

**Dan Breslin:** Welcome to the REI Diamond Show. Kim, how you doing today?

**Kim Daly:** Thank you, Dan. It's such a pleasure to be here today. I'm doing great.

**Dan:** Nice. We are on March 20, 2022. Sometimes it helps with the context of where the economy and the crazy events are going. We probably won't spend too much time diving into that stuff. I'm sure everybody has got their sources for that stuff. But I like to start off our show, Kim, with a geographical location stamp if we could. I'm in Chicago, our listeners probably know whereabouts are you from recording from grew up, et cetera.

**Kim:** Yep. I live on the beach in Southern New Hampshire. Most people don't know that New Hampshire has a coastline, but we do 17 miles.

**Dan:** Nice. 17 miles, huh?

**Kim:** That's where I live. Yep.

**Dan:** Sorry. Do you...

**Kim:** If anybody out there has ever been to Hampton Beach, New Hampshire, that's pretty much where I live.

**Dan:** Okay. All right. That's obviously, it's like a beach. I grew up in Philadelphia and we would go to the Jersey Shore and we're talking long, long beaches. I live on the beach in Chicago, which most people don't know. There's a beach here out the window also, and these beaches are like two or three blocks long, manmade along the lake there. It's not like the beaches on the Atlantic Ocean. Is that how it is in, was it like a rocky coast in New Hampshire that 17 miles?

**Kim:** Yeah. No, there are beaches. Like you can go to the beach on a summer day for sure. There are rocky parts to the coastline, of course, if you think about the coast of Maine. But we are part of the Atlantic Ocean. It is like the Jersey Shore. It's a beach.

**Dan:** Nice.

**Kim:** On the Atlantic Ocean. Yep.

**Dan:** Love it. I found a quote online. I think this would be a good place to start. I don't know if you wrote this or someone wrote it about you, but it said "She worked as a personal trainer and had medical school dreams before entrepreneurship and franchising found her." Tell me about that.

**Kim:** That is all true. In franchising, Dan. The question that's commonly asked is, how did franchising find you? Because nobody really wakes up and says, "Oh yeah, I think I'm going to go get into franchising." Right? It's more like you're looking for some outcome in your life and you stumble upon the advantages of franchising and go, "Ooh, this is a way to get where I want to go." That's pretty much what happened to me. There were two things I wanted to do when I

was young. One was to become a motivational speaker, but like, how does one do that? You pursue the more logical thing. I was a straight-A student. I'm going to go to medical school and help people. Like I just always desired to be a person of influence, to do something that genuinely improves the lives of other people.

After undergrad, I answered a classified ad in the newspaper that was for a franchise consulting company, not the one I'm part of today. But literally, that classified ad changed my life when I found what franchising as an industry is and does for people, which is, it's an industry of people helping people. It's an industry where every single day people are realizing their dreams, living their dreams, just inspiring, and helping each other. I knew that I had found my homeland. I did make a temporary deviation into entrepreneurship because like every good business owner, I think we all think that we can go out there and do it on our own. I tried to do that for five years and figured out how hard it is and mainly how lonely it is and the things that I now help other people realize and learn about in franchising like that.

In a franchise, you're in business for yourself, but not by yourself. You have the comradery of, not just a corporate office, but all of the other franchise owners that are out there that are part of this brand. Together you are building something. It's like people who go off to war together often talk about the part they miss about being in the military is the comradery, right? People that go through an intense situation together in anything in life, they'll reflect back fondly on the people that they went through that experience. Like if you're bringing a company up to an IPO, right? I think the same thing is true in franchising. We're all trying to achieve our own individual dreams, but collectively we're coming together to build a brand altogether and so it has that same sense of camaraderie. Once I came back to entrepreneurship at the very old age of 29, I'm sorry, but once I came back to franchising at 29, I never left. I've spent 20 years now as a franchise consultant.

**Dan:** Two things I'd like to pull apart before we get into the franchise conversation deeper. The first is, you mentioned working as a personal trainer. How important is healthy living in general? My context is I had problems with drugs and alcohol up until I was 32 years old. I'd been able to get clean for a little while, build a nice life, and give it all away when I reduced back to those not-so-healthy habits. Of course, I did the 12-step program. I picked up the Bible, I committed my life to God. But one of the things that I did do during that same course of time, it felt like God told me I woke up at like five o'clock in the morning. This day I'm trying to fund this flip in the real estate thing in my business, diamond equity that I still have today.

