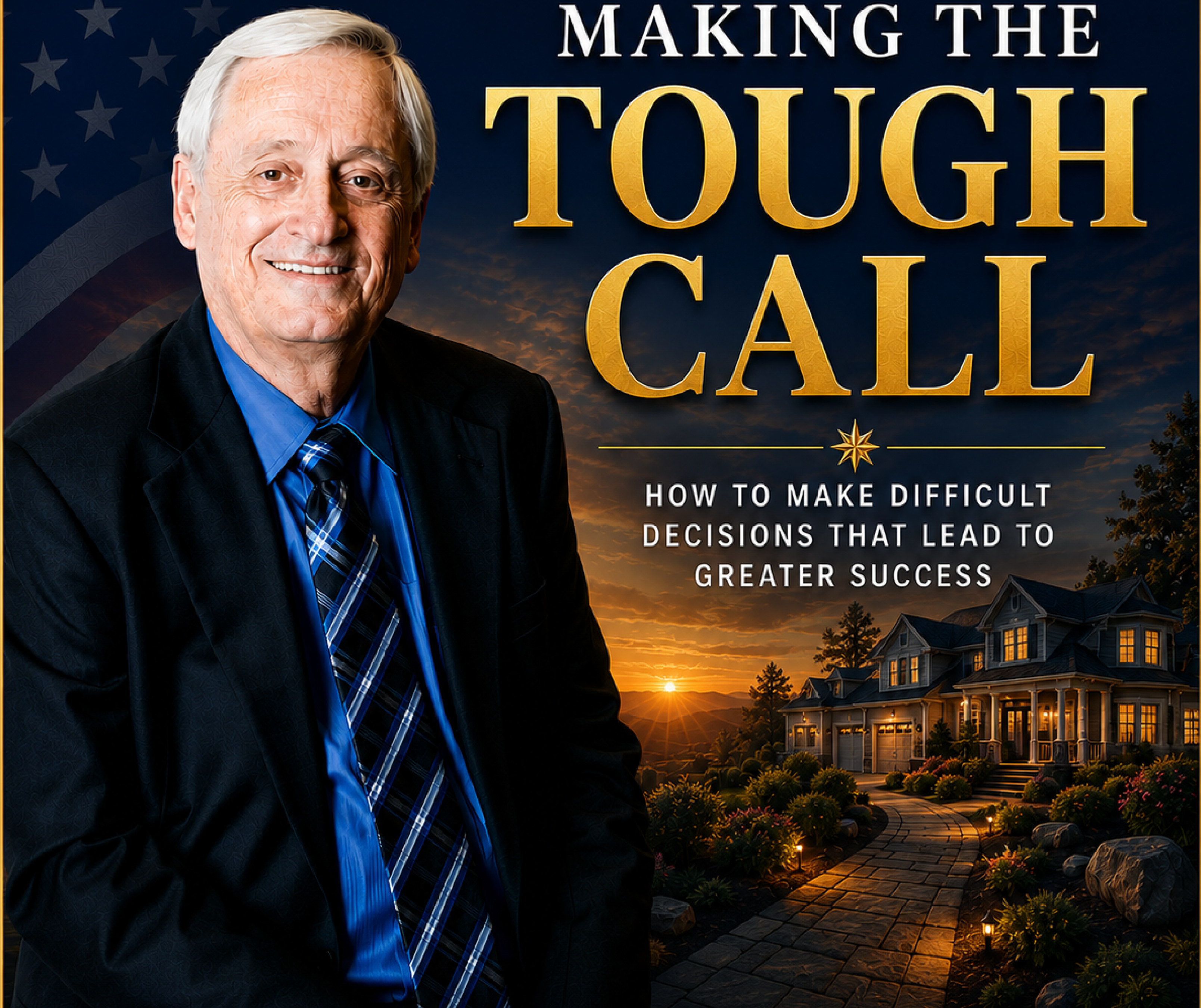
Closers Club

SPECIAL REPORT

MAKING THE TOUGH CALL

HOW TO MAKE DIFFICULT DECISIONS THAT LEAD TO GREATER SUCCESS



INSIGHTS AND INSPIRATION FROM *Ron LeGrand*

Making The Tough Call

One of the hardest parts of running any business is making unpleasant decisions. You know, the kind that keeps you awake at night or causes a lot of stress and anxiety attacks. In fact, some people don't survive in business, because they are unable or unwilling to make the tough call.

