

How to Invest or Participate in Franchise Businesses

Jon Ostenson: Ep #553



Jon Ostenson

Find a business you can get your arms around that you think you would enjoy building. And then again, because you've got the support of the franchise, we're on the sideline. Once you get that good manager in place, then it's on to the next thing. And you can start stacking these and building that portfolio where you diversify your income. Maybe in some ways you can complement employee bases or customer bases. So there's a lot of different strategies and tactics that we help our clients think through.

Dr. David Phelps

Decades ago, I hustled to grow my dental practice and real estate empire. Society patted me on the back and every new deal and patient reinforced the success they said I had. Then my daughter Jenna was diagnosed with leukemia. Nine years, several intense chemo treatments and years of epileptic seizures, my daughter was given one more miracle, a life-saving liver transplant. In that hospital, I realized I wasn't successful. I had money, I had real estate assets and a business, but the only thing that mattered was time with my daughter.

In that hospital room, I decided to sell my business, leave active income and sustain my lifestyle with my real estate assets. Now, Jenna is healthy and all grown up and me, I am teaching others to do what I did. And I continue to uncover the principles, strategies and lessons we can apply in business and investing to create ultimate freedom for what matters most to each of us. Welcome to the Freedom Founders podcast.

Once you step away from active income or your practice, what comes next? If you've ever wondered how to keep your entrepreneurial spark alive without being tied to a desk or to a chair, this episode is for you. Today, I'm joined by John Ostenson, franchise expert, investor, and author of Non-Food Franchising. John specializes in guiding high-income professionals, healthcare practitioners, and seasoned business owners into vetted...

high-performing franchise opportunities that can be operated actively or semi passively. We explore the myths and realities of franchising beyond fast food, from home services to health

and wellness, and even niche markets like pet care and senior services. Whether you're seeking tax benefits, family legacy opportunities, or portfolio diversification, John's insights will open the door to industries you never knew were options. In this episode, expect to hear.

Why franchising offers unique tax benefits and semi passive income opportunities. Key factors to vet before investing, including leadership teams, territory and financial models. The creative financing options like SBA loans and retirement rollovers to launch your franchise and much, much more. Please welcome John Ostenson. John, it's great to have you on today.

We've had a conversation in the past and I've gotten to learn more about you. Actually, you referred to me by a good friend and that's usually sometimes the best connection. So I want to start out there and say, I'm grateful because the conversation we had a few weeks ago was about something that I know is an important or potentially important piece of many of my constituents, which were professional practice owners, healthcare professionals, in looking at their transition out of their active practice, whether they're still in practice or maybe right at the exit point.

But what I find, and I know you have the same kind of conversations with many of the same kind of people is, so what do I do next? I'm tired of being in the chair serving patients, did that well for a career, but I'd like to do something else. And there's also the loss of the normal tax benefits that any business owner has. And I think anybody who owns a business appreciates that there are very good tax breaks, benefits in their tax code that allows a business owner to have certain write-offs.

that you don't have as a W-2 employee or as a non-employee, non-active income producer. That's the thing I also hear many times. And so what you do today in really doing vetting and consulting for those who would like to look at the franchise model provides for some of that, provides for a transition, provides for a, and we'll talk about active versus passive, because I know that's what people want to be careful of, and probably some of the limiting beliefs.

that are out there about, what is a franchise? Am I buying a Domino's Pizza? Am I buying a Quiznos? Those kind of things. So lot to cover there. But let's start first with your story. And that is, how did you transition from corporate to the franchise consulting model that you are able to present today? What was that transition like and what prompted you to do that?

Jon Ostenson

Yeah, absolutely. Thanks for having me, David. Excited to be here. And yeah, I spent many years in the corporate world, had a good run, very thankful for those experiences, but had that desire, like so many of your listeners, to do something a little more entrepreneurial and really step out there and didn't know what it looked like. You most people don't know exactly what it is that they want to get into and had the opportunity really to stumble into franchising. It wasn't on my radar initially. I had the opportunity about nine years ago to step in as president of Shelf Genie franchise system. So

stepped in and ran the home office supporting all of our franchisees all across North America. A shelf Janie is custom plot shelving if your kitchen some pantries just everyone is. But really that's when the light bulb went off for me and I saw how so many different backgrounds could come together under a shared system with shared support and become entrepreneurs oftentimes for the first time or maybe the second time and how we supported them just took a

lot off their plates. Long story short, I ended up partnering with the founder of WeSpunOff. We've invested in franchises ourselves.

