



Former "Shark Tank" Star Shares His Secrets for Entrepreneurial Success

Host: Josh Cantwell

Guest: Kevin Harrington

Welcome to Strategic Real Estate Coach Radio, hosted by Josh Cantwell and Kyle Garifo. Strategic Real Estate Coaches, where the nation's leading real estate investors, brokers and agents turn to transform the way the real estate business is being done in neighborhoods across the nation. If you desire to make more money, do more deals, grow your passive income and build the lifestyle you've always wanted, you need Strategic Real Estate Coach.

This powerhouse team is led by Josh Cantwell, a seasoned investor with nearly a decade of experience, over 700 transactions and over \$5.5 million in fundraising generated for himself and his partners. Now, sit back, listen, learn and accelerate your business with Strategic Real Estate Coach Radio.

Josh Cantwell: Hey everybody and welcome back, Josh Cantwell here, CEO at Strategic Real Estate Coach. Welcome back to another edition of Strategic Real Estate Coach Radio. I don't know what episode we're on, we're on episode 100 and something, but what I do know is we deliver amazing content to real estate entrepreneurs around the globe on how to build and scale your real estate investing business, whether it's new, intermediate, or advanced. And today we are, we're in for a treat, I have none other than Kevin Harrington on the line with me, the original shark from Shark Tank, and an amazing entrepreneur who's been leading business around the United States and around the globe for over 40 years. He is the man behind the As Seen on TV brand and as over 500 companies, it's over done over \$5,000,000,000 in worldwide sales. Kevin, thanks for joining us today. How are you?

Kevin Harrington: Fantastic. Thanks for that beautiful introduction. Great to be here today. Looking forward to it.

Josh Cantwell: Absolutely. Kevin. So, Kevin, you've been obviously on Shark Tank, one of the original sharks on Shark Tank, but that's only a part, a small part of your entrepreneurial journey. You've been around entrepreneurs and amazing companies and companies with just hockey stick growth over the last 40 years. So, I want to jump in right now and just ask you a quick question is. What are some of the traits, what are some of the characteristics that you've seen repeatedly over and over and over from some of the entrepreneurs that you've been around or the companies that you've been around that had amazing growth in scale? What are some of the characteristics and traits of those people?

Kevin Harrington: Great question. You know, I'm going to go back to 1987 I was sitting around with a couple of entrepreneurs and one of them was Michael Dell from Dell computers and another buddy of mine out a Dallas, Stewart Johnson, Stewart, but we ended up creating what is now today, The Entrepreneur's Organization. And we're all over the world. It's the largest nonprofit in Washington DC. So, if there's, you know, tens of thousands of members all over the world that comprise this. It's called EO and 50 countries and 150 cities. So, I have worked with a few entrepreneurs. As we hang out, we get to know each other, the ups, the downs, and by the way some of the traits aren't always all positive because some of us are just crazy lunatic entrepreneurs. But for the most part I would say this, it all kind of starts with a vision and like for myself, I at a young age, you know, I was lucky because I'm going to talk about mentors and coaches in my life and a little bit, but I, I grew up, my father was an entrepreneur.

Kevin Harrington: He was a restaurateur so when I was 11, I was working in his restaurant and he would show me things like as the, through the owner's eyes, right. And so, it was enough for me to learn enough about restaurants to know that I didn't want to be in the restaurant business when I was going to be an entrepreneur, but he coached me to own my own business and when I was 15 in high school I started in business. So, he had a vision, I had a vision and I went on to create other businesses with that vision. So, I think, do you have a vision? Are you willing to work, you know, extremely hard hours, right? I mean long I know there's weeks I worked 80 hours easily and I think the beauty of entrepreneurship is that when you get to work an 80-hour week, you're working for yourself.

Kevin Harrington: So unlike if you're employed and you're just getting that salary. So, I think that, you know, it's, I don't mind working 80 hours because you're building something and it's growing, etc. So, the other thing that I think is necessary and as I, when I first started, I didn't have this trait and this is to be able to surround myself with great people. Because in the beginning I thought I could do it all myself. I didn't want to pay other people. I thought that's an expense, I don't need to hire a real strong CFO and other things like that. But I found that as I really started to build big businesses, when I cut corners on getting the right people, it costs me money in the long run. I call it, you need to be able to create the Dream Team and you guys are in the real estate business and you know that there's good people that know how to look at real estate and pick the right guy to deals and places and understand the upsides, right?