It was weird. It was just like something shook me awake that morning and I end up, my sister's walking out the door, I'm living at my mom's house, "I'm going to the gym." I went to the gym and we're like walking on the treadmill and I feel like I heard the voice in my mind run and I like ran on the treadmill and from that day until the current day now healthy living, seeing the personal trainer, working with the PT to get through pain instead of like going to narcotics or painkillers or even Motrin, right? I want to have strength in health and I feel like this has been a very critical core part for me of like living life and building the life that I live today. I'm curious if you have a similar experience or context that you would share maybe expanding on the personal trainer chapter or portion of your life, Kim.

**Kim:** That is such a beautiful witness, thank you for sharing that. I didn't know any of that about

you, Dan. I like you totally agree that how fit you are and how much pride you take in your physical wellness impacts everything that you do. How can your mind be clear, which we'll all agree with when we're not clear? How can we run clear businesses, right? How can we be effective leaders of other people when we are not, like, when there's chaos and confusion and frustration in our own heads, right? I think that the more somebody takes pride and ownership of their health and their wellness, then the stronger your body gets, the stronger your mind, gets and then just the more effective you're going to be at everything you do in your life. Like that was my original attraction to going into the health field or medical field was because it's the core of everything.

**Kim:** It's the core of everything that we do. I attribute my mindset to becoming one of America's top franchise consultants and driving the industry that I'm into the very top, to the 1%, to the 1% of the 1% and it's my mindset. It's my strong mind and the discipline that I learn from the gym and the things I've learned about my personality by using a personal trainer. Now, even to this day, I was a personal trainer, but for 10 years I've worked with a personal trainer. The discipline that you learn by consistent daily habits, right? By the focus, by going and being pushed sometimes beyond your limits. I'm not always smiling at my trainer when he is pushing me. I don't generally like it, but I like the effect of it. All of those things play very well into becoming a business owner that is able to handle, manage, and grow a business to the size that you can dream.

**Dan:** Yeah, absolutely. You'd talked about getting into franchising at 29, so that must have been in the last year or two, I assume, right?

**Kim:** You got it, Dan. I don't know how I've spent 20 years because I'm really only 35 years old.

**Dan:** Yeah. You and me both. I hope.

**Kim:** Because of all that good healthy living we do, Dan.

**Dan:** Yay. You're right about that. But if we could, with your permission, I'd like to unpack the five years, I assume, right? If you went into entrepreneurship and you were tremendously successful and everything that you thought you were going to find, creating a business happened, it would've lasted for more than five years. I think that one of the reasons someone would consider the franchise opportunities is because people went through that five years in that business 10 or 15 years ago, figured out what works and so they can avoid that five-year detour to getting to success quickly. But could we unpack that a little bit?

**Kim:** Yeah.

**Dan:** The frustration that may be led up to making the switch into the franchise world?

**Kim:** Yeah, it's a great question. Five years as an entrepreneur in 20 years, what I learned about myself as an entrepreneur was I always figured out how to make money. My business was very tough like, I think a lot of entrepreneurs make it up as you go. Like somebody would say, "Oh, can you do this?" And I'd say, "Sure." Because I didn't want to say no and then hang up the

phone and go, "Oh shoot." Now, I got to figure out how to do that. I could always figure it out, but it was sort of an adrenaline rush every single day. I was on the airplane and I had no plan, I had no clear mission. It was just, I was in health and fitness. I became a consultant to health and fitness companies. At the time, basically what happened is I started a website at the dawn of the internet.

**Dan:** Right.

**Kim:** Now I'm showing my age. Okay. When companies first started using the internet as a tool for marketing and for reaching clients, I was able to get my health and fitness marketplace partnered with USA Today. If somebody went to [usatoday.com](http://usatoday.com) and clicked on the health and fitness marketplace, it would actually click over to my website. Because of this national exposure through USA Today, I was able to immediately attract big advertising dollars from all anybody who was anybody in health and fitness. I started attending all the big trade shows and shaking hands with all the big people, and they were paying me money to advertise what happened is we ran across some very big names in franchising who wanted. I'm sorry, in health and wellness who wanted to work with me, but who didn't have websites. They were like, "Well, can you build a website?"