I personally invested in some directly as well. you know, started my consulting practice as on the side about six, seven years ago. And now it's really become most of my full-time work. You know, I still have franchise investments as well as real estate investments and all sorts of different alternative assets like a lot of your listeners do. But yeah, the consulting practice being able to work with those all across the country from a variety of backgrounds and introduce them to more than 600 different franchise companies that we work with that are looking to expand across all different types of industries.

in markets across North America. And I just love it. Love working firsthand with clients as well as getting to evaluate these business models.

Dr. David Phelps

And so as I understand it from our previous conversation, people always want to know, what is working with John look like? You do consulting, but as I think you portrayed to me is you're a broker. You're a broker. And just like if I was going to maybe buy a house, I would go to a broker and the broker would get a profile of what I'm looking for and what's in my budget. And you would get all those things. And then you would help me by going out and searching, not searching, but seeking the right potential fit.

And if you put it together well and there's a fit and transaction occurs, then you get paid.

Jon Ostenson

Exactly. So my clients never pay me a nickel, just like a real estate broker, you get paid by the seller and so that, you know, it's part of their sales and marketing expense, you know, the different franchise brands and none of that's passed on to our clients. So it's a nice clean model from that standpoint. And like I said, we're affiliated with the largest network of franchises in the country. And so, you know, we get to see, get to see a lot and, know, like any industry, there are good players and there are ones that are not as strong. And that's where we come in to help our clients evaluate the top opportunities for them.

that are open and looking to expand in their markets.

Dr. David Phelps

That's really, think, one of the key value propositions that you bring is that in any platform, in this case, the franchise model, how does one on their own go out and seek what would be a good franchise? They might get a magazine or see something on TV and go, well, that looks interesting. I'll just go check that out. You've got the network, which is a key aspect of you're in the mix, been doing this for six, seven years, and you know the lay of the land. So you can quickly...

help consolidate down what might be a fit for a particular client versus the client is going out into space and just grabbing onto whatever looks interesting to them and not having clues to really where to start. Is this really going to be a fit for them?

Jon Ostenson

You're exactly right. There's so much noise out there. And even if you come across the top 100 franchise list from a publication, companies are typically paying to be on that list. And so again, it's a PR move for them. And it's important to understand what's going on behind the scenes. Who's got the leadership teams that have not only industry experience, but also good franchise experience from their backgrounds, obviously competitive advantages, financial models. What are current owners in their system saying about their experience, the validation?

Yeah, I spent a lot of time at franchise conferences, at one last week in Atlanta, we'll be speaking at one Cincinnati next week, know, with a lot of brands will be attending and rubbing shoulders with them. always trying to network and understand kind of what's going on behind the scenes, leveraging the relationships that we have in the industry.

Dr. David Phelps

Absolutely. So I mentioned on the front end of our conversation today why I think this is interesting for people in my arena, professional practice owners, to consider. And there's different reasons. I think we talked also about the fact that getting ■ adult, well, it could even be younger children, but getting our kids or their kids involved in something that's entrepreneurial also as maybe the more active operators of a franchise model.

Because most of my people would love to still be a part of a business, but they don't want to be the active part of it. And we talked about that. And so why don't you open that door? What do you see from your standpoint, why high income professionals, why this has worked for a certain number of them that you've helped, and what else you see in terms of the benefits? And then maybe talk a little bit about the downside or maybe what people think about the downside. ■ Like I said, the QuizNotes fallacy, I was just, you

Nothing wrong with Quiznos, but it's not probably the number one on your list, I'm just guessing.

