to Melbourne the following day too.

Since my life's motto is 'if you ask, you shall receive', I asked if we could drive back to Melbourne convoy style, which to my slight surprise Steve was enthusiastic about.

The trip back was a lot better than the trip up because after meeting up at Golburn, Steve and I shared the driving back in my hire car while Tim and Dave drove back in theirs. It's on the trip back that things became truly interesting because Steve and I shared perhaps the best conversation I'd ever had with anyone before and it lasted a massive 9 hours. It was then that hit finally hit home that for me to get the wealth building results I was looking for then I'd have to do *something* different.

We said goodbye in the K-Mart carpark in Broadmeadows and that was the last I thought I'd see or hear from Steve for a while.

But no! A few weeks later I was due to complete the Anthony Robbins Seminar (which was the seminar I mistakenly thought I had double-booked). Just before I was due to leave for the first day, Steve calls me up to let me know he's also attending, and hoped that we'd meet up.

Now picture the Anthony Robbins seminar at the Rod Laver arena with about 3,000 people attending. There was little chance of randomly bumping into Steve but I knew his mobile number and called him up during one of the breaks. Somewhat amazingly, he was only sitting about 20 seats away!

Now at the seminar we were asked to commit to making two decisions that would radically change our lives for the better.

The first decision I made was to quit my current job (I had been bitching and moaning about how much I hated it for months).

My second decision was to find where Steve and Dave worked, camp on their doorstep for 8 hours a day, 5 days a week, until someone took pity on me and taught me something.

To Steve's credit, he barely blinked when I told him, and later that week was given the okay to come in for three weeks (Remember, at the time I didn't know that they'd never accepted a 'work experience' person before, even though they had been asked countless times).

Well, as you can see it's a long road to walk to qualify for work in their office and it requires some serious dedication.

Towards the end of my time there Steve took me aside to let me know why he'd allowed me to gain work experience. I was very flattered when he said that in me he saw the same hallmark that's made him a great success. He saw my dedication and commitment to becoming a better person and not just accepting what everyone else has.

### **So What's It Like In Their Office?**

I'm not sure what to expect and I was happy to do anything, although I hoped they wouldn't make me clean the toilets.

You'd think that a couple of multi-millionaires would have glamorous offices, but I'd describe where Steve and Dave's work as humble rather than extravagant. It's a two story building that's up an alley way in a shopping strip that looks like it's been transported from the 1950's.

Steve and Dave work in one open space and Tim has a work area just outside.

One of the first observations about the office was the relaxed way that it all operates. Steve rides his bike to work and the official attire is, well, shorts and T-shirt. While I was working there a few business professionals came in and were told (with a smile) that next time they came by they had to be wearing 'official attire' or they wouldn't be allowed in.

I did have an expectation that everyone worked hard but once again this wasn't the case. From where I sat it seemed like the only person working flat out was Tim, followed by Dave.

Steve on the other hand seemed to ride in (late), have a (long) conversation, plug away at the computer (and I use the term 'plug' loosely), leave for lunch (early), come back (hours later), then leave again. This financial independence thing is truly something to aspire towards!

### **My Experiences**

I spent the first day learning all the administration necessary to control their extensive real estate business as well as handling the office tasks that Tim completes every morning. Just on that, you may (or may not) be surprised to learn that the one statistic that is monitored religiously in their office is cashflow.

Tim must reconcile the bank accounts and provide a report for Dave and Steve each morning. When I asked why Tim told me that the philosophy in the office is 'every day we make more than we spend is a great day'.

Actually, my head was in a complete spin on the first day. When I arrived home I was greeted by expectant faces (and some smirks, I'm sure, convinced that I was in for an awful day). But the only thing I could think to say was "I LOVE it. I want to do what they do for the REST OF MY LIFE!"

OK - time to be completely honest. The impression I've provided of Steve and Dave is a 'first glance' one. In reality and to their credit, they are very focused people and are very committed to helping others. I certainly know that they went out of their way to teach me as much as they could about real estate in the three weeks that I worked with them.