I'm like, "Sure," hang up the phone and I'd be like "Can we build a website?" We started becoming experts because we wanted to take advertising dollars, we had to say yes to these people. I literally built the first website for Denise Austin and many, many other people that are as big names as Denise Austin. Then like with Denise I had this idea to get build a community, what today we might call Twitter but like were during the commercial break, So for those people who don't know Denise Austin, she used to have a TV show where she'd exercise on the TV before we had apps and Pelotons and all this at home. She was like the original version of a personal trainer in your house.

**Dan:** Nice.

**Kim:** I wanted to get her community of people that exercised with her every day to interact on our website. How do we create a community? Nobody had websites with communities. I actually pitched an idea to Lifetime TV. I was probably all 27 years old.

**Dan:** Nice.

**Kim:** We flew to New York City, I stood in front of these executives at Lifetime TV, which was where her show was the channel she was on at the time and I said, "Look, could you promote [deniseaustin.com](http://deniseaustin.com) during her exercise program and like lead people there during the commercial break. Those executives were like, "Wait a minute, you want people to be on the computer at the same time they're watching TV? I was like, "Yeah." I was just 20 years ahead of my time, Dan.

**Dan:** Wow.

**Kim:** They literally laughed me out of the room. My entrepreneurial career was like, I also created other things I did that I look at now and I created a website for basically for myself called

My Fitness Club, which is identical to every feature and benefit on MyFitnessPal app. Again, I often wonder if the technical guy that helped me bring that website to life didn't after it was all done, just take that and sell it to somebody. I don't really know who created MyFitnessPal, but this was back, I have the original MyFitnessPal business plan that I wrote probably back in 1998.

**Dan:** Wow.

**Kim:** Anyway, lots of fun, did lots of things, but the things I learned about myself that have steered me away from entrepreneurship was I don't necessarily love the creative part of a business. I like the execution. I want to make money. When you look at an entrepreneur, an entrepreneur loves to just sit and create and think about how we can grow. I'm more the ops guy, give me the plan that's already hashed out and I'll go turn it into a million-dollar plan.

In franchising, that's what wins. A franchisee doesn't want to stop and create, They say, "Give me the plan that already works. Give me the tools that you've already created and I'm going to go execute those and make money." There's that, I learned that about myself. Franchising's not right for everybody, but for the vast majority of people out there, the reason they want to start a business is to create a financial outcome, right? They don't necessarily want to get into the ground floor and roll their sleeves up and spend three, or five years and who knows how many hundreds of thousands of dollars trying to work it out to the point where they can make money. They want to just make the money so that's where franchising wins. Now, the other part, as I said at the beginning of this is the social part. Entrepreneurship is very lonely.

When clients would ask me, "Can you do this for me?" And I would say, "Sure." Then I'd hang up and I'd be like, "Oh, yes, I had employees," but I was the brain of the operation. They were looking at me for leadership. I had to stop and say, "Okay, how do we do this in a franchise?" Like I'm part of a company called FranChoice and there are, I don't even know about 90 franchise consultants. Any time something happens like a new president, there are things that happen in the world that always change business like a recession or when the economy gets good or a pandemic or a newly elected president, and things change. You're not out there on an island. You have other people that are living the exact same life as you and that are probably experiencing the same objections or trials that you are, that you can like to hash it out with.

It's that camaraderie that I spoke of earlier. I think that's the greatest advantage. I have an entrepreneurial mindset. My dad will say, what I was going to say is, I've been the boss of me now for 25 years. My dad would say, "Kimberly, you've been the boss of me since you were two years old." Like I'm the boss of me 100%, but I still, and value my own thoughts and opinions, but there's still something to be said for getting feedback from people that are in a similar business or the same business incorporating that. I've learned more through the years, even as the number one consultant at FranChoice. I've learned more through the years from my fellow FranChoice consultants than I ever did from training at FranChoice. They give you the basics, but the nuances of how to really help people change their life, I've learned from my fellow FranChoice consultants. It's that camaraderie piece, that idea that you're in business for yourself but not by yourself.

**Dan:** Was there a change in the market or some event in your life that like, was kind of the

tipping point where you said, "You know what? Throwing the towel in on the entrepreneurial thing. I happen to know this franchise thing's in front of me and this is why I'm now shifting right now?"

**Kim:** Yes, amazing questions 100%.

**Kim:** I was living in Boca Raton. I had been hired on as a consultant to eDiets.com, which at that point was the largest weight loss website in the world. They had hired me to build eFitness their fitness component to their dieting website and they were headquartered in Boca. I made the trip, I left New England and made the trip down to Florida, which I love. It's Florida is my love now. But I lived there for three years, but what happened is 9/11 happened.