Jon Ostenson

Yeah, no, your first question there, you know, we work with all sorts of healthcare practitioners and different types of physicians and dentists and, you know, a variety of different backgrounds and have placed so many clients over the years in the from those different types of backgrounds. I was actually talking with the client just this morning. He's the dentist has his own practice in Northern Indianapolis. He has a son in Colorado, 29 years old, who's wanting to become a business owner. He wants to partner with him on the capital side. And so they're going to

And we see that that's so common. And yeah, but sometimes people don't have that family member or that person that they have in mind to become general manager. And really, that is so key. mean, franchises oftentimes build themselves as semi passive or semi absentee. Some call it an executive model. ■ And I just never want to sugarcoat it. I believe calling it semi involved is a better term. Now, if you have a good operator in place and you've got a good franchise on the sideline, you can be very hands off in that day to day. mean, it provide the support to that manager. However, if you don't have the right person in place, then you do find yourself leaning in. So I always want to be very upfront about that, that it can be a

great model, but you'll lean in unless you have a good operator in place. To your question around the misnumbers around franchising or stereotypes. Yeah, certainly when you say franchise, people think fast food, right? And we've got nothing against the food guys. We need them, we support them. But my humble belief is there are easier ways to make money. And I'm certainly happy to go into into why, but that's why I wrote a book called Non-Food Franchising.

there's another half of the market that people are exploring, you know, and getting involved in things like home and property services, health and wellness categories, like kids, pets, seniors. I'd say the general theme out there is industries that aren't going out of style, you know, understandable cash flowing businesses that people will always spend on regardless of the economy in a lot of cases too. ■ you know, franchising is not right for everyone. There are some people that are too entrepreneurial and

They can't live with that within a box and they don't want to follow directions or a playbook. But the vast majority, it's my belief that most people would be better off with the franchise because again, it gives you a leg up. You start on third base, you've got the support systems and again, happy to expound on that in more detail.

Dr. David Phelps

You built the practice, you hit the income goals, but if you're honest, you still feel trapped, prisoner of your own success. You didn't get into dentistry to grind forever, chained to the chair, hoping a 401k will eventually set you free. It's time to stop working for your practice and start building a life funded and protected by it. At the Real Wealth Conference, you'll learn how to optimize your practice to run without owning your schedule, replace your income with real cash flowing,

Ad

investments. Exit your practice on your terms without selling your soul to a DSO. This is not another CE seminar. It's the blueprint to real freedom built for dentists who refuse to die in the chair. This October 23rd to the 25th in Dallas, Texas, go to realwealthconference.com to purchase your ticket. That's realwealthconference.com.

Get out of the chair, get into the room. It's your move. Yeah, you bring up a lot of a lot of great points and I do want to deep dig a little deeper. In terms of just top level, your vetting of the industry. Do you ever recommend are there certain times when you recommend a relatively new franchise model just because you are how much time you like to see a franchise or in business before they become something on your radar? Just just a quick question. One of many we can go into.

Jon Ostenson

Yeah, you know, as far as a rule of thumb, it varies. It really does. I mean, the fact is if a franchise has 200 locations, odds are they're sold out in most of the areas of your market that you'd want to be in. And so there's a bit of a trade off. So if they are more emerging and they have 20 locations, let's say we call them emerging brands, every brand has to be emerging at some point. Right. So what's the next big thing? Now we're not into trendy. We're not trying to find the sexiest thing, but we're trying to find those that have the fundamentals in place. Some

of those things I hit on a minute ago.

there are benefits to getting in early with the franchise. You might have more of a seat at the table, have those relationships with the home office in a deeper way where they're supporting you. And I mean, they really want you to be successful, right? As they're this business. Yeah, but they've got to have pieces in place. I mean, just because you get great territory doesn't make it a great opportunity. Again, it's the leadership team. So much rest on that. You know, we invest in people. financial models, competitive advantages. So ■

You know, I'd say we take a harder look at those emerging brands, but those are extremely common. In fact, most of our clients prefer those again, because you get better territory. You're able to get in early and kind of grow with the system and really have room to scale over time. And David, something that we get asked about a lot is existing businesses. People come to us and say, Hey, can we buy a resale business that's already cash flowing that has a team in place? And we handle resales, but it's a small piece of what we handle. And that's because.

