

THE
MANAGEMENT
RIGHTS
- F O R M U L A -



Work Smarter, Create Wealth
and
Live the Lifestyle You Deserve

JESSICA DONG



To find out how you can:

**Sell Your Management Rights Fast for
the Highest Price**

**Not Waste Time and Money on the
trial-and-error method**

**Get the Current Multiplier of Your
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**Please contact SIRE Management Rights today on
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Phone 0404 331 310



CHAPTER EIGHT

Richard Skiba & Jessica Dong

Management Rights Super Exit Strategy:
The Fast and Simple Way to Sell
Your Business at the Highest Price



“ SIRE enhances the well-being of your management rights business, helps you satisfy the stakeholders and assists you in supporting your local communities.”

~The SIRE Team

After winning the Best Electronic Design award for developing a laser detection system in high school, Richard began his career in the electrical industry with Powerlink Queensland as an EHV Metering Accuracy Analyst. In this capacity, he reported on the accuracy of the revenue and check metering systems to NEMMCO. He then moved on to Australia's national communications regulator, Australia Communications and Media Authority (ACMA), as a radiocommunications and telecommunications inspector.

During his ten years in the workforce, Richard explored many opportunities in various industries and decided that contributing to the management rights industry would provide an excellent income combined with a great work-family-life balance.

Today, through his management rights sales agency, Richard has helped thousands of people explore new opportunities to increase their income, optimise their operations, create wealth and achieve their goals, regardless of where they've come from, their present situation or where they want to go. His only regret is not getting into management rights earlier.

What does SIRE Management Rights do?

SIRE stands for Synergy International Real Estate. We help management rights owners sell their business for the highest price and in the quickest way possible by simplifying the process.

Our motto is *Synergy Through Sharing Experience, Knowledge and Strategies*. And most importantly, we take systemised daily actions to achieve intended results.

What is SIRE's mission?

To be the preferred sales specialist for management rights owners, as well as trusted advisors to help our clients build their business and live the lifestyle they deserve.

Do you personally invest in management rights?

Yes. The SIRE team members are all actively invested in management rights, which helps us share up-to-date solutions with our clients, while also demonstrating that we truly believe in the products we're selling.

What's the advantage of using the SIRE team to sell management rights?

First of all, you'll get a higher price. But more importantly, it's a complex business transaction, quite different from residential, commercial or land sales. This is because there are so many conditions that need to be met with numerous stakeholders and legislation involved in the contract. You really need a specialised expert who understands management rights from a commercial, operational and systemised point of view, and how the body corporate operates in order to ensure a smooth transition. This requires a team behind you who can warn you of possible complications and provide amicable solutions where all parties' interests are protected.

It might sound complicated, but we've had a 100 percent body corporate approval rate since the day we opened, so it's second nature to us.

“If you think hiring a professional is expensive, wait till you hire an amateur.”

~Red Adair

How can someone avoid crashing the contract?

This is a true art form. You have to be familiar with the process and also be a great negotiator to achieve a settlement. For instance, you need to know:

- the stakeholders' interest in the transition
- the management rights business you're selling
- the motivation behind why the seller wants to sell
- why the buyer wants to purchase a particular management rights business
- where the roadblocks are and how to deal with them before they arise
- how to build rapport and trust, so all parties are working toward the same outcome at the same time
- how the bank, valuer and committee work
- how to prepare for the body corporate interview
- how to educate the buyers and sellers about the process, including why and how it's done
- how to co-ordinate a team of management rights specialised service providers.

The SIRE Team has been systemising the whole process by refining and improving it daily. Our system is dynamic and consistently produces smooth settlements. We're dedicated to providing the best service. And the best part is that we love the process.

What should someone look for when engaging a broker to sell their management rights?

You should find someone with a great track record in settlement who understands the importance of confidentiality. They should also have great negotiation and marketing skills backed by a genuine enthusiasm. And most importantly, they need to specialise in management rights.

At SIRE, we pride ourselves on being enthusiastic experts in management rights transactions. The SIRE Team loves what they do and really believes in what they're selling. We're also head and shoulders above the competition. This may sound like a cliché, but it's so true.

We see so many buildings transformed, which helps make a better community for the residents, a great livelihood for the managers and increases the business value. This is what really drives the SIRE Team to work harder for our clients. We speak from the heart and are honest about the benefits of each business.