**Dan:** Okay.

**Kim:** I mentioned my dad. I love my family, super close to my family. In my entrepreneurial business, I was on an airplane every day, and every week I was traveling. Now, I couldn't travel for work and I felt like, "Oh, my God, I can't even get home." It was this realization of "What am I doing?" I'm 29 years old. I don't want to find a guy down here and get married and like never be near my family. It was fun while I was young, but it was time to plant some roots and I wanted to plant roots near my family. Some of my friends from franchising were just getting into this franchise consulting thing. It was becoming a thing. I ended up joining FranChoice on February 14, 2002.

**Dan:** Okay.

**Kim:** Just about six months after 9/11. I lived in Boca for a short time and then I ended up because I can do this business from anywhere, I ended up packing up my life and moving back to New Hampshire and have been here ever since.

**Dan:** Nice. Yeah, I got a couple of things there. I guess you talk about the entrepreneurial piece, and I look at my own company right now that we have here and I recognize people that you described as key members of my team as we speak, who literally, I have one guy who says, "I don't want to have to figure just tell me what I need to do." I'm trying to lead, I'm trying to be creative, I'm trying to get them to ask questions and come to this conclusion and the good idea together. Maybe I do know a good idea, but I'm trying to like train my thinking in the moment. He's like, "No, just tell me what to do. I'll go do it," and he goes and does it. He is really solid and strong at executing and he gets really good results as part of that.

I'm looking at his trajectory, he joined our company five years ago and has been committed ever since. That's going to be very different Kim, than what I'll see in the marketplace. When we're hiring our acquisition managers who are going to be like the conductor of a deal for us so every individual deal is going to be like run by the acquisition manager. We're going to provide the leads, we're going to provide the capital, we're going to provide the contractors on the properties where needed, but they're going to have to run that whole thing and make sure that we turn a profit on that deal. In the marketplace for people in the house-flipping world, typically they come in through the Rich Dad Poor Dad channel. They're going to have to own their business. They're

unemployable. They're proud of the fact they're never going to work for anyone.

Basically, like I was, I was in a sense I thought there were not going to be enough deals and for a long time, I had to be a one-man show because I needed to make all the profit. I had never made \$25,000 on anything in my life. When I did that flipping a house, I could imagine no other way than to have to do all of those deals myself because I flat-out didn't understand the power of cooperation at the time. Those people are very hard to join our team because we don't allow moonlighting, we can't have you flipping a house on the side when we're trying to flip 29 houses. You're going to run 29 deals throughout the course of this year. Like I can't have you getting distracted from that by trying to do the 30th and make your 25 on the side when we're trying to put a quarter million dollars into your pocket this year for that specific thing.

I guess what I'm saying is I'm probably looking for more of the execution-loving people versus the entrepreneurial people. That's probably the same thing as someone's looking at the franchise thing. I know a lot of people I know, I would think, well, I just want to create the thing. I want to make it from the ground up and the whole thing. You mentioned this camaraderie and one of the things that's making our company so successful is we have these three different markets. They in a sense, they're partners that's not like a franchise, but they function like a franchise. The Atlanta market runs on its own and he makes decisions in that office with guidance from me as the corporate. That's different from what is occurring in Philadelphia in the market is different in the Philadelphia market.

There's someone running that one that's completely separate from Atlanta and the same kind of a thing in Chicago where he's running his business within a business with me as the center and the marketing pin holding this all together, but we're successful. One of the main reasons is that we have this comradery, it's fun to come to the office for guys like that, right? They can either go flip three houses on their own, maybe lose money on one of the three, and like not end up so good at the end and are like looking for the fourth deal and they never find it. On a team they're able to get into this like marketing golf stream, right? Figure its like a powerful like force of leads and activity and deals we're doing and that energy that they get when they come to the office and we have the weekly mastermind call with everybody on the company and we're able to pull those like perfect nuances of how to do the business or maybe it's a mistake that's occurring in one market, we want to avoid doing it for the other 15 people who are operating the same deal flow.