Within a franchise system, when someone goes to sell, it's usually bought by another franchisee. There's this internal M &A; that takes place, so it never even hits the open market. again, if you're able to get in early with a franchise, start building locations, you can start acquiring Greenfield territory, but then over time you may be able to acquire other franchisees as well.

Dr. David Phelps

I'm gonna go down another layer and I know you can appreciate this because I know that you like, like I do, I like to invest in different asset classes. And you mentioned real estate and with real estate, you know, some of the same vetting process, you know, comes to play. What's the track record? What's the geographical locations as a passive investor, you know, through somebody else, what am I investing in? What's their track record? What's the model look like? And also I want to be...

knowledgeable enough or have someone by my side who's knowledgeable about actually reading the agreement. And I know the devil's always in the details. You obviously have a great propensity for helping your clients do that because that's where it stands. we're thinking that long-term good franchisers are playing the long game. You want your franchisees to be successful, but that's what builds the model. every platform has, even with the best intentions, let's say it this way, the

marketplace, the interest rates, a recession, know, can cause, you know, a downturn. Nobody's fault, it's just what it is. And being aware as a franchisee of what's in the agreement and what control do I have versus what control does the franchise or I know that's gotta be a, you know, something that you look at and have knowledge about. Just give us a little overview of what's important from a high level in that respect.

Jon Ostenson

Yeah, great question. So franchising is regulated by the Federal Trade Commission, the FTC, and every franchise system has what's called an FDD, all these acronyms. ■ Franchise Disclosure Document, it gets updated every year with the most recent information. So the last year's financial information, as well as if they had any closures or new openings, all of that

gets listed out in the FDD. it's oftentimes more information than you could ever want. It's a big old intimidating legal document.

It is important as you move through the process of exploring a franchise that before you sign that agreement, it's a good idea to have a franchise attorney review that agreement with you. We've got different attorneys we work with that our clients can use and ■ someone that really understands the space. know, I tell my clients, it's important to understand when you read through the FDD to kind of understand the why behind a lot of what's in there because as you read through it, it's like, my gosh, the franchisor has this right and this right and franchisor can come into my territory and operate. Wait a minute. I just bought that territory. Why would...

But when would they ever want to that's not the game business they're in right? They don't want to come operate in your territory That's why they sold it to you They would do it maybe if there was a national account that needed to be serviced there that and you were just totally running the business off the rails they have to protect the other franchisees right and so if you're not running the system totally screwing up even after a lot of coaching they've got to be able to come in and correct that or say you get Tired of running the business and you're not willing to sell it

you're not willing to hand the keys back essentially to the franchise or well, they've got to have some ability to step in and take over. so again, understanding why most of these things will never come into place, but oftentimes it's to protect other franchisees from a rogue franchisee going off the rails. So again, happy to pontificate on that more, but I'd say that from a high level, the spirit of the law versus the letter of laws as you read through it's important.

Dr. David Phelps

Yeah, that's very good. So you mentioned some of the non-fast food franchise models that you have found to be good models for some of your clients. You gave, you know, gave a just a quick overlay of some of the services that are, as you call it, more essential services that aren't going to be, they're not trendy, without giving any franchise names. Could you just give a few other examples of whether it's home services or you said pets, just what?

what the model serves and in some of those that have worked well for your clients. Just a few examples that you've got to been like really has worked out well.

Jon Ostenson

It's always, people always find it interesting and lean in when we start talking about different types of businesses. you know, I'd say some of the ones I'm invested in, I've got an asphalt paving and line striping business. So think parking lots, you know, I've got a business that provides temporary walls around construction sites and renovation projects. It's kind like an equipment rental type business. in property services, we have so much private equity getting involved there from a strategic standpoint, a lot of money flowing in, you know, it's things like, you know, flooring, paint, pool cleaning.

gutters, dumpsters, you know, some of these are recurring revenues, some are more one-time big ticket cabinets, replacement, let's say, you know, restoration services, we've had clients do very well there. I'm rattling off ones that we've had clients participate in. You know, things like senior care, in-home senior care, huge market for that. And there are lot of

nuances around that, different ways to support it, not just placement of in-home care, but, you know, there are different avenues that support seniors.

