

Rags to Riches to Rags to Riches

Dymphna: Hi guys, it's Dymphna here and welcome to iloverealestate.tv. If you're listening to me from iTunes, I encourage you go and have a look at my website, iloverealestate.tv and subscribe.

I've got a lot of good stuff there for you. I've got a lot of free stuff for you to go and have to look at and also if you're downloading my weekly podcast off my website, I encourage you to go and sign up for iTunes, because of course, that gives you lots of specials as well.

Now this week, I have a very, very exciting story to tell you and it's a real riches to rags to riches to rags to riches story. It's an amazing story of determination and true raw grit and success to get out there and turn things around again. I always find these stories very inspirational and I know I learn a lot from them and I certainly learn so much from my students, just as much as the other way around. And I thought, you know what, I'd really like to get everybody to hear my next guest story because it is, not only inspirational but it's also educational as to just how, it doesn't matter where you're starting from or your circumstances, your education, your past, your knowledge, your anything. Making a start is the important thing and doing it right, getting the right help and support around you is what really counts.

This gentleman has gone from virtually nothing, in fact probably worse than nothing. He's gone from the position of no income, no job, no equity, no money, and no credit, in fact very bad credit. So it probably doesn't get much worse than that just from the starting position but that's when he came to me and that's when he came on board and started to make things happen. He started to get his head in the right spot. He started to put some learning into place. He got his structures right and his tax right and he got his strategies,

business plan right and from there, he's now in the position with all of the deals that he's got underway at the moment and all of the passive income that he's got secured at the moment, which is not all quite finished I might add, but to being in a position when these deals are finished, he will have equity of about \$1.6million and a passive income of over \$100,000 a year.

Now that's pretty jolly good going from being worth basically nothing from a financial perspective, obviously everything from a personal perspective but from a very low starting point to go into \$1.6million and passive income of over \$100,000. In a few short years, now as I say, not all those deals are finished yet, some of them are still underway and it probably take another year or so to finish some of them off. Some are finished, some are unfinished but that's his profit share as we see at the moment of where he's at. So the person, I'd love to introduce you to is Keith Farquhar student of mine, hello Keith, you're on the line.

Keith: Yes Dymphna, how are you? Glad to speak to you again.

Dymphna: I'm doing very well Keith and thank you so much for coming on and sharing your story and your wealth of wisdom with everybody as well. Let me just give everybody a little of a background on yourself if I can. You were brought up in Zimbabwe, in obviously in the African continent, and basically brought up as farm boy and built up farm over there to begin then grew to four farms. Just explain what your life was like in Zimbabwe?

Keith: Dymphna, in Zimbabwe we had a lifestyle, it was great, and the African continent as a whole is a beautiful place and all the animals and the birds and the countryside is really great but a lot opportunities and unfortunately for us, the high risk really of the nature of African politics didn't end up bright for us. As a lifestyle it was brilliant - we had five farms there, we had 56 trucks and an

aircraft charter business all of them which are built up myself obviously with the help of others that worked with me and luckily I got myself into position where I was really the king of the castle.

Dymphna: Now you employed a lot of people too. You had a tobacco plantation that employed, what did you say a thousand people?

Keith: Yes, a peak maybe between all the farms and transportation and the aircraft, so we used to employ just on the thousand, the farming is basically a seasonal type of thing. We had a basic labor force and then in the peak periods were harvesting and then the women and in fact the children used to come and work as well and all to put more money into their family's pocket. On the farms, we had schools for the children that we subsidised with schools and clinics and things like that as well but yes, just on a thousand at peak period between all the enterprises.

Dymphna: Wow. And then of course, we all know the political unrest that goes on over there. I mean it's something that's ruining the beautiful country but if I can relay your story there, basically one day, some men, a bunch of trucks, rolled in with big machine guns and basically said you get 48 hours to leave, is that right?

Keith: That is correct, we had to leave the farm not the country, we were given 48 hours to take our personal things and move off and it applied to all of us, well, certainly 95 per cent of us and we're farming and they basically decided that they're going to take the land and give it back to the rightful owners and with the land with all the improvements and moveable assets for that matter – the tractors and the trucks and that all belonged to the people as well, so that's what happened basically to all of us.