I think that I'm putting in my own contacts in my own terms, this mastermind principle that occurs with people who are running the franchises because you have this collective experience, right? Franchise with 250 locations throughout the country is going to have 250 separate businesses where someone or many people could be paying attention to the things that are working or not working. You're going to get this like test and fail or test and success, kind of a feedback loop that's going to happen at, you'll get 20 or 30 years worth of experience even in my business and we'll get 20 or 30 years worth of experience for an investor. We're going to get that in three months. We're going to do the number of deals in three months that someone's going to do in 20 years flipping houses all by themselves. That's going to happen every quarter. It's like that compounding effect of the knowledge bank combined with the compounding effect of the brand and the marketing dollar really has created a great result for us. I'm assuming, and I'm on a

limb where maybe that's some of what's happening with franchise businesses, right?

**Kim:** That's a perfect analogy. I'm sitting here listening to you and saying thinking, Yep. There's marketing support, it's all about leverage, right? Leverage to scale because in anything the wealth is created through the scale. You just said it, your guys can go out and try to do this on their own, make all the mistakes and lose some money, make some money, lose some money, and lose more money before they make more money. Or maybe they quit or they can do it with you and make money and make money, make money faster and compound that and scale it even bigger without killing themselves. That is the exact same parallel to an entrepreneur versus someone who just says, I'm going to join a franchise. But there in our industry, on my YouTube channel, I have a YouTube channel, Dan, I think we talked about that KimDaly.tv and I spend a lot of time debunking the myths in franchising.

I do think that there is this myth that truly smart investors don't invest in franchises. I spend a lot of time sort of defending why that is completely a myth. There are people that have built amassed incredible wealth through franchising and to your point, they've done it in probably half the time or less than someone who goes out there and creates a business. Yeah. If you create the next Amazon or the 1% or 1% businesses of the world. Yeah, I'm not speaking about that speaking for the average person, right? It comes to the idea of wanting to build a business and build a future that they can own and control. A franchise like what you're doing provides the leverage, the support, the proven toolbox, the ability to scale and to get to that wealth without killing yourself, without going bankrupt.

If you follow their lead, I'm not going to say you can't because you can and a franchise fail if you want to. But you have all of those ready-made tools and then that accountability like love your mastermind group, like the accountability support, they don't just train you one time and then say, "Okay, good luck." They send field support people back to your location to help you through your grand opening. Or if your numbers aren't aligned with other people in your market, they might send people out to help you to be like, let's get our a handle on what you're doing or what you're not doing so we can improve your result. Franchisors are in it for your success. Just like you are, you called yourself the pin, the kingpin, so you're the franchisor in this scenario, right? You care because I'm sure that money is flowing back to you. Well, in a franchise the money that franchisees make flows back to the franchisor via what's called a royalty. It's not like the franchisor is making money and people feel like, "Oh, how dare they make money off of me?" It's the franchisor who makes money because they just taught you how to make money, you make money and then they make money.

**Dan:** Yeah. It's coming along with the brand power, right? I think what works in our mastermind at Diamond Equity Investments and what works in the franchise business with the franchisor and franchisee relationship is that we have aligned interests in both of those scenarios. Whether it's a franchise or we had a McDonald's because everyone knows the McDonald's franchise the more we're serving the marketplace, the better it does for the brand, and the self-fulfilling cycle in our interests is aligned. It is with everybody that's a part of diamond equity investments, our interests are aligned. Each individual acquisition manager, even when someone closes it deal, makes some money in Atlanta, it is sometimes helping the person in Philadelphia do the same thing because they're able to copy that and it feeds back on itself.



I think I never really liked the coaching model programs and there's a ton of them in real estate. A lot of podcasts that people are going to listen to like mine, Kim. It's going to be for the purpose of getting people into the funnel and then coaching them along. They do teach people how to do business at some level, but I always felt like the interests were never really aligned. They weren't aligned with how they should be. Where two people are in business together, a good strong partnership where everyone's bringing value, but in the coaching kind of the things, you get like the coach is interests are aligned with collecting that next check and keeping you in the coaching program at some level, whether it's acknowledged consciously or not by the coach or the student. Then the student is supposed to want to his interests, her interests are aligned with someday getting rid of the coach so they don't have to pay that out anymore and just becoming successful on their own. I just never really vibed with the coaching environment. I know I started and we hired, went to seminars and things of that nature, and found our way, but it always worked a lot better when everyone's interests were aligned toward the same goal to have a real true functioning mastermind affect the way that Andrew Carnegie defined it so many years ago.