At the end of three weeks I was up to speed with a lot of information. I was able to handle the administration of maintaining the accounting information needed to run a business of over 60 real estate properties, I knew how to search for cash flow positive properties (it really IS as easy as logging on to the internet) and also what to say to real estate agents. Best of all though was I now knew what 'to look for' and 'what not to look for' in a potential investment property.

It wasn't just the good stuff they showed me either. Dave took me down to Moe one day when a couple were leaving a 'wrapped' property, and another woman had decided that she no longer needed to pay her rent because 'the washing machine had broken down, and (you know how it is) she had dirty nappies to wash, so had decided to buy a new washing machine instead' (what an eye opener!)

Despite the possibility for a nasty situation, I witnessed first hand the power and importance of creating win-win outcomes. If you do this then a possible bad situation is handled much easier.

They lent me tapes and books on real estate, and I was even lucky enough to read the first few chapters of Steve's up-and-coming book (which is a most excellent read!). You must encourage Steve to get back to work on this because it really is a fantastic book.

During my time with them, they also found, researched, negotiated and purchased a buy-and-hold apartment block of 6 units, that returned \$480.00 per week gross and cost \$170,000 to buy (yes, you read that correctly). So high yielding, cash-flow positive property **IS** out there!

I'd even go as far as saying that there's quite a bit about, if you take the time to look. They even had different real estate agents calling THEM up with positive cash-flow deals that were on the books.

In the end I'd have to conclude that they have their whole business running like a well-oiled machine. If you can learn just 1% of what makes them successful then you'll go a lot further than many others. By the time I left I don't think my head could have been buzzing with excitement any harder. I had trouble getting to sleep at night, and would be up at the crack of dawn every morning.

### **The Lessons Of Work Experience...**

In inviting me to write this Hot Topic, Steve encouraged me to write about some of the mental hurdles that I was able to bust through.

So, what are the hurdles I was able to leave behind forever as a result of working at Bradley McKnight?

- (i) It's not hard to buy a property - just ask and learn as you go.
- (ii) It's not hard to find the property, as long as you have clear in your mind what you are after.
- (iii) **NO ONE ELSE SEEMS TO BE DOING THIS.** I now understand that many people are trying to get rich by doing nothing except forking out lots of money to attend seminars about glitzy 'location, location, location' seminars. As a result, GREAT deals sit on the shelf because they aren't 'sexy' and 'beachfront'. However, don't expect it to be there forever. Move, or someone else (Dave, Steve or me) will snap them up.
- (iv) Ask the right questions to the right people (i.e. people who know more than you do). Get them to do all the hard work.
- (v) Most important of all, THE WHOLE COOKIE-CUTTER PROCEDURE is remarkably and extraordinarily EASY. All you need to do is get educated (which will never stop), find something that you love to do (i.e. make money) and TAKE ACTION. Do it again and again and again until you finally get there. Just DO SOMETHING.

The most important thing I discovered is that making money is not rocket-science. It involves commitment to an idea and taking action.

### **What I'm Doing Now**

After three weeks of work experience it finally dawned upon me (better late than never) that my own financial freedom was not going to fall from the sky, and that I had to do something drastic to change my appalling financial habits.

More than anything, I want to be financially free. I'll even let you in on a little secret... I hate to work for other people.

I hate that I have to be at a certain place at a certain time every day, and that I can't leave if I feel like it. I hate that I have to do things that I don't think are important, and that I have to be nice to people that I don't really like. I hate that at the end of the day, after taking care of someone else's business, I'm too tired to take care of my own. And I especially hate that at the end of the week I receive my pay, but I have sacrificed one week of my life that I shall never get back for it. And that, in my opinion, it was a bad trade.

Steve talks about setting goals all the time, so I thought that was a great place to start too.

Finally allocating the time to sit down and writing out my wealth creation plan and goals and choosing the 'path of least resistance' was probably among the hardest things I have ever done.