Youth soccer we've had seven or eight clients get involved in youth soccer and just kill it You know do very very willing to expanding, you know swim lessons You know tutoring You know within the pet space pet grooming pet boarding, you know pet boarding everyone needs it, right? mean, that's a needed service out there You know within The health and wellness arena. I mean it one of the fastest-moving ones last year was the men's health clinic that provides

testosterone replacement injections and other treatments. That one sold out in the US in about 12 months. Just went crazy fast. We've had clients do very well with that. But in health and wellness, just had a gentleman recently who bought five locations of a business that provides a lot of those recovery modalities all under one roof. So think infrared sauna, cold plunge, red light therapy, cryotherapy, some injections all under one. So there's so many different niches out there. Most of those, the people we work with,

like finding the niches, know, needed businesses. You know, I mentioned dumpsters. I mean, that's a great example. And now with the new tax law that we've been talking about that's now gone into, that's been passed, there's just a lot of benefits in there around like section 179, know, accelerating depreciation and things that heavy capex business can lean into.

Dr. David Phelps

Yeah, well, those are some of the benefits that go missing when someone's left their own active business. And now they're saying, well, now everything is taxable in my lifestyle. And I'd love to have something on the side that provides those benefits as well as just having something to do or be interested in. And that's a lot of what I think happens to people who have had an active business for many years. They don't want to stay as strongly involved as they have been, but just cold turkey.

turning that off for most people who have had a drive within them, an entrepreneurial spirit. That's not something anybody realizes. You lose an identity. You lose kind of an, I'm not saying an ego induced importance, but you kind of lose a little bit of relevance. Like I'm not providing value like I used to, and I want to do something that is providing value to a service. And also I'm employing people, which is always a great thing to be able to do with a model that's doing a good job with what they are offering.

public.

Jon Ostenson

Yeah, you're exactly right. you know, we hear similar threads said in very similar ways. And a lot of it is that community impact and either creating jobs or, you know, be able to employ their kids. In some cases, I mean, I've got three young kids, I employ them and they're in my ads. We do different things. They have my books and send them out and I pay them and then they pay me back for their private school tuition. And we're also able to roll some money into Roth IRAs. I mean, all the tricks that you have up your sleeve.

Dr. David Phelps

■ yeah.

Jon Ostenson

So no way. And I think that one other thing that we see oftentimes is portfolio building with franchising. I call it franchise stacking, but it's the idea that what's right for the next season? Find a business you can get your arms around that you think you would enjoy building. And then again, because you've got the support of the franchise, we're on the sideline. Once you get that good manager in place, then it's on to the next thing. And you can start stacking these and building that portfolio where you diversify your income. Maybe in some ways you can complement employee bases or customer bases.

So there's a lot of different strategies and tactics that we help our clients think through.

Dr. David Phelps

Here's the truth. Most investors don't lose money because of bad luck. They lose it because they missed something. One line in the PPM that they didn't read closely enough, an assumption that sounded conservative until it wasn't. An operator who knew exactly how to sell the dream. It happens all the time and if you think you're too smart for it, you're already at risk. That's why we created the LP's capital preservation checklist

Ad

33 questions to ask before you invest in funds and syndications. Inside you'll find hidden red flags in deal structures and marketing language, stress test scenarios that reveal how a deal holds up under pressure, a no fluff checklist to separate real deals from real trouble. Don't wire a dollar until you've been through this. Get your free copy now at [freedomfounders.com slash capital preservation checklist](https://freedomfounders.com/slash-capital-preservation-checklist) or tap the link.

Ad

in the show notes. That's [freedomfounders.com slash capital preservation checklist](https://freedomfounders.com/slash-capital-preservation-checklist) or tap the link in the show notes.

Let's talk about the investment in financing. Is there a pretty wide range or give me kind of a typical case scenario, just pick something that what's the investment look like and what's the model look like for financing?