**Kim:** That's really great. I think that in franchising, franchise really, really smart franchisors are not just awarding a franchise to anybody for this very reason. Like they're looking for people that have the right skills, that have the right motivation, that have a personality that is coachable, that's going to fit within their culture and be pleasant to work with, right? People are sometimes shocked that franchisors really do turn down candidates. It's not just because you have enough money, they're going to say yes to you. In fact, some of times the people with the most amount of money are the ones that are the hardest to coach and those are the people that might not get awarded the franchise, right? It aligns perfectly with what you're saying and you said it earlier in our conversation that you're looking for that ops person more than you are the entrepreneur because you know the personality of what you're looking for that's going to excel in that role and that's what really good franchisees are doing.

The reason that I have a business is because they can field organic leads from their website till they're blue in the face and not like having to sift through hundreds of people to know who's qualified, who has the right skill set, who has the right mindset, or they can come through FranChoice where we have a free service for the candidates who want to explore. I do all of that and then serve those people up to the right franchises based on aligning the candidates interests and skills and financial capabilities to what the franchisor is looking for and then bring them together after we've helped the candidate not have any preconceived notions that the business has to be this, right? Like, go off that the business is just a pass-through of the vehicle. Like I said, no one ever wakes up and goes, "Oh yeah, I want to be a franchisee."

But when I say, "Hey, did you know or what if you could take \$150,000 and invest it in a business were on average owners are putting in 20 hours a week in a business that has long-term proven sustainability that has recession resistance that it creates a small amount of jobs where you're not having to hire lots of experienced people or lots of people in general." I start laying out the characteristics of said business and then the candidates like "Wow, that's..." and I'm like "Yeah," and then what if after all that I say "Oh, the name of the business is 1-800-GOT-JUNK" and then they're like, "What?" and I'm like, "Yeah."

It's not about having the golden arches and driving by and saying that's my business. For some people, it is that pride of ownership. But for most people when I say "Look, you can have a business like that." That has \$50,000 or more a month and fixed expenses and a business where you can never outpace those expenses, right? For every burger you make, you've got bread cost and meat cost, and the human cost to assemble that. Compare that to something wrapped in a membership where you can control your fixed costs at 200 members. When you get to 300 and 500 and 1,000 members, what happens to your bottom line? What happens to your bottom line is it starts growing exponentially and on a million dollars in top-line revenue over here in this food thing, maybe you can barely clear \$80,000 or \$100,000 and you're working 24/7. Over here you have a business where you don't have to be there 24/7. It's there's no like health codes and worrying about making people sick if things don't go right.

After you get below your fixed class, your bottom line starts to grow by percentages to were on a million dollars maybe you're taking home \$300,000 or \$400,000 and people are like, when I say as one of America's top franchise consultants, you have to beg me to show you food. It's not because I don't have food. Listen, franchising is food, isn't it? That's what everybody thinks. But because I know something more than you might know when we first start this conversation, but if you're willing to keep an open mind and just trust my process, I lead people to businesses like every single day that when they first came to me they didn't even know existed as franchise businesses that a couple of weeks into the process come back and say, "I can't believe I'm going to say this to you Kim, but I think I really love that junk business or that trash business or that cleaning business or that what and we have sexy things too."

It's not just I'm making an exaggerated point, right? But that's really the fun part of what I do and these are businesses where people really do build wealth where they are able to maintain a quality of life, improve their quality of life, not have to put all of their nest egg into a franchise. There are lower investments when you don't have to go build out a physical restaurant, right? For hundreds of thousands of dollars. There are options that don't require all of that that gives you so much more if you're willing to come with an open mind.

**Dan:** Yeah. I would like that to sort of what I will look at in our business with real estate investors, we would relate to underwriting a deal. Someone listening right now knows about running comps. They know about putting the construction estimate together, they know what the resale value is, they try to figure out what the right purchase price is, and even if they're brand new, this might be the mountain that they're going to climb and when you're brand new, you probably look at 5, 10, 15 deals and you're like trying your damn this to figure out if there's going to be a profitable deal. Like I had no clue and I got lucky on at least eight of the first 10, maybe all 10 of them were lucky deals on my first 10 deals back in 2006. Then I fast forward however many years it is to 2022 now, and I look at because I'm in Atlanta, Chicago, and Philadelphia, I'm looking at deals in all three of those markets every day it's probably 12 to 24 deals per day that I'm looking at.