We're dedicated to remaining positive and always seeing the solution.

What recommendations would you give to someone selling their management rights?

Get organised, and call the SIRE Team to assess your business. We can provide you with some simple tips to implement that will improve the value of your business. Or you can go to www.mrformula.com.au/sell.html to

download the essential documents that will help you get your information organised before selling your management rights business.

“ There is no magic bullet. It's about having the right team and great market exposure.”

~The SIRE Team

What's the most important thing you've learned about successful management rights/business deals?

Understand with whom you are working.

Armed with this knowledge, you can lead your clients to make the right decisions, the sale will be solid and you'll have contributed to their quality of life.

The essence of our business is to help our clients achieve their goals and realise their dreams. This is why our entire sales method is less demanding, the transition processes are smoother and our clients are more successful.

What are SIRE's plans and goals for the next ten years?

We've achieved the goals we set nearly a decade ago for the agency and our team, and we're confident that we'll accomplish any key milestones we set in the future. When I look back at the key decision to focus on Queensland's management rights industry, I believe it was our best option at the time, given the superior legislative framework and regulations that govern Queensland's management rights industry.

As for our future, we will continue to focus on Queensland's management rights industry, because we know it well, and that's where the buyers, investors and operators want to purchase at this point in time. We're expanding our management rights sales interstate and internationally, and are prepared to launch our company where we believe it's viable and profitable.

To achieve this expansion of the agency, we will persistently continue with every team member's personal development and training and continue to adopt the best practices. To join The SIRE Team, go to www.mrformula.com.au/team.

How does The SIRE Team determine their success?

Measuring our success is first done internally. We set the goals we want to achieve, both individually and as a whole team, and define the results in detail as to when, where and how we're going to execute our actions.

SIRE's core focus is selling management rights businesses. The key measure of our success is our personal growth, helping our clients and the number of sales we close.

The high calibre of the clients we work with has taught us so much about the business, such as having the right mindset and making sure to keep networking and leading by example. This is so we can continue to improve each day, even if it's just by one percent.

Our success is measured by helping our clients improve these five areas in their lives:

- relationships
- personal growth and spirituality

- lifestyle
- health
- wealth

How do you go that extra mile for your clients?

We encourage our clients to think like entrepreneurs and have a long-term vision of building a highly saleable business from the day they settle their purchase. We really understand their needs, issues and desires, and use all the resources at our disposal to solve their problems and fulfil their aspirations.

We assist our clients with being more efficient, so they're recharged and ready to outperform themselves on a daily basis. We inspire them to fine-tune their marketing or website, improve their occupancy rate and share solutions. We let them know we understand how they feel about the kinds of unique situations on-site managers experience. But we always remember to have fun at the same time.

We're open to sharing everything we've learned with our clients, and you're welcome to join us. Please go to www.mrformula.com.au/event to find out the details of our workshops and events.

What is your best backup?

Our system and team. By the end of 2016, our client database had grown quite large. To better manage it and provide superior service, the co-founders spent the majority of 2017 travelling around Asia and Australia to learn from the successful entrepreneurs about the latest updates and technology, and refine our daily processes and procedures.

We can now plug anyone into the SIRE system and produce 95 percent of the similar results, as if the number one sales team member was personally

servicing the clients, while the remaining 5 percent can be made up by coaching and weekly training.

We're constantly looking for people with a great attitude who love to make a positive impact on others. If you're one of these positively spirited people and want to work in this rewarding industry, please contact us at sales@siremanagementrights.com.au.

What sets SIRE apart from other management rights brokers?

We empower management rights owners to create a higher income, systemise processes and procedures, and make a positive difference in the strata industry. We get our clients the highest price in the quickest way possible, and we do it better than the competition.

We love learning about new technology and strategies, and put theory into practice. Since 2013, when we started selling management rights, we've conducted in-depth interviews with management rights owners on a daily basis. This process highlighted the differences between good management rights businesses and those that can be improved upon. These are some of the questions we ask to determine how well the business is running:

- Is the manager working daily in or on their business?
- Are there systems in place for consistency and efficiency?
- How are their relationships with their owners?
- What is the level of service they provide to their owners, tenants and residents?
- Who are the experts they do or don't associate with?
- What is their attitude towards their business and relationships?
- What kind of marketing effort do they put into the business?