It forced me to take a long hard look at what I had been doing so far, and to realise that ignorance was definitely NOT bliss. In actual fact, it was on a sure road to financial poverty. So I drew up two plans. The first involved my foundations and then second was to enable me to 'retire'.

While I'm sure that I will be modifying these plans as I go along, I am glad I have put down something in writing. It's true that unless you pick a destination then you can never tell if you are heading in the right direction.

What are my plans:

#### **PLAN #1 - My Plan To Be Secure**

My 'Plan to be Secure' is to avoid at all costs what most of the population call secure, which is to work until I'm 65 (ugh!) and then retire. It will ensure that I don't go on the pension, and runs along side any superannuation I may already have.

1. Remove all consumable debt, and do not incur any more.

Luckily, one thing I have never liked was debt. So this is limited to a \$1,000 Visa Card. It was with great aplomb I took the scissors to the credit card, and flushed the little pieces down the toilet in a grand symbolic gesture.

2. Put 10% of gross income into a growth fund.

I have actually been doing this for 6 months now. While my account certainly doesn't have a great amount of money in it, it is definitely more than I would have had had I spent it (like I used to) on 'entertainment'. And it really is true. If money is taken out automatically, you don't even realise it's missing. And 40 years of compounding interest should surprise me on my 65<sup>th</sup> birthday.

3. Reduce expenses.

This one was almost enforced because lack of money tends to do that to a person. Actually, the three weeks of work experience quickly helped me to decide which expenses were essential and which ones could be avoided. I soon realised that my largest outlays were on unnecessary consumable items which I now call 'fluff' because they are without substance.

After doing a budget, I realized that I didn't even know where most of my money went! Funny thing was, that I wasn't any less happy for not spending money.

Simple, eh? But things that I had never consciously thought to do before.

#### PLAN #2 - My Plan To Be Comfortable

My goal has been to 'retire' by the time I'm 30 (I'm 25 now). My definition of retirement is that I must have a passive income of \$1,000 per week, so that I am then able to choose how I spend my time. Granted, \$1,000 a week is not an incredible amount, but my goal was to be comfortable, and \$1,000 would certainly do that.

Since I have had a great interest in real estate this year, I decided to achieve my goal by;  
Acquiring \$520,000 worth of real estate that returns 10% nett per annum = \$52,000 per annum  
= \$1,000 per week

Given my experiences at Steve and Dave's, I KNOW that positive cash-flow positive (before tax) properties that return above 12% per annum exist. They may not be common, but they are out there. And my plan is always flexible and can be changed, if for whatever reason it no longer becomes viable.

So how am I going to achieve my goal?

- (i) Buy it all as fast as possible. Then, stop buying and;
- (ii) Pay it all off as fast as possible.

Doesn't seem all that hard, does it? And once it's written down, it doesn't look like such a big ask either.

\$520,000 worth of real estate really isn't a lot at all, by today's standards. Finding high yielding property will be the hardest, but then again, if you don't look ... you won't find.

Would you like to know what my first purchase will be? I'm actually going in with a partner due to a lack of finances, so my share will be 50%, but a start is a start. It is a \$135,000 property (a very unsexy three brick unit complex on one title) that returns \$315.00 per week. I found on the Internet for \$150,000 and bargained down to \$135,000 using the strategies that Steve and Dave talk about on this site.

#### Conclusion

I've come to realise that everyone pays a price to live.

Whether you decide to pay it later in life after working for 50 years only to retire poor on a pension, or whether you pay it now and work hard today to retire early tomorrow, it's nevertheless your choice.

But don't disillusion yourself that it's too much work to make a start on the road to financial independence. If you don't like the likely future you're facing because of your habits, then just do what I did and decide that you deserve more from life then take action.

As Steve says 'In order for things to change, first you must change!'

If you can do it do then I'll look forward to seeing you in early retirement.

Sincerely,

Carol Ayo