Jon Ostenson

We had some clients buy 10 trampoline parks the other day and those were about three and half million each that was that was on the larger size most people are not going quite that big I'd say most of time when you look at the franchise fee and the startup cost and several months of working capital all built into your investment range Oftentimes you're in that two hundred thousand to four hundred thousand ballpark. I give or take certainly quite a few on either side of that as well ■ Some folks are using cash most like the idea of leveraging and using you know other people's money and so

Banks obviously prefer lending to franchises versus other businesses. And so it's very, fairly simple to get an SBA loan in franchising, very common, probably two thirds of our clients go that path. And that's where you put in 20 % then use the SBA loan for the balance. And we've

got partners that help with that. But there's another strategy that's very common in franchising. That's to use a 401k or IRA from a previous employer. You can roll that over through what's called the ROBS program, R-O-B-S.

You have to sub the business as a C corporation. You purchase the business. It's owned by the retirement plan, but you can pay yourself a salary. So between that and HELOCs and lines of credit against brokerage accounts, there are a lot of different ways to get involved.

Dr. David Phelps

And then going back to, know, topic we just touched on briefly, but I think, I think it merits a lot of consideration. We talk a lot about, you know, generational wealth transfer, right? And for some people that's actual assets, which is fine. You're passing on assets or businesses, but there's also the passing on the knowledge, the financial acumen, the resourcefulness that the senior generation, you know, created through their own business activities.

what better way to involve young people? Probably, as you said, you've got your kids, they can be at a young age and be doing things that they're capable of all the way up to, as you mentioned, the 29 year old who's actually want to actually partner with his father into a franchise model and be the operator. And so, big a piece of that is what you're finding with the clients that you work with?

Jon Ostenson

I'd say first off, what's most common would be a couple that does it together, married couple, or business partnerships are very common. But it's been an increasingly number of folks that partner with their kids. We had a client recently that got into business with his three sons, and each of them had a day job, so they're kind of doing this on the side, but they're each playing a different role in the business. So it can be a really neat, I mean, we've got plenty of case studies of that.

And oftentimes what we find is, you know, so you're a professional not looking to run the day-to-day business, right? I mean, you want to know enough about it. You're going to have to roll up your sleeves a little bit early on to understand it and understand what you're hiring for. Oftentimes, there may be someone in your church or in your community or, you know, a brother-in-law or, you know, a lot of maybe someone in your practice, you know, a younger person in your practice that's been more of an administrator. That's been very common, too. I'll have a lot of

senior professionals reach out and say, you know, I've got this young guy that I think highly of and you know, he's earned my trust over time. We'd love to find something for him and you know, and then kind of mentor him or her through that. And you've got the franchise or on the sideline providing, you know, ongoing oversight and coaching and they know they're deep on the industry experience. But then when you also have some senior business experience, you know, coming in that conversation this morning, that the gentleman in Indiana.

that's a dentist, he said, hey, I've opened a couple of practices over time. I've learned a lot. Something's the hard way. I plan on passing those lessons on to my son so that he doesn't make the same mistakes. So it is neat when that comes together, to your point.

Dr. David Phelps

So John, what's the best way for someone who's hearing this conversation to pique their interest? It's piqued mine, to quite honest. I'm going to go further with you on this myself personally because I see some opportunities again to more so help some people within my family that I think this could be a fit. So what's the next step? Where would I go to just put deeper in through the resources and what you're able to offer in terms of connection?

Jon Ostenson

Yeah, absolutely. And again, entirely free to work with us. Come onto our website, FranBridgeConsulting.com, [F-R-A-N BridgeConsulting.com](http://F-R-A-N-BridgeConsulting.com). Share your email address. My system will reach out and share a free downloadable copy of Non-Food Franchising. It's about a 90 page book. Most people read it by the time we get on the phone. I packed a lot of content in there to really help people connect the dots and understand franchising and how everything works. you know, so that would be a...