Once we've compiled this information, we can quickly identify the potential income and areas of improvement. From there we can determine what types of buyers would succeed in this type of business based on their personality, professional background, attitude and financial situation.

How can someone make their management rights business more attractive to a buyer?

Buyers will check for the following:

- **Reoccurring income.**
Buyers like assurance that they will be able to maintain or grow the income from the business.
- **A long agreement length.**
Buyers like long-term agreements with a lot of time remaining.
- **The duties that need to be performed to ensure continued income.**
They need to make sure the work will get done and what resources will be needed.
- **The systems in place that will automate the duties as much as possible.**
Are there systems in place, or will they have to create them?
- **How well the team performs and if the business requires staff.**
Do they work as a cohesive team to get the work done efficiently?
- **The product (location, room layout, presentation, services, client base) and training that's offered.**
All things being equal, systemised and well-documented handover training adds value to your business.

The multiplier achieved also depends heavily on the sales specialist you engage to market your management rights.

Over the years, we've fine-tuned the process of getting management rights owners the highest multiplier in the quickest way possible.

How can someone improve the value of their management rights business?

It's really quite simple. The more reoccurring income/cash flow your business generates, the more value the bank and buyer will place on it. And the easier, more efficient and automated your income is, the higher the multiplier the bank and buyer will place on your income. This means you get the double effect of a higher income and less time spent in the business, which equals more money and freedom.

There are also other factors that will increase the value of your business, such as goodwill, a great team and a training system. Two years ago, I offered a higher price for a business, just because I knew that the training the business operator gave me would be worth \$50,000, which is the cost of hiring a business coach.

Could you give some examples of passive ways to increase income?

Over the years, we've sold many buildings that have an infrastructure in place for the management rights owner to resell electricity or provide electricity meter reading services for a monthly income. I have a background in the power industry, so I absolutely loves this idea. We run an information event each month which covers the following:

1. **How to reduce the body corporate costs for electricity supplied to the common area.**

These systems provide a cheaper rate to the body corporate for an electricity retailer to supply the power that will energise electrical devices in the common area, including heating, cooling and general consumption.

If the body corporate can purchase electricity for a lower price, or it can reduce their electrical energy consumption, then the bill will be lower, and therefore the levies will be as well. If the levies are reduced, then you as an owner pay less and will have more money.

Each building or complex is unique and needs to be analysed to determine where and how the modifications in the electrical supply and billing systems can be implemented to achieve the best results, such as gradually changing the halogen/fluorescent/incandescent lights with LED technology.

It costs a bit more to purchase initially, but the savings in usage will pay each device off in a year or two, or even less if they're being used heavily. Also, fewer lights will need replacing over time. If you have 261 halogen lights in the common area, and they fail at a rate of 25 percent per year, it equates to more than forty light bulbs/starters/inductors/PFC capacitors per year! This is time and money.

2. **How each unit can offset their own electricity consumption.**

There are solar electricity systems that save the unit owners money by basically having discounted or even free electricity. As crazy as it sounds, it's real and works nicely for particular types of format plans.

3. **Electrical Distribution Networks**

There are buildings that have electrical distribution networks and/or metering systems that are owned by the caretaker. These networks and meters are assigned upon purchasing the management rights business.

Basically, residents are delivered electricity to their units from the electrical distribution frame to the unit, via the electric cabling owned by the caretaker. They will then issue the electricity consumer an invoice to pay on a periodic basis for using the cabling or meters owned by them.

Another aspect is that if you own the electricity meters in the building, you can perform the meter reading and charge the customer a meter reading fee.

4. **Bulk Electricity Supply Agreements**

Some buildings are supplied electricity from the street through high-power cables that run through the bulk supply meter. The caretaker has the right to provide electricity to the units in the building. This means they can negotiate a bulk supply agreement with an electricity retailer to purchase their electricity at a low price, say fifteen cents per kWh. The caretaker then supplies electricity to the units in the building at a higher price, for instance twenty cents per kWh.

We're offering all readers of *The Management Rights Formula* an invitation to come to our monthly information session. Also, if you're a manager, make sure to invite all of your owners and investors to this event, which is available over webinar, so anyone from anywhere can attend at the same time. Go to www.mrformula.com.au/events.html to register.