Dymphna: Okay, now you obviously decided that your family and everything was always more important which they are - and you grabbed all of whatever you could I guess and took off but others didn't, did they?

Keith: Most people did so or at least moved in to the city. There were just few people that stayed behind to challenges and my neighbour unfortunately was one of that people and he is not with us anymore.

Dymphna: Yes, it's a very sad story when things like that happen. So what happened? I mean you basically have everything stripped from you. Everything that you built up yourself; you are self made millionaire in your own right and you had it all just taken away on a political whim, so what happened then?

Keith: Dymphna, we sort of looked into situation and thought where to now, again, where do we go? There was another city where I had a couple of trucks I've kept up that weren't on the farm that I was able to continue working with but when we looked at the situation, it was just getting worse and worse and we thought where to now. In South Africa - you're going from the frying pan into the fire. We'd done a lot of travelling. We travelled at that stage to 36 countries and Australia seemed the closest to us to what we knew in terms of language, outdoor life - generally the lifestyle - and also I have my eldest two daughters that were living here in Brisbane anyway doing tertiary education, so this was the obvious choice for me.

Dymphna: Okay, so you came to Australia, you actually went to Perth initially, didn't you?

Keith: We went to have a look at Perth and looked at the east coast as well. My first visit to Australia, within four hours of being here, I got a phone call from a friend who was farming near us back in Zimbabwe and he said, "You have got to come to far north Queensland to a place called Mackay." At that point I didn't know where Mackay was - I just knew it was far.

Dymphna: It's far!

Keith: I thought that it was a Great Ocean Road thing and I got a car and drove up there and ten hours later was in Mackay and not seeing

much of the ocean but on the weekend, he said come to a barbecue and there's a couple Zimbabweans there and whatever and there were just on fifty families there that I knew of.

Dymphna: Wow.

Keith: And it was the obvious place to go at that time for me because of the sort of support group.

Dymphna: Yes, so then what happened?

Keith: I've always been one that I just get in and do it and I went and I bought business and bought the stock and the business but I couldn't afford to buy the land as well, so I leased the land and after three years, I lost the lease on the land and the company was liquidated and at that stage, I was left without a house, without a car, without a job, without anything. So that was the second time around and this time it was my fault and essentially it was because I didn't get adequate advice when I came here. I came here thinking I can just do what I did before and everything worked on a gentleman's handshake – everything here was different.

Dymphna: Very different. So you put that first entry into Australia or the obvious down turn because you lost that business and you lost everything again down to lack of education, lack of knowledge of how things work here and that sort of thing?

Keith: Dymphna absolutely, I, for one I used the same solicitors as the other's solicitors...

Dymphna: That's a never good move.

Keith: After a confrontation, they just said it was a 'conflict of interest' and they can't represent me and I was left at 9 o'clock in the morning going to court without even anyone to represent me.

Part of the business that we had was landscaping so my son and I set up another little business doing landscaping and it was while we were doing that, that I saw that advertisement for your One Day Introductory Workshops and what drew me to it more than anything, was getting your structures right so that you protect yourself and that's where it all started - that was where the Australian journey started - put it that way.

Dymphna: So the fateful day when you came to see this woman speak and hear what she had to say and I bet you thought that if she doesn't have anything good to say I will leave by morning tea anyway.

Keith: Not exactly. I wanted to work out for myself what I really needed to do because I've come here with the strategy that I did before that it worked for me and it definitely didn't work here.

Dymphna: Yes.

Keith: So I was willing to listen to anybody who could provide me, ideas for the way forward and this was a free one-day thing and I had nothing to lose, I just had to go and listen.

Dymphna: Okay, so you came along that and now obviously, you became a student of mine thereafter and there's a huge amount of learning, it's mostly – for my students here come on particularly those who never had any background in the financial matters of this country, it's a very steep learning curve and I bombard you with tax and asset protection and structures and financing and legal issues and succession planning and as well as some property business planning and money management skills. Now from there, what did you do? I mean, it was something that – its lot a take in for anybody first time around and also for you coming in cold, it must have been quite overwhelming for you.

Keith: It took me years but it was very obvious to me after the first day that that was the way forward and as I have said to you before when you

told us to write down the ten things we needed to do now, I write down one thing and that was give a chance to Dymphna.