Kevin Harrington: So, if you've got the wrong guy picking your deals, you know you're not going to make as much money. So, you know, for me it's the right people in finance in operations. And also, today, digital marketing is a key thing. So, you know, I could give you plenty of more traits but I just think that once as an entrepreneur, you understand that you've got the vision, you've got the work ethic, you've got the, the Dream Team around you. Now you just got to get the money, and then it's all should fall into place. And if one of those Dream Team people is someone that can help you raise capital, you know. Like I didn't have

any money when I started, but I raised capital and then we made money and then we could sell finance from there. So, you know, it all can happen if you just follow a few systems that you start out with.

Josh Cantwell: Perfect. Perfect. Yes. I think what a lot of people ask is, well, how do I. How do I know my Dream Team or how do I find the right guy? I give my team and my people two things. I'd love to hear your take on this. I tell people, listen, I don't want to hire somebody, number one that's done the job successfully before. I don't want to pay people to learn on the job with me. I'd rather pay more or overpay for a guy who's got the experience that can come in and on day one is providing value. That's number one. Is someone that's got the experience doing the job before and number two somebody, that's just got a tremendous amount of passion that they love it, that if you said, did they end up working 50, 60, 80-hour work week, they're doing it because they love it and they just want to grow. They want to provide value. So, do you have any additional insights on maybe how to look for that Dream Team or add people to your team?

Kevin Harrington: Yes. So just really quick to validate what you just said. When I was growing, one of my first, the As Seen on TV business, I needed cash for inventory and I went to five banks. I thought, man, I get this great business. I'm making money up doing \$50 million a year with a \$5 million profit. But I got turned down, turned down five banks in a row turned me down. And then I ran into a former president of one of those banks. He had retired and he said, Kevin, you're going about it at all wrong. He says, let me help you. I'm not going to charge you anything until I'm successful and then you're going to want to have me as part of your team. And so, we went back to actually not the bank that he was president of one of the other banks and we got a \$3,000,000 line of credit within 90 days of him joining my team.

Kevin Harrington: So, this was a guy that lived and breathed banking and finance and loaning and getting loans and giving loans. And so, from there on we had our finance side of our Dream Team covered. So. So yeah, I think passion, experience and you know, and I'll say this, how do you get them right? I think that was part of your question. Sure. I look, the first thing that I do is I look at who am I writing checks to on a day to day basis. I got a law firm, I've got an accounting firm, I've got in my business, I have a phone center, I have a credit card clearing company, I have a fulfillment center. I have a lawyer, I have an accountant and I'm writing millions of dollars in checks to all these people. They're the first people I go to say, hey look, I need a digital marketing guru.

Kevin Harrington: Do you have any ideas or recommendations? Now the accountants may not know digital marketing gurus, although they may be representing one on an accounting basis, but it's amazing how when you go to your initial sphere of influence, go to the organizations you belong to and I also, I'll get back to coaching. I belong to a couple of Mastermind clubs and I spend. I spend 25 grand a year to belong to multiple clubs and these have hundreds of members each and when I go to the clubs and say, I need this, I'll get 15, 20 replies back

from members of these organizations that will help me find the right people. So, do not be afraid to get the right coaches and mentors in your life to help you get the right people.

Josh Cantwell: That's right. It's so many different deals we've cut people. We've met investors in our private equity fund. I've invested in other people's real estate deals and so much of it is done through networking and people that we've met, people that we know. It's the deal where sound is coming in cold and it's the toughest deal to do. Whether you're the lender, whether you're an investor, whether you're borrowing whether you're asking for money or lending money. The cold deal is the toughest one to put together because when you have someone that you've already known, it's just an introduction from somebody else. You get past all the credibility stuff. You get past the relationship stuff and you can move on to striking a good deal. So, Kevin, next question was just more on you know getting investors. One thing that had friend of mine who wants told me, money will find its way into every crack in the sidewalk if it's the right crack, if it's the best deal.

Josh Cantwell: So, but even if you find a good investor or potential investor, whether it's for real estate or a business, you're selling physical products, whatever you're selling, whatever you're raising money for, you got to do it the right way to approach people the right way. Like you said, with the banks that have turned you down. So, what are some thoughts you have on sort of crafting or having what are some traits or some characteristics of a great investor presentation or the perfect investor pitch? What are some things that you have to do and some things that you can't leave out?