What are some other ways to increase net income?

1. Increase your letting pool.

This is the best way to increase your net income and the sale value of your business. It's something every manager should be working on every day. We've seen some great management rights operators systemise this process, and we share these ideas with our team. Every manager is welcome to attend a free session by going to www.mrformula.com.au/events.

2. Offer wi-fi internet service to residents.

There's an initial outlay to set up the wi-fi network, but once installed, you can charge users a weekly fee.

3. Provide a vending machine.

Usually the machines are supplied and re-stocked by a provider that pays you a percentage of the money put into the machine. Another option is to purchase the vending machine and re-stock it yourself, thus giving you a higher profit margin.

4. Offer repair and maintenance services.

General repairs that don't require a licence or qualification can be done by an experienced handyman. You can have an arrangement where they do the repair and invoice you for the job. Then you issue the owner an invoice with a margin on top of what it costs you.

5. Offer real estate sales services.

When an owner wishes to put their unit up for sale, you can be the one to sell it. You will need to be proficient at sales and have a real estate agent licence to do this. However, the commission is excellent,

particularly if you're selling a unit in your letting pool. This means you can at least get the money back that you paid when you purchased the letting rights.

Another important factor is that you control the unit to stay in the letting pool if the new owner is an investor. In fact, this is so important, it's why we run our workshop. We need to explain all the options, so you can choose the best one that suits your business objective and lifestyle. All information is available at the end of the chapter.

6. Offer short-term letting if possible.

In a mixed short-term and permanent letting building, where they offer good location or niche facilities, and if the unit is fully furnished, then it may be a good idea to switch the letting from long term to shorter term and receive higher rates.

7. Improve the condition of the accommodation.

You can increase the rent or rate you charge and get investors a higher return, so you can get more commission and letting fees. Depending on the owner and their budget, doing simple things like re-painting or laying new carpet can make a difference. It's even better if the owner can afford a new kitchen and bathroom. Have a chat with them well before the tenant's lease ends, as the best time to do the renovation is when the lease finishes, and they vacate the property.

8. Increase the occupancy rate.

Improving the condition of the accommodation will help increase the occupancy rate. Other strategies include adjusting the rent or rates to be more competitive.

For example, a new building in close proximity has just finished construction and offers new features and facilities. Potential tenants and customers will shop around for what they think is the best deal.

When showing a unit to a prospective long-term tenant, ask them what they think about the building and unit, so you can gauge if they like the product you're offering. You then need to ask them what their rent price range is. Get them to make an offer for the unit, and then have a chat with the owner to find out if they're willing to negotiate. Most of the time they are, and now you've leased the apartment and increased the occupancy rate.

The next step is to send a notice to current tenants of a rent increase at least eight weeks before their lease is up. Even if it's five or ten dollars per week, the tenant will usually be okay with this amount as compared to the inconvenience and costs associated with vacating the unit and finding a new place to live.

Another aspect that has an effect on rent/rates is the season. If a particular time of year is slow, a strategy for permanent letting is to negotiate a lease end date to a time of year when there's more market activity. For short-term letting, it may be feasible to change the mode to long term, which means letting in the off-peak seasons to help with the cash flow for you and your owners.

To implement the strategies mentioned here, come to our monthly event. Instead of trying to reinvent the wheel, you'll learn how to fine-tune or make an action plan that's ready to be implemented into your business.

Go to www.mrfomula.com.au/event to register.

9. **Improve or change to different marketing channels, portals and partner networks.**

The first thing you need to do is have a good look at the photos you use to market the unit for rent or sale. Quite frequently, I see photos of units that are taken using a phone or standard camera, and these photos don't help with attracting people to come see the property.

You need to hire a specialist photographer who uses professional HD cameras, perspective lenses and correct lighting. The differences between the professional and sub-amateur photography are dramatic. We've found that advertising using professional photography achieves more enquiries, higher rent rates and sale prices and lower vacancy rates.

The good thing about getting a set of professional photos taken is that it costs around \$120, which is a mandatory investment that will pay for itself many times over. If any of your owners don't have professional photos for their unit, you need to talk to them about these benefits.

Another advantage is that with you as their property manager, fewer inspections will be performed before leasing or selling a unit. Other owners will see the quality of your advertising and consider appointing you as well.