Yes, and that's exactly what I did. I joined your program and I went forward from there and it was quick, it was sort of rapid forwards in there and literally by listening to you, to what you have to offer and listening to the various speakers that you bring along to the seminars and things like that which are really, really - these guys are full of information that is all good.

Dymphna: Forward from now, obviously you've gone from a very low start because really you lost everything twice and coming along to be a student of mine, you're in pretty bad shape in financially and probably emotionally too because it takes a very strong person to be able to get up and go again and pick yourself up and say okay what next? Let's just talk about that because it's something that is really understated when you talk about success and making things happen and that ability just to be able to pick yourself up, dust yourself off and say, "Okay, well this is where I'm starting from," without hanging onto any of that past regret and hatred and blame and all that kind of stuff that really, it does hold you back and it keeps you very much cemented in your situation because everybody goes through something. Maybe not as dramatic as you, but everybody goes through something that does pull them back, that might have been considered to be a mistake at that time that if you hang on to it and you hang on to all of that emotional burden and everything that goes with it, it really inhibits you moving forward. How did you cope with that?

Keith: I'm not really sure other than to say that nobody else comes and helps you, you have to get up and move forward to come out of the 'woe is me' and go into a hole and crash, burn and die, or you can actually get on with it and the old adage of the sporting field - you need to be on the field to be able to score a goal - it's on the field and whether you knew the business and what you're a rookie player

or a seasoned professional, anybody can score a goal but if you are sitting on the bench watching on the sidelines, there's no way you can score a goal.

I really didn't have the option Dymphna, I have to get out and score some goals and the avenue that was put before me from that one day with you is where it worked and you remember when I came to you, I talked to you, I have no money, I have no house, I have no car, how I do it? And you said watch and listen and do and that's basically what I did, I believed in you. From there, obviously starting with doing changes because that's what you gave me, it's way forward for me.

Dymphna: Well it's obviously the easiest way. I mean, there are many ways that some of us started with absolutely nothing can move forward but joint ventures is probably the easiest and fastest way to make that happen.

You coming from a new country and everything, I mean you really didn't know a huge amount of people, I guess you had some people from Zimbabwe that you knew but you're starting a new country, new friends, new everything all over again, so did you find at the meetings that we had and the get-togethers and the seminars and those sort of things, did you find it useful just talking to people who were also out there, doing things, making things happen and were of like-mindedness to yourself? Because I find that's half the battle.

If you can put yourself in an environment of motivated, positive, like-minded people who are just all out there, trying to help each other out and make a few bucks on the way, then it's just a totally different paradigm to a normal society and normal interaction with people at work or in social clubs and things like that. Did you find that?

Keith: Absolutely Dymphna, the calibre of the kind of the people, in the Ultimate Program and seminars and the things that we come to with you really is way above average and very inspirational and also

positive. I always find, as do most people, when we come to these seminars, you are lifted again because there is absolutely no negativity, it is a great support group and everybody is positive and everybody is looking for a win-win situation and on top of that, if somebody is doing well, everybody else is just happy for them.

Dymphna: Yes.

Keith: There's no 'tall poppy syndrome' type thing it's a really, really great atmosphere and the place to be, so and that's the first and the second bit is the friends you make as you go along. The networking is great and the networking is absolutely huge and for me probably the biggest thing for me is the networking and then the opportunities that arrive out of that, the people that you meet within the group and what comes of opportunities. We've got all sorts of things happening now - through networking.

Dymphna: Yes, I mean just the ability to be able to have mates in the market - I call them - who are doing similar things and often to be able to do something with somebody else was faster and quicker and whatever else. It's more fun - you strengthen each other even, not only emotionally but also financially because if someone's got abilities but no equity, no income - then the two together - are a perfect match.

If someone has got equity but no income, again you're each helping each other out, there's lots of combinations of people as to why they are better off together than apart other than just a sheer motivation and inspiration and you two together can do more than one man slogging on his own.

One thing I do asked my students to do, is leave your ego at the door and I really feel that's very important, I don't say that lightly because it's something that, if you can be open, if you can open your heart and your mind and the ability to be able to do whatever it is that your Peg In The Sand is, whatever your goal, you can achieve so much more without having to battle against yourself effectively

when you're trying to maintain a status or an ego or any of those sort of things.