When I was younger, I had a tendency to put off making tough decisions in hopes that a problem would somehow solve itself and I wouldn't have to get uncomfortable. Over the years, I learned some valuable lessons about decision making and one of those was....

Tough Decisions Get Tougher When They Aren't Made Quickly And Decisively

The problem will only fester and get worse making the decision even tougher. This could turn a tough decision into excruciating pain. Of course, all tough calls are not related to business. When personal feelings and family relationships are involved, the call can really be tough, because the consequences can last a long time.

So what are some of these tough calls I'm referring to, and how can you get better at making them not so tough?

Here Are A Few Examples:

Firing someone because they aren't doing a good job, especially if that person is a friend or family.

Getting an office outside the home and taking on more overhead.

Whether to quit your job now or stick it out until something occurs you feel would make the decision easier.

Applying for a personally guaranteed loan in spite of all my warnings against it.

Should you go deeper in debt for more boot camps when you haven't paid for the last ones yet.

Should you do this job yourself because it's easier than training someone else?

Here are a few personal tough calls you may face, if you haven't already.

When your kid gets caught at something illegal, like drinking or drugs, how hard do you come down on them and do you take drastic action that hurts you?

Should you try to teach your relatives the real estate business because you're excited?

Should you stay married to a non-supportive spouse?

Should you leave the children with a baby sitter or friends while you go to boot camps or other events or even on a vacation with your spouse?

So How Do We Deal With These Tough Calls And Others When They Occur?

I can only comment on how I deal with them. But I can assure you my business related tough calls probably dwarf yours, so maybe my system will be of help.

I run five businesses simultaneously. Some I'm very active in and others I'm very inactive. Most of my personal revenue is generated through Global Publishing and this is where I spend most of my time and focus. Since Global Publishing has a management team, I don't have to make most of the tough calls. Others do it for me when it comes to the daily activities.

However, my job is to run marketing and drive revenue and for a company growing as fast as Global Publishing, that's a pretty sizable job that's loaded with tough calls. I run my real estate business by talking with the two other people involved, two or three times a week and occasionally, I talk to a seller or buyer and look at a house. I only do what I feel they can't do yet, but I still have to make most of the tough calls. I've learned to make these calls in minutes based on experience and 30% to 50% of the facts.

My other businesses demand almost none of my time and aren't worth bringing into this discussion. I can't remember the last time I had to make a tough call in any of them, with one exception.

I was a mortgage broker who makes private loans with other people's money and had been doing so since 1985. In 1997, I made a lot of loans to one entity and violated my own rules because of their track record and my greed. To make a long story short . . .

I Had To Take Back 65 Houses And Resell Them To Take Care Of The Private Lenders!!!

It consumed a lot of my time and a boatload of my own money just to keep my promise to my lenders. You might be asking why it was a problem because there should have been a lot of equity, so I could sell off the houses and even make money. Yes, there should have been.

Except, the properties were all junk in bad areas. Many have been bulldozed since then. That's the rule I broke that led to a very tough call.

You see, I wasn't under any legal obligation to do anything. I didn't guarantee notes and there's no law that says I had to keep my promise to protect the investors against loss. There was only my word. So, therein lies the actual tough call:

Do I Keep My Word At The Cost Of Thousands Of Dollars And Four Years Of Work, Or Do I Take The Easy Way Out?

Truthfully, for me it wasn't really that tough of a call, but I imagine for most the easy way would have won out. I made the right call - I did what I could to liquidate the junk. It took four auctions, hundreds of calls from investors, numerous ads, thousands spent in maintenance and advertising costs, and legal fees to foreclose, much of which I absorbed, and four years of my time.