Having professional photos of your owner's unit is half the job. The other half is having a good set of professional photos of the common area facilities and the building. These are your responsibility so make a small one-off investment for your business and get a set of professional photos of the building and the facilities. Don't forget to update your website and marketing portals with your new professional photos!

10. **Reduce your business expenses while maintaining the quality of your services and efficiency.**

You need to have a look at each expense, which means going through the receipts and invoices one by one. Ideally, this should be handled at least every year. Expenses to investigate include:

- landline and mobile phones
- internet
- website and email hosting
- electricity
- motor vehicle
- insurances
- account auditing
- bank fees
- cleaners
- gardeners
- booking systems.

Just start by reviewing one ongoing expense every month, and then shop around and negotiate a better deal with your supplier. Things like old fax technology is obsolete, so you can cancel it altogether.

11. **Supply gardening services.**

Some buildings require the residents to maintain their gardens and lawns, particularly with standard format plan buildings. Have a chat with them, and send emails and flyers to inform them of your competitive pricing.

12. **Invoice for cleaning services.**

You probably already have a contractor that takes care of cleaning inside the units when the tenants or customers vacate. You should also be

invoicing the vacating tenants or owners with a profit margin on top of what you pay your cleaners. Again, inform them of your competitive pricing.

13. Partner up with businesses related to your industry sector

Align yourself with insurance companies, tourist spots, restaurants and travel providers to offer more competitive services and deliver value to your residents and guests.

Partner up with utility connection companies that arrange the tenant's gas, electricity and internet. There's good money to be made this way, particularly when there are new tenants moving in, and they ask you about the utilities. Just explain that they have the freedom to use any retailer, but you could help with all the connections for free with your concierge service.

14. Increase the productivity and efficiency of your staff and contractors.

You should know exactly what your team is doing and how long it takes them to perform their tasks, as well as the expected results. For instance, if there's a task your team member is currently performing that takes a substantial amount of their time, you may need to consider retraining or outsourcing that particular task to a dedicated specialist who can do it quicker and cheaper.

What is the main reason managers don't take action to improve their income, and how can they overcome it?

Most managers know ways to increase their income, but many are reluctant to take the key steps in order to get the results they want.

The biggest reason is that they feel they don't have the time to implement these strategies due to their day-to-day workload or constant distractions. In our office, we play a game called 'Did I win, or did the distraction win?'

I have a four-step plan for getting tasks done in half the time:

- **Step One**

Make a list of all the tasks you do on a daily basis.

- **Step Two**

Prioritise your list to make sure the tasks that make the most impact on your business are at the top.

- **Step Three**

Systemise the reoccurring tasks. Figure out which ones can be done at certain times of the day. For example, taking the general waste bulk bins in the evening.

- **Step Four**

Turn off all distractions. Slice your time into twenty-minute blocks, and get on with finishing the task at hand.

Once you're efficient at doing a task, time yourself, and make a training video for your staff. Then you have the option of continuing to do the task yourself or delegating it, so you can focus on income-increasing activities.

How can someone improve the value of their business?

I'd like to share with you a simple seven-step process that will improve the value of your business. One important thing to remember is that you want a fair exchange. In other words, the only reason you should get paid more is because you provide more value to your clients and customers. Then they will be your raving fans, and your business will thrive. Here are the seven simple steps that will get you on the road to increasing the value of your business:

- **Step One: Go through your pre-sale profit-and-loss statement.** Brainstorm ways to reduce your costs and improve all aspects of your business.

If you've been with the SIRE Team all along, you should be pleased, as we always work together to improve your business worth on a regular basis.

- **Step Two: Take action on the ideas that can be easily implemented.** There was one client we had, a manager who was spending \$7,500 a year for a social media company to manage their Facebook and other social media sites. However, the manager wasn't receiving any enquiries.

We had a look at what was going on and identified the problem. It was because the page wasn't set up correctly, and there weren't any links to their website, also known as the marketing funnel, so people would just leave after reading their nice post. We had them change to a different company at half the cost, set up the marketing funnel correctly and now the managers have a zero-day vacancy rate while saving \$3,500 a year.