Now Keith, let's get on to your story, you did do joint ventures and initially your strategy was to build up chunks of money out of doing manufactured growths, as I call it, which is things like renovations and landscaping and subdivisions and constructions and those type of things, how many of those deals are you in and have you been involved in?

Keith: Okay Dymphna, it's a continuing thing as you well know but the initial ones was that we did for chunk deals so to speak, there are 13 of those...

I've been as useful to nearly two and half years now and but over the time some, some of them are still not finished and they are on varying degrees but there were 13 of those. We have changed course a bit more because we are now in a position where we can hold some, so I have two other joint ventures now which are really good ones, which are a 'hold'.

And then I have looked at some vendor finance ones, so there are two there that are pretty much on the go. Yes, we're giving into those ones which we will be able to do ourselves because we got ourselves into that position where we can.

Dymphna: So that's an obvious course to take where you started building up chunks of money that gives the flexibility to be able to either do things on your own or do things on a bigger scale that you're able to keep because the name of the game, of course is building up an income stream, a pension for life that is indexed and that you can live up. If you make it once, you don't have to make it again and that income stream starts to become so important, so you've kind of gone from, "Okay, let's build it up. Let's get on our feet, to get some clout behind us and now we're in a position where we can start to create passive income streams for the rest of our lives."

Come on Keith, let's share some of those figures, I know in Australia, nobody likes to talk about money and as children we get slammed for asking somebody if they are rich or you must be – you must have a lot of money, you drive a nice car, or any those kind of things. We slam our kids down for saying those things and telling them it's rude and all that kind of stuff. The whole stigma around money in Australia is appalling and we have the worst relationship with money I think anywhere in the western world. That is really is due to this whole 'tall poppy syndrome'.

I know you mentioned that before that it's okay to get a little bit ahead but don't get too far otherwise you're obviously dealing drugs - see I told you - must have been something illegal. We have an attitude thing that is just terrible and it is something that I have made my personal crusade to get out there and change in this country to try and get some positivity around money and wealth. Because the money more money you have and the more wealth you have, the more you can do, the more you can help, the more you can make happen. Money is just a tool, money is just energy. It's just a tool that you use. The more that you have, the more of it you can do.

But anyway I will get off my soap box now, now back to you. Tell us the figures Keith. With the project that you've got underway at the moment, what value are they when they're all completed because I know some of them are part way through and things like that but you're share of that value, what would it be? Give me a ball park figure.

Keith: Dymphna, to quantify things, we need to remember that the first thing we did when we came to you and you just said as you were talking earlier that create something that you can keep and you can have forever, so that's the first thing. We'll get the structures right this time so that this time, you can keep and have it forever, so that was the first step of my journey with you, was restructuring everything, getting things correct so that will happen. So out of the

thirteen joint ventures, and you have quantified already, there's a two of them that took a long way to get out. One of them is a set of six units, we are all set but by the end of it, out of those 13, my share of that is about \$550,000 or I'll say, my son and I, and it's about \$550,000 since we've gone on to the buy and hold and manufactured growths, that first one about we'll manufacture \$60,000 growth on there and has a positive income of \$650 a week but if we sold it at the end of the development putting more units on. We would have about \$550,000 profit which \$275,000 would be ours.

Dymphna: So that's on top of the \$550,000 of the other projects.

Keith: Half of the \$550,000 of that project.

Dymphna: Yes.

Keith: And there there's another one also in a joint venture which we are just going into now and some of that, it will be positive and we will hold it but if we sold that, we have another \$200,000 there.

Dymphna: Right, so add that all, that close to a million dollars.

Keith: It is but there's more.

You also taught about into vendor financing and people who do vendor financing and at the moment, we are on negotiations with two people and that obviously will keep it all and there's another \$600,000 there so we are looking at about \$1.6million at the end. At the end of it, probably a year and half away, but in total that is what we are looking at, so within three to four years, we would have built up that sort of thing.