Maybe we do one, two, or three of those deals out of 24, like not a lot. I have this now compounded volume of underwriting where when I buy a rental property that I'm going to keep Kim, it's coming from a perspective of I've watched gentrification happen in Philadelphia for this reason and I watched this neighborhood go from \$30,000 to \$350,000 in Atlanta and I've

watched this neighborhood have this thing going on and now I find just the right property, just the right location. I like knowing when I jump and I have this larger underwriting skill set. I'm putting into real estate terms what you do for franchise people. Because I think most people if they have not done research on franchising whatsoever before, they probably think in the back of Entrepreneur magazine, there's like a handful of ads there or you buy Franchising magazine or whatever it's called and you just go ahead and page through it and you pick one according to the capital requirements versus someone like you who has seen a volume of people who actually made the investment.

I've seen thousands of investments being made in real estate as a result of our decisions. Maybe you could pick an example that is maybe relative to real estate people. I would say like real estate people in this definition, Kim would be, they probably have give or take a million-dollar net worth outside of their own house. Maybe it's a little less, maybe they flip two, or three houses a year. They probably are already making \$100,000 a year to \$150,000 and they probably have \$200,000, maybe a little more in cash on the sidelines. Maybe you have an example in all of those deals you've seen put together in franchising where someone like that was able to get into a franchise and maybe there's a piece of scale that was added in there to give people like a more exciting vision because if you told me I'm going to make \$150,000, \$200,000 for a franchise and I'm that person already making \$150,000 it might not actually sound that exciting, but if I'm able to add a second, third or fourth or fifth location to said same business model, maybe that gets a little more exciting. Maybe I'm out on a limb and it's not available. I don't know.

**Kim:** Yeah, no, for sure. When people work with me, Dan, the one thing I'll preface before I say anything is I am not a broker who has a license to sell a franchise and I don't represent any brand. When I'm talking to my candidates, I don't make any earnings claims to them. I gather their data so I can educate them about what their money buys. Like when you invest in a franchise, why does it cost X? In a franchise business, money and time are inversely related. The lower the investment, the bigger the investment of owner time commitment, the bigger investment, the lower the commitment of owner time, so from the beginning, from day one. If you think about self-storage, because this is a franchise model, so that's going to be the epitome and a trade-off of money for time, big capital investment, but very, very low owner time commitment, if any, right?

Maybe five hours a week in leading like a manager to run that business for you versus like a Keller Williams to become a real estate agent in the franchise, right? Very low investment maybe to open the office, but a significantly big investment of time to build that reputation around your brand. Correct? Those are the extremes and then there's lots of different flavors from that extreme to that extreme. But I mean basically, I gather the data and then help lead people to the type of scale that they are looking for. For some people one location is enough, as you've identified, Dan, For most people it's like, one isn't going to get me there, I might as well just keep my job or keep doing what I'm doing. But it's the idea that one, you can't get to two or three or four if you don't first do one. We take the learning curve from number one. I equate this to raising children. I only have two, but my mom had four, so I quit at two cause I was smart, but the first baby you have, do you have children, Dan?

**Dan:** I have one. She's 19 and she's in college now.

**Kim:** Okay. But so the first baby you have is like, "Whoa, like what the heck happened to my life." Right?

**Dan:** There's enough.

**Kim:** The second baby comes along and you're already in parenting mode so it's not as shocking to the system, although it's a little more work, right? But my mother and I see it like in my siblings, like by the time my sister came along, nobody freaking cared, right?

**Dan:** You're right.

**Kim:** Because she's number four in the pack, she's just got to fall in line with the rest of us. Well, that's sort of what happens in a franchise. It's the first one the biggest learning curve, the biggest hurdle even in a franchise because it's your first time, but like building a house after you make all the mistakes, now you already have to really go build your dream house, right? Take that learning curve. Now you can go number two. Number two goes faster. Now you might be able to leverage a manager from one to number two.

If they're in a consecutive market area. Maybe you can decrease your advertising cost. It's not 100% marketing budget for one and right. It's like 140% for two stores, right? Then as you go to three and four, you get greater economies of scale, greater opportunity to grow, and opportunity to make more money, but without that same initial inertia that it took to get number one up off the ground so 100% I agree with what you said, and the wealth will always be created through the scale. I, as the consultant, won't tell a candidate how much money you can make, but I will teach my candidates how to get that information through the process. One of the things I love to help people really know is I want to empower my candidates. I was eight years an average-performing consultant, so I was inconsistent at best.