- **Step Three: Look at the complex/building from your customers' and tenants' point of view.** Recall and record all the feedback your customers and tenants gave you when you did your open inspections. Also, look at your competitors' buildings and online advertising. Understand and list the reasons why tenants/customers might choose their buildings over yours, and discuss the items on your list with your owners and committee members. There will be new projects to

improve your building, and you may get paid more to carry out extra work if the tasks aren't within the scope of your agreements or their expectations of you as the building manager.

Please contact SIRE if you would like to see real-life case studies or need assistance.

- **Step Four: Look at your building from your investors' point of view.**

All investors want to get as much rent as possible, but some properties managed by outside agents may not know you or the superior services you provide if they don't live on-site.

For example, they might not realise you get higher rent rates than outside agents, so you're in the best position to recommend areas that require refurbishment. If there's something in the common areas that needs replacing/repair/upgrading, then you should check the Sinking Fund Forecast (SFF), and see if there's money allocated for these improvements.

If there are no allocations for expenditure in the SFF, you will need to discuss the issue with the committee and arrange for a quantity surveyor to come out and prepare a customised SFF for your building. Once this is completed, the expenditures can be allocated in the next financial year's budget.

If items inside the units require replacing, you will need to discuss this directly with the owner. Sometimes they don't want to spend any money on their unit, so you need to adjust the rent rate accordingly to compete with the market. Sometimes the owner does want to

spend money on improving their apartment, and you can upgrade it when it becomes vacant. Or maybe the owner does want to upgrade, but they don't have enough cash to do it straight away. This is where you can use the strategy of withholding a portion of the weekly rent that you and the owner agree upon and deposit it into your trust account, so when the tenant vacates the property, the upgrade can be completed.

Once you've done your assessment and made the improvements, adjust your rent accordingly. There are service providers who can assist you with this process. Contact the SIRE Team for more details.

- **Step Five: Investigate all marketing and sales options.**

Many companies use social media to acquire a fortune in the accommodation industry. Make a list of all marketing ideas you could implement to increase interest in your complex.

For example, one short-term accommodation provider made the pool area into the most Instagrammable place during that year, so lots of guests would take photos and post them on Instagram. People would see the photos and want to come and share the experience.

- **Step Six: Systemise and document your daily duties.**

Build step-by-step systems for tasks that are repetitive, and then outsource them to contractors.

- **Step Seven: Utilise the latest technology.**

Update the technology you're using, so you become more efficient and productive. Investigate the latest tools, equipment, machines,

software, hardware and apps that will help you get your work done in half the time.

What are the most frequently asked questions you receive from managers trying to improve their business?

As you begin your journey to improve your business, you may encounter a few roadblocks along the way. Let me make the process easier for you by answering the top three most frequently asked questions we receive:

- **What if I'm busy and don't have time to do all of these steps?**

Just remember that when people say they're busy, it's not necessarily true that they're working on dollar-producing tasks. There was this one manager who told me he was "very business-oriented", but after spending an hour observing him going about his day, I discovered that he just loved chatting with everyone in the building.

I pointed out that while it was great that he stayed in communication with the residents, his conversations could be more to the point, and they would be just as happy, especially if he provided them with a quick and effective solution.

So "busyness" can be an illusion. I used to have this illusion myself, and it took almost a year for me to overcome it. If you have a hard time streamlining your tasks, get someone with more experience or a coach to help you.

While you may think you don't have time to systemise a reoccurring task, all it requires is a mindset shift. Ask yourself if it's worth to take an extra thirty minutes just one time to systemise this task that will save you ten minutes every day, or 60.8 hours every year. If you

look at it that way, you'll begin to understand how it's a pretty good return on your investment and worth the effort.

- **What if my body corporate or owner doesn't want to spend the money?**

This really depends on how you present your idea to the owners/investors. Your first priority is to provide feedback to make them aware of what's happening. Before going to the owners, get three quotes, so you can tell them exactly how much everything will cost, as well as the return they'll get on their investment, such as higher rent for investors and a better property value for the owners.

Another strategy to complete a project, or at least get one started, is to break it down into modules, where each one is a key milestone. Every module therefore costs less than the entire project, and you can work within your expenditure boundary and limited funds.

Of course, there's also the satisfaction of walking through the complex and feeling great because of how much you've improved it, or at least gotten the ball rolling. This project module approach works quite well, because the residents actually see things getting improved over time and become generally supportive of your goals.