Kevin Harrington: Right. Good question. So, I'll say this, there's really more money out there that you mentioned money finds its way into every crack. It blows me away that people, oh, I just can't I'm not getting any pulse on, on my pick because your pitches and right, most likely now I have a series of tips that I use and I'm going, I'm going to be in Dallas coming up for, you know, in April. And I may be able to expand upon my... I have a 10-step process which we could probably spend about an hour on, but I got a three-step process to pitching an investor and so I'm going to hit that real fast. You need to tease, please and seize, so tease them, please them and seize them. And so, the tease is you use to get their attention and start with some kind of a problem that exists in the marketplace.

Kevin Harrington: So, I'm an investor and when somebody first of all has a way of getting my attention and you think, well, wait a minute, why aren't you listening? No, a lot of investors, if you're pitching that they may not even be listening. And so, I, you know, I did 175 Shark Tank segments, right? By the sixth or seventh in the day we would take these pitches. I'm like, thinking about my office, you know, what response I'm going to do to some emails and then someone comes out. It's like, Oh, another pitch. And I'm like, I'm not even listening unless they get my attention in the first six, eight, 10 seconds. Now they've also stated a problem that I acknowledged is a problem in the marketplace. Now you say, so now that

you've got my attention, I agree there's a problem I have now the solution to that problem, and this is the please stage.

Kevin Harrington: So, you teased them by getting their attention, stating a problem, please them by now solving that problem in a unique fashion. And let me explain unique. Is your product or service unique enough such that it solves the problem like no other product or service already? Okay, is it unique enough so that it solves the problem that no other product or service solves in a similar fashion? Okay, and that's important that you create that unique aspect. I'm thinking of Mr. Wonderful now Kevin O'Leary on Shark Tank. He's always. Oh, who else already does this exactly the same? Right? So, you're pleased with uniqueness. You show some magical transformations, before and afters, your service or your business. By the way, in the real estate business, people that buy houses, fix them up. This is now get pictures of the house when you bought it.

Kevin Harrington: It's run down. It's dilapidated, you know, it's, you know, you bought it on the cheap. Now show it all fixed up and it's beautiful and it, you did the roof and the kitchen and the this and the that, but all for pretty tight money. Right? So, so now you've got those magical transformations and then you seize with the irresistible offer that you're going to make. So, investors today, they want some kind of the deal or they want to know that there's some special aspect there. So anyway, tease, seize and please. And just one last thing on investors, and maybe we can talk more about this in Dallas, but there's 10 different kinds of investors you need to understand, and this is the crazy thing. Some investors, they want big profits and they, you know, they want to see from other investors, they're willing to ride for a little longer and maybe they don't see profits initially.

Kevin Harrington: But then over the long-term, I mean like when Facebook was first raising money, they didn't. How did they raise billions with no sales and no profits? Because they had customer acquisition down pat and they said once we get to 100 million customers, we're going to just start cranking money and you're going to make a 100 x on your investment. And they did. People who got in early on Facebook are super, super wealthy from those investments. So, you know, there's different ways to talk to different investors and you know, we can talk about all of that in Dallas or whatever. But it's important to know who you're talking to.

Josh Cantwell: Absolutely. So, Kevin's mentioned a couple times and as you've probably, if you've gotten our emails or been on our websites. Kevin's going to. One of our keynote speakers at the Flip and Fund summit is coming up not too far from now, April 13th through the 15th. I'll be interviewing Kevin, we'll spend a lot of time together on stage and doing some q and a, but talking about some of these very similar topics. We set up a special link, it's just FlipandFund.com/Kevin. And there's going to be a special offer there. If you listen to this interview, this podcast, and there'll be a special discounted coupon code there for a ticket if you don't have a ticket already. We're almost sold out. We've got lots of people signed up. It's going to be awesome.