Dymphna: Wow. That's really good Keith, because, looking at people who just do normal jobs and things like that, the comprehension of making \$1.6 million in the space of few years is out of the question but most people starting with a lot more than you, most people have more capacity than you because with once you came to this country and

then having that thing happen with the business and the lease not being renewed and all of that sort of thing, it left you with bad credit as well. So you are really starting with no money, no income, and bad credit.

Keith: Yes, it wasn't a good the place to be.

Dymphna: It wasn't, it seems like an age away from where you are and the person you are, as a person you have grown enormously over those years. So much to the point where I have you helping other students out to get them going and make things happen and that is something that I don't do lightly.

Keith: That's good.

Dymphna: So, I guess for everyone listening it's a case of, well don't underestimate yourself, don't be selling yourself short because if, if you can start from no money, no job, and bad credit to get to in the few short years, \$1.6M in equity and a passive income on my recollection that comes to over a \$100,000, is that right?

Keith: Yes.

Dymphna: Just on what you're saying this over a \$100,000 passive income that comes in every year thereafter, that's great. That's suits you, that's superannuation effectively and it's controlled, one of the things that I like to really emphasise is control over your money. I think too many of us have a fear of failure which leads us to just pass off our money to somebody else to manage, to somebody else to take care of and I really feel subconsciously a lot of that is about the fact that they have a fear of failure and if something goes wrong, then well it wasn't my fault, that was their fault, and pass off the blame. But in reality, what you need to be doing is stepping up to the mark and taking control of your own personal circumstance, take control of where you're at, take control of where you want to go and get out there and have your successes and make your own mistakes along the way and learn

from them because just passing it off to somebody else is not the answer. The more all of us do that, the better this country is going to be as a whole and individually, the better every single one of us is going to be financially. There's nobody thinking as much as about you are over tea and toast on a Sunday morning as you are. No matter how good they are as an accountant or lawyer or financial planner or anything else, you're the one who is thinking the most about you, you're the one who's doing the most for you.

So you don't want to be passing off that control of your money and your personal circumstances to anybody else in my opinion. But then I'm a little bit of a control freak.

Now Keith, where to for you now? Obviously these jobs are all going to be completed and you've got some great passive income coming in there. Where is your next Peg In the Sand? Where is your next goal?

Keith:

Dymphna, the short term is also revolved around the networking and support that you get out of the group but in the short term, we've setup the building and renovating the part of the company which is doing a lot of work. At this stage, almost entirely for members within the group, so there's another opportunity that comes out of the group, out of the Ultimate group, we're getting a lot of work without even having to market because that's all just coming to that.

We setup this company with registered builders, registered plumbers, and electricians, and carpenters and whatever where we can do renovations and buildings for other people and at this stage, it's all entirely for people within the group. So that's good and we choose from now, it get us really going so that my son Barry, who is also one of your students, can carry on that between when I decided that it's time to go and travel again and see some more of the world but I suppose essentially for me is to start getting some more hold properties. So that there is enough in passive income, not only for

me, but for the family and that's where I'm going from now, that's what I'm looking at. I think that chunk deals are another thing of the past, we will continue to see if there's one available we'll do it and that if there's an opportunity where we can hold them other than joint ventures or with vendor finance, then we will do that, we'll hold them so that we have that passive income.

Dymphna: Yes, and obviously the bigger picture there is for you to build up that wealth. I was talking to you some of the other day and he has – I don't know if I supposed to be sharing this with you but not anyway I'm going to - he has the goal of buying the farm back. Not necessarily the one in Zimbabwe but getting the farm, getting the piece of dirt again that he remembers from his childhood.

Keith: Yes, we're aware. I think that is something that we are the family who own that. It is the farming and the land and to what they were doing over there but he is very much likely and he's working toward and he's doing well and that he's doing really well. Although he has been working with me for the first three years and doing these renovations and building with whatever, since the start of your program in November last year, he's really starting to understanding it a lot more and it's been really great. It's great for a youngster of 24 to build now and get things going because at least here in Australia, it's levelled playing field.

Dymphna: Yes, so how many children do you have?

Keith: Four beautiful children and we all get on extremely well. We are not all together and the youngest is in Western Australia at University there at UWA; the two elder ones are in Brisbane and Barry's up here in Mackay with me but we all see a lot of each other and it's really great. It's a great little family.

Dymphna: I mean after the adversity and things that you've been through to hang on with each other and to start all over again.