First step, if you'd like to take a second step and get on a call, I'm more than happy to jump on call with all of your listeners and we'll get to know each other and kind of give you some thoughts on next steps. But no, ultimately what it leads to is we'll have that conversation and then very shortly after that I'll present the top 10 or so opportunities that I see available in your market. Our biggest challenge is things move fast. So we're always working to try to figure out what's available that hasn't been taken yet. I work with the franchise orders on that, but I would...

present to you, here are 10 businesses in different industries that if I were in your shoes based on what you shared with me, I would be intrigued by, and then we try to narrow those down to three or four to then have a conversation with. And I hold their hand as they go through the process of exploring, having these conversations with the brands and bringing in resources, giving them perspective. And we can always iterate throughout that process too.

Dr. David Phelps

Fantastic. Well, we will put the website in our show notes, FranBridge.com, and really appreciate the time today. It's a very interesting topic and I'm glad we had a chance to discuss it here, John.

Jon Ostenson

Yeah, thanks

so much for having me, Dave.

Dr. David Phelps

Leadership is crucial. It's instrumental in any type of operations company business franchise model, whatever it may be leadership to me is the key everything starts with with top down so what I'm looking at leadership in Doing either a partnership or I'm going to invest with somebody in a company business real estate, whatever it might be I'm looking for a few key factors. One of those would certainly be ■

the track record of this particular person. What's their track record in any type of ventures they've been involved in? I don't expect to see home runs or even single or doubles. I expect to see a track record of many years where there's been significant wins, but also when there

were lessons to be learned, what lessons were learned and how did this person respond during those times of stress. That's a critical piece for me. So look at the full track record, not just the positives, but also any negatives or downfalls and let the person explain.

what they learned, I want someone who's had experience, not all home run hitters, because there's no such thing as someone who has experience with all home runs. Next would be, what are their values? What's the culture that they have built in the past? What's the makeup of their family? I wanna see how they converse, communicate, treat family members, team members. I wanna be in the environment. I wanna do a due diligence trip where I get to see the environment in which they have built.

because that gives me a sense of who they are as a culture and whether or not the person is really extolling who they are to me personally, or if what they say really is true and they've created a culture within an organization that I can really believe in. And thirdly, I'd say leadership means the ability to lead, which means not management, but means mentorship, teaching, expanding and exposing and elevating good people to higher levels of performance.

That's what I wanna see with leadership when I get involved with somebody else. I'm pleased to say that John Ossinson will be with us as a speaker at our Real Wealth Conference in Dallas in October. I'm bringing John because John is someone who brings to the table what a lot of long-term career professionals who are really entrepreneurs need when they step away from that active income. Sometimes they just need something else to plug their time and their focus on.

because just cutting off active income, even though we want to transition at some point from what we've done for many years, having something else to do, even if it's like a hobby is very, important. Some people also want to have a business, some level of business that they can still have legitimate write-offs. And that plays a big part today in I think maintaining a net income that offsets a lot of the high taxes that I think we have going forward. Also, there's an opportunity for a family legacy.

You may have young people in your family or could be ■ direct daughters or sons, could be nieces, nephews, could be friends in your community network who you've found that young person, that entrepreneur who has the capabilities and you could put those people into the operator position, running the nuts and bolts of a franchise, the right franchise, and you can be the more passive investor. I see lots of opportunities in franchising. Of course you need someone who can guide you.

and show you what's feasible, what's possible, how to vet the deals. John's that very person. So he'll be at the Real Wealth Conference and you'll have a chance to have a chance to hear him, but also talk to him. Overall, my expectations for the Real Wealth Conference is to provide a lot of context and a lot of provocation for each and every one of you who attends to see a brighter future. Bright futures are not really what people are seeing today. They're seeing a lot of constraint.

a lot of reduction in margins, ■ lot of lost opportunities because of the change in the market cycle, change in dentistry and healthcare. But there's always opportunities where there's turmoil. And I've brought the best of the best to the table to help not only inspire you to open your mindset, but give you the actual resources that you can follow up on and take advantage

of what I see as coming to the future as some real wealth transfer.

Ad

and you've got to be positioned properly to take advantage of them. You've to know which ones are right for you. This conference is going to be full of information, but also the context of the other people that are there. That's I call the hallway talk. It can be amazing. The connections you'll make could be invaluable, but you've got to step up to flight to make it happen. Hope to see you there. You can register at realwealthconference.com. That's realwealthconference.com or just click the link below and let us see you there.