- Josh Cantwell: So, Kevin, I like to say when it comes to raising money, right. If, if you don't have a special product like real estate, maybe not a special product, but you have a special deal that compensation drives behavior, compensation drives behavior, but you have to know, like you mentioned, how do people like to be compensated? Do they want to be a joint venture partner in a deal and maybe feel like they're an owner or do they want to just be a private lender where it's totally passive or do they want fixed return plus maybe a piece of the upside? So, it's not just compensation, but what compensation drives that investor? What do they want? And you talked about solving their problem. They're going to be a passive investor write a check for 100 grand or a million bucks or whatever it is. You have to know what gets them going, what gets the go for them.
- Kevin Harrington: Yeah, I mean I'll give you a great analogy, or sometimes some investors, they want a quicker ROI than others and some will tell you hey I'm willing to ride this for the long-term and you know, be a long-term player. Others tend to want maybe a quicker accelerated payback, so figure out a way to structure an accelerated payback for those people where they can be, they get paid back quicker, you know, they feel more comfortable and sometimes, let's say you're doing, say you're raising a million dollars. The first quarter million is the toughest to get on a million-dollar race, right? Once you get the quarter million, the rest starts falling into place. So maybe you got to incentivize that first quarter million a special way and this becomes an irresistible offer to make them to be first.
- Josh Cantwell: So, Kevin, we're going to wrap up here in a second. So, you'd mentioned your Mastermind organizations, entrepreneurial organization. You've mentioned that you pay for Masterminds. I spend a lot of money in coaching and mentoring myself. I know that you've had a lot of mentors in your life over the past 40 years of being an amazing entrepreneur. Is there a one or two of your mentors that really stick out and what specifically did they do for you as a coach or a mentor that kind of got it to the next level?
- Kevin Harrington: So, I'll go all the way back. Zig Ziglar, who actually the family is out of Dallas. Tom Ziglar, Zig died six years ago I would say was a mentor to me. So, let me give you an example. I had a, an infomercial that went on the air and so when we're in the infomercial business, the, As Seen on TV business, we run these on TV. The people are at home, we're not in front of them, able to hear their objections. So, we had this, we had a knife spot that went on. It was the Ginsu knife and we're giving you two Ginsu knives for \$20. And so, we looked at the report after the show ran and only 50 percent of them. We had like a thousand phone calls and 500 people order, 500 people didn't order and we're like, this is crazy. Why did 500 people call the number and not order the product?
- Kevin Harrington: They said, we found out after we outbound, some of those folks, they didn't see enough value. So, Zig Ziglar, the master of closing the sale and he wrote 31 books in 36 languages, right? He was a mentor to me. Zig said, if your price is

here and your value is below the price, you're not going to make the sale. You got to create a higher value stack where the value is above the price. So, this is what we created then. We said, you're going to get to get two Ginsu's for 19.95, but wait, there's more. If you order right now, we'll get six free steak knives, a paring knife, you know, a bread knife, etc. And we added, because we didn't know how much value we had to add, we kept adding value. And this is then you got an eight-piece set, right? So, this all, I mean Zig didn't create the actual words of but wait, there's more, but this is the concept that Zig Ziglar as a coach to me in a mentor to me, helped me create these value stack.

Kevin Harrington: So that went from something that was never going to roll out to doing hundreds of millions of dollars. And so, from that to doing, having mentors like Richard Branson was another mentor in my life. And Richard, you know, Richard, I was hanging out on Necker Island with Richard and Richard said we had a little lull in our business He's like Kevin he said, you've built, you built Tony Little's brand and you helped Jack Lululemon, George Foreman, Billy Mays. I've seen all those products. Those are great. But guess what? I didn't know who Kevin Harrington was. The guy behind that. He said you'd never built your brand, so you got to go out and build your brand Kevin Harrington. He says, do you think people know who Richard Branson is? Built his brand? Right? He built it by becoming you know personality out in the marketplace. So, on that note, I started doing book writing books and doing podcasts and all kinds of stuff. So now and then who called me from there, Mark Burnett called to book me on Shark Tank. So, it's, it's amazing mentors I've had that have been unbelievable in my life and I can say that without having the right mentors, I wouldn't be where I am today for sure.

Josh Cantwell: Absolutely. Yeah, absolutely Kevin mentors. I've invested, I don't know, hundreds of thousands of dollars over the course of 13, 14 years and mentoring, coaching entrepreneurial organizations and there isn't really one that I can say that failed me. I got one little tip from every single one. I got one little thing, one little meeting, one little new person I met at least some minor thing and I always told myself if I invested, whether it was five grand or 25 grand or 50 grand or whatever it was, I only got to do one deal or meet one person to get all that money back and then everything else is free. That's how I was looking at it. I don't know if that's right or wrong, but that's just my opinion and it worked not great.

Kevin Harrington: I agree 100 percent. Fantastic.

Josh Cantwell: Awesome. Kevin, listen, thanks so much for spending time with us today again, on another episode of Strategic Real Estate Coach Radio.

Kevin Harrington: Thanks for having me. Great to be here today. Look forward to seeing you in a couple weeks.

Josh Cantwell:

Fantastic, absolutely Kevin you too. So, if you guys enjoyed our interview today, go ahead and leave us a comment or rating below five stars, if we did a good job. Thank you. And come back and subscribe to our podcast and we'll see you at the Flip and Fund Summit. Thanks so much everybody. Talk to you soon.

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