Depending on your spending limits as the building manager, you may be able to simply approve the quote. But if the cost exceeds your expenditure limit, you need the majority of the committee to approve it. Or if the cost exceeds the committee's expenditure limit, the motion should be submitted for a general meeting, and everyone needs to agree to it.

If the body corporate doesn't have the funds to proceed with the project, you'll need to ensure there are provisions allocating funding in the following financial year's budget. At least you've proven that you know what to do, and the owners will get an understanding of what you want, so when the funds do come in, you'll be ready. Most of the time, you can get extra pay if this service isn't in your caretaking agreement. It's just another way to increase your income! Contact the SIRE Team if you need assistance.

- **What if I don't have the knowledge to do some of these steps?**
There are many service providers who can help you. At SIRE, we've implemented most of these strategies ourselves and developed simple steps for you to follow, along with valuable and reliable contacts that can help you.

In summary, here are the steps you need to implement:

1. Set aside forty-five minutes to go through your profit-and-loss statement.
2. Brainstorm your ideas, and write them down as they come to you.
3. Implement one idea per week from the easiest to the hardest.

By following these steps, within three months you'll have a great business, as well as more income and time.

If you need assistance, just contact SIRE to join our monthly workshops, so you'll be able to set three small action plans that will improve the value of your management rights.

What are the best ways for someone to market their business to their owners, prospective tenants and guests?

I like to say, “The riches are in the niches”. On-site managers are in a niche sector, and they have many unique advantages compared to outside agents, such as achieving higher rent rates, lower vacancy rates and being able to perform more inspections at times that are convenient for the prospective clients.

But some managers are in a better position to recognise and market these advantages to their owners and residents than others. Once they're identified, managers can systemise their marketing funnels and use the latest technologies to target their prospective clients as identified by following these three simple steps:

- 1. Create lead magnets with promotional offers that are attractive for the prospective clients.**

You can use market funnels like social media, email, text messaging, phone calling, your website and portal advertising.

- 2. Add value to your prospective clients on a regular basis.**

Creating content that's relevant to your clients' interests, such as special events in the area for guests and residents, or tax benefits for owners with property and fixture depreciation that will increase their after-tax income. These value-adding ideas are promoted to your current and prospective clients using your marketing funnels.

- 3. Identify their issues, and offer them your services.**

For instance, some owners may have their unit vacant for some time, and you can offer them your letting service with a professional

photography rebate after you've leased the unit. Once again, these services are promoted using your marketing funnels.

Just remember the rule about fair exchange: only charge the fair amount for the value delivered.

At SIRE, we have a panel of experts who can assist you with improving your productivity.

“There is no greater reward than working from your heart, and making a difference in the world.”

~Carlos Santana

How can someone keep ahead of other operators?

More and more smaller management rights owners are thinking like big businesses. The following are the four areas in which you need to take action and continually work on:

1. Always work to improve the quality and value of the products and services offered to the clients.
2. Make sure investor owners know about your positive contributions, such as building improvements, renovations and the higher returns you get for your clients.
3. Create an automated client capturing and marketing system, steadily build your database of investor owners and craft and promote attention-

grabbing messages that your investors will share on their social media networks.

4. Automate your marketing by creating a database of your most valuable clients, and then figure out ways of improving their assets and helping them when they need it.

Although this sounds like a lot of work, it will all pay off in the end. If you follow these steps, you'll increase your chance to attract investors.

The typical profile of a building will have some units that are owned by investors, but they're using outside agents for letting and sales services. There's always:

- 3 percent of owners who are actively shopping for a different agent
- 67 percent of owners who are interested in your agency services
- 30 percent that don't want your services.

Your marketing effort should concentrate on the 70 percent who are interested in your services and those who are actively shopping for a different agent. Once the trust is built and they become the 3 percent, you'll get their business. It's that simple.

What do you believe separates the successful business owner from the rest?

There are key differences between a good manager and a mediocre manager such as attitude, an understanding of human nature, organisational skills and interpersonal skills.

Most importantly, a good manager thinks and acts positively, always maintaining a healthy and happy mindset. They live by the motto that the more you give, the more you receive. I'm not talking about being a charity. It's about providing the best value for your clients to the point where they couldn't possibly get a better deal elsewhere, and they'd be mad not to choose you over the others.