I Now Call It The Rule Of 65

This experience caused me to reinvent the rules. It also cost me several lenders who wouldn't wait until I could clean up the mess so they took over their properties themselves. So what's the lesson here? Beats me. I just wanted to get all that off my chest. Even Gurus' have to vent once in a while.

How To Handle The Tough Call

Making a hard decision is nothing more than solving problems. So lets talk about the steps to solve problems.

Step 1 - Identify the Problem

You can't solve any problem unless you first isolate and clarify what it is. I'm just going to pick one I listed earlier and use it for an example. Let's see, which one should I choose? I choose number three . . .

Should I Quit My Job?

OK! That seems like the real problem but are you sure? We should get a little more specific than that in an effort to identify the real problem.

For example.....

Is it a problem because you're broke and don't know how you'll pay your bills if things don't work out?

Do you have some money saved for a few months living expenses but your self-esteem is so low you feel panicky?

Is your spouse threatening bodily harm if you quit?

Are you close to retirement and don't want to give up pension even though, it's a fraction of what you can make in real estate?

Do you need health insurance so bad you don't want to lose your policy in fear of not finding another?

So, what's the real problem? Until you come to that conclusion, you aren't prepared to make the tough call. Let's say your real problem is . . .

How Do I Pay My Bills While I Get Going In Real Estate?

Now, my friend, since we've identified the real problem, we can move on to step two and begin to solve it.

Step 2 - Decide On The Best Solution

Here's how I do that. I always ask myself...

"When You've Been Through A Hurricane, You Welcome A Little Rain."

What's The Worst That Can Happen?

If the answer is death, physical pain, bankruptcy or ruining someone else's life, I look for another solution. It's almost never all that drastic. The truth is most people worry so much about crap that they remain frozen in fear! When you ask what they're afraid of, sometimes they don't even know.

They Can't Separate The Squalls From The Storms.

Willie Mays said it best, "It's Not My Life, It's Not My Wife, So Why Worry?"

I think you'll recognize the right solution when you see it. Analyze all possible outcomes and move to the next step. I always ask myself . . .

What Can Go Wrong And What Can I Do To Stop It?

Keep your job and work real estate part time until you do a few deals. This is the most common and safest solution.

Borrow some money while you have a job so you can live a few months without a paycheck. Do the right things and it won't take long to get cash rolling in.

Live off credit cards and your spouse's income for a while.

Pay down your debts with a consolidation loan to lower your monthly outgo.

Just go for it, trusting your instincts and plowing ahead. This will require a lot of testosterone and self esteem.

If I missed any solutions you can fill in the blanks. Now let's move to the next step of problem solving.

Step 3 - Take Immediate And Decisive Action On The Best Solution You Have Chosen.

Here's where most people fail. They have identified the problem and many times know the correct solution. But they stop there. I can honestly tell you I've worked with quite a few management personal who have the same problem. It's called . . .

Paralysis of Analysis

Here's an ugly truth for you. In fact, here's the reason most unproductive people don't get much accomplished. It's the same reason people you know or, forgive me for this, but maybe even you, haven't achieved ten times more than you have...

You Must Make A Decision . . . And Take Action . . . And Take Action . . . And TAKE ACTION!

Without the action, the decision is worthless. Nothing will happen except the problem will get worse from neglect. It'd be like having a years supply of Viagra but no woman in your life and afraid to ask for a date. What a waste of resources. You won't always like the results but you'll usually like them better than the results of doing nothing. At least you'll feel like you're headed toward a solution.

Here's Some Good News

People who can make the tough call, are the people who make the big bucks. They're also the people others want to follow. They want to grow up. You will either learn to make the tough call or work for someone else who can.

RON LEGRAND

— Papa —

Making The Tough Call is only one of the important lessons we discuss at my Business Management Boot camp I teach twice a year. It's geared toward real estate investors but actually applies to any business. You can learn about it at www.RonLeGrand.com/BM

"The Surest Way to Go Broke Is to Sit Around Waiting For a Break."-Ron LeGrand