I can't wait until I can get those girls of yours in my program so that I can start working with them as well.

Keith: Neither can I. And Sam's already told me that in August, at the Perth one, she is going to be there and try to...

Dymphna: Excellent.

Keith: Yes.

Dymphna: That's good, so I can start getting inside their heads as well.

Keith: That's what I'd like.

Dymphna: Now Keith, something I wanted to have a little bit of a chat about before we finish up this morning is, I really want to talk about how you pick yourself up and go again. Because a lot of the people listening, I think everybody to some extent will have had stuff go on in their life which has really set them back. It maybe financial, it might be health wise, it maybe relationships and things like that but everybody has some degree of adversity that really puts them back a few steps. What messages could you give people and help people with to get back up again and go again and what gives you that resilience? What gives you that drive to go, okay, well that happened? What do I learn and how do I moved on? How can you help people with that?

Keith: Dymphna, to me it's simple. I got tired of people telling me everything happens for a reason, but it probably does, and to me, it's very simple and that there is nobody that is going to come and spoon feed you. People will teach you to fish but they are not going to fish for you, you got to do it yourself and to me, I was in another country without anything, without anywhere to go, so there was nobody really to turn to other than myself. So the message is basically, that you just need to have the will power to get up and get on the field and start playing the game and move forward.

Do it with some intelligence and that's where you came in, with the structure and education that went with it. The education is huge and if you check, the time to get that education and to pick the eyes of it and do what you need to do the improvement to yourself. Then there's no stopping you, there is actually no stopping you as long as you have the will to do it. I think I said this before that, for success you need three things, you need money, you need knowledge, and you need the will to do it or the will to work and if you got that third one, you can go get the other two. Put that all things together and you're away.

Dymphna: Yes, even if we have two of those and then you're working on the third, you've got now, so now it's the case, "Okay, where's my next Peg In The Sand?" That farm here we come.

Keith: Absolutely, the farm and the traveling again but that's the other thing that you just mentioned, that Peg in the Sand that you teach us and it's your goal. You taught us to check that out and then you bring it back into shorter term goals and things that you can actually reach and just reach for one at a time until you get your ultimate goal.

Dymphna: Yes, that's exactly right and it's an ongoing process. It's an ongoing learning process. I mean I don't think there's one book, one seminar, one anything that's going to be a fix all, it's a case of that consistent ongoing learning, education, support, mechanism, take action, move forward to go the next step and it's constantly evolving. If we're not evolving and growing, we're stagnating.

Keith: Absolutely, and a lot of that comes from the support Dymphna, from the other people in the group as well, and apart from the seminars and webinars and everything that we attend with you, a lot of it comes from the other people because people are encouraged by what you are doing and you're encourage by what they're doing and it's the small little thing you talk about, other people helping you out

in doing incentives and that. Where we are now, there's a lot of our groups working, doing similar things here and everybody is helping each other - you'll never find somebody going to Bunnings without saying, "I'm here. Does anybody want anything?". Even down to the smaller things - everybody supports each other - which is great .

Dymphna: Yes, now it's really very good. Well Keith, thank you so much for being a major inspiration to everybody who is listening and you know your story is one of real adversity through to amazing results in an amazing space of time. Most people don't get to where you're at now or would be two years' time, in a lifetime. Let alone in a short space of time that you've been able to make that happen and help the kids along the way to start to get things going for themselves. You really are a major inspiration to everybody and all of my students who know you and worked with you and really learn from you constantly.

So I thank you Keith, from all of them, as much as from me, as well for coming on and being that inspiration because I know, some of this is pretty hard for you talk about but it really is amazing learning journey for everybody else as well. I know it comes with a lot of pain to you and that's understandable but I think you're real success is how you deal with that and have moved past it and creating something new, something bigger and something better.

Keith: Yes, thank you Dymphna and as well, thank you to you because without your input and your knowledge and what you impart on to all of us, we would never be where we are now and you do it with a lot of thought and you really did make a difference.

Dymphna: Thank you, that's what I tried to do anyway. Okay Keith, well thank so much being on the line and thank you for everyone who is listening and I'll be back again to talk to you very soon with another exciting chapter of education. Talk to you soon guys. Bye bye now.