One example of adding more value to the body corporate is to negotiate better prices from the contractors by establishing a personal relationship with them, as well as doing some bulk buying to get a quality job done for less than a third of the price. The owners will notice the good-quality works being done without high levies, and that's the key to winning their trust.

What do owners really appreciate about their caretaker/ property manager?

Problem-solving is the key here. Basically, it's about getting good-quality work completed for the best price.

Management rights owners are in the best position to solve problems and deliver the best value. Here are a few reasons:

1. They only focus on one or a few buildings/complexes at a time.
2. They generally pay levies, as do all the other owners, so they have the common interest of saving the body corporate money.
3. They own the letting and caretaking agreements for the building, and the residents frequently interact with them and get to know them, so it's in their best interest to maintain the building's value.

Managers should work on offering a better value to their clients, which is exactly why management rights is such a stable business. The price of supplying the same service compared to an outside agent or company is more cost effective, because on-site managers eliminate the middle man, and they hunt for the ‘best bang for the dollar’.

What one action can people take right now to improve their management rights business?

By focusing on these six simple steps for the next ninety days, you’ll improve your efficiency.

- **Step One: List all the caretaking duties and letting activities that use up your time.**

These can include:

- cutting grass
- mopping the common foyer
- paperwork
- routine inspections
- meeting with committees
- getting quotes
- phone calls
- meetings.

Include everything, even five-minute tasks. Be specific, clear and brief. Keep going until you’ve listed everything you can think of.

1.

2.

3.

4.

5.

6.

- **Step Two: List three tasks you're proficient at and enjoy the most in your management rights business.**

1.

2.

3.

- **Step Three: List the three most important activities you do that produce income for your management rights business, and put your ninety-day plan in place to focus on it daily.**

1.

2.

3.

- **Step Four: Name the three most important activities in which you're not proficient and don't enjoy.**

1.

2.

3.

- **Step Five: List who you could delegate these tasks to, or contact the SIRE Team to assist you with developing your skills.**

1.

2.

3.

- **Step Six: What's the one time-consuming activity you're going to say "No" to right away, and what benefit will result from delegating it?**

1.

2.

3.

We run a Productive Managers Workshop once a year. Go to www.mrformula.com.au for more information.

Do you have any final words you'd like to share?

Don't go for the broker who offers you the lowest commission. Let's be real here: if they can't negotiate on their own commission, what hope do you have of them negotiating the highest price for your management rights business? Negotiation skills are critical in getting you the highest price, while also ensuring the contract goes all the way to settlement.

Be clear on your desired outcome, and remain upfront with your broker. It gives them the opportunity to reciprocate and promotes a positive and productive working relationship.

The seven wisdoms from this chapter:

1. Sharing ideas, learning and belonging to a like-minded group of managers is a sure-fire way to build and maintain a valuable management rights business and enjoy the unique lifestyle it provides.
2. Help your clients by making decisions that improve their lives.
3. Your best backups are a great system and the SIRE Team.
4. Price is what you pay, and value is what you get, so always ensure you offer more value to your clients than what you charge.
5. The riches are in the niches.
6. Focus on only three things at one time when you're working on increasing your income
7. To get results, have a team around you that will hold you accountable to finish what you started.

“If you think education is expensive. Try estimating the cost of ignorance.”

~Howard Gardner



FREE GIFT

Richard and The SIRE Team have offered readers of *The Management Rights Formula* the option of a special gift of your choosing.

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You'll receive a free ticket for our workshop, *Twelve Ways to Improve Your Management Rights*, which includes action plans and the resources to implement them.

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Here's a list of even more specialists who can help you on your management rights journey:



For more information about getting your resident letting agent licence, full real estate agent licence and sales and property management certificate, please contact:

Jason Yang

Academic Director

Web: www.niet.edu.au

Phone: 07 3117 1772

Email: academic@niet.edu.au

Address: 7 & 8 Clunies Ross Court, Eight Mile Plains Q4113

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Management Rights Insurance Brokers

Ben Liu—Director

M : 0404 155 555

F : 07 3278 2339

E : ben@redbroking.com

W : www.redbroking.com

Suite 1, 250 Sherwood Road, Rocklea Qld 4106



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Max CHang

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