That's the nicest way to say it, right? Had some good months, some terrible months, had some droughts, right? My dad used to say, "Kimberly, when you tell the rest of the world that you're a consultant, that either means that you are unemployed or you're one of the highest-paid people in the world." Okay, I lived both of those lives, like sometimes from month to month, right? Well, so that's no fun. But so then another turning point in my life, which we not, not 9/11, but fast forward about 10 years later, I actually went through a divorce and now I had to do all this on my own and I got real serious about what I wanted to do, what I knew that I was capable of. One year later I produced, and built the largest franchise consulting business and the history of franchise consulting.

That was back in 2011. I've maintained that and grown that. And even as we're wrapping up the first quarter of 2022, I have just completed my best quarter ever in 20 years of business. Like what I just produced in three months is what I used to produce in six months. It's like unbelievable.

**Dan:** Congratulations.

**Kim:** Yeah. It's just leverage. I'm figuring it out. What I was going to say is I teach my candidates this, what I learned for myself and sometimes experience is, not sometimes always experience is the real only teacher, I can tell you. Sometimes you got to go out and make mistakes before you like actually hear what I said to you, right? Sadly. But if I can help somebody even start from day one, avoiding the feast and famine world of a first-time business owner getting out of the gate with more clarity about how to think about your business so that you feel empowered, then you will never have to worry about what anybody else is making in your franchise business has made, will make. I will teach you how to be in control of what you want to make and that's when people can say yes with confidence. That is the goal of The Daly Coach.

**Dan:** Nice. Is this a coaching business where the client compensates you upfront? Is it compensation from the franchises that buy? How does that work on that end?

**Kim:** Everything that I do for candidates and their pursuit of saying yes to a franchise is totally free. For all of your listeners, my services are totally free. I get paid like a recruiter by the franchisors, like you said earlier, to do all of that pre-screening the prospecting for them so that by the time a candidate gets to their desk, they have the key skills. I like their chances are the franchisor is going to like them, their financially qualified, and they live in a market that the franchisor has deemed viable and open for their particular business. I bring them together like dating, I equate myself to like eharmony, and then we start. I teach people how to go from a blind date to a courtship, hopefully leading to a marriage proposal.

**Dan:** Nice.

**Kim:** We do all of this in about one to two months. Yeah, it's totally free because I get paid by the franchisors.

**Dan:** I was scared to ask the question because I was afraid you were going to tell me you were a paid coach. I'm like, "Oh, no. The whole inline interest thing. Oh, God."

**Kim:** No, I do. I am starting to create coaching programs as a way to just sort of leverage my time because what I have figured out, Dan, is that, and you may see this too, this is probably why you have a mastermind. Saying yes to your dream to own a business is part one of going on to live the life of your dreams. The life you're saying yes to is part two. There is a great crevasse between the two worlds. It's that 6-month to 18-month window. If people are going to call me back and feel like they want out or feel bitter or this isn't what I thought it was going to be, it's always in that 6 months to one and a half years in. If I can get them past that, they're golden, right?

Again, I equate it to being a mom. In the beginning, when you bring home a newborn baby and that baby doesn't sleep, you love that baby, but you hate your freaking life, right? It's so brutal. I had two boys and they were not good sleepers and I was living a nightmare. But look, I even with one, I went on and had another one. Right. But you do it because you can't quit when you're a mom. Like you got to stick with it and when people call me and they're in that moment, I'm like, "You got to stick with it because there's life on the other side of this, but you have to push

through it. In fact, they just got an email about what's today, a Monday of this week were a candidate that I placed at the beginning of 2020 opened his business and he was like, Man, 2020 was hard for us. There were so many times I wanted to quit, but I am so happy I persevered. He was reaching out to me to let me know that he's purchasing additional territories.

**Dan:** Sweet.

**Kim:** Like having the mom, who goes back to have more kids after she had six months in a nightmare of no sleeping, right? Because once you get to the other side of it and you start realizing what you said yes to and feeling empowered and in control of it, "You want more, you want more, you want more." It's just a moment that you have to push people through. The coaching programs I'm developing are, because I don't have time to one to one mentor every single person that calls me, but I want to, my heart is with them. I'm frustrated for them so my program is a pressure relief valve for me to be like, "Look, I don't have time to coach you through every moment of what you're going through, but here's a program that if you do it, it can help you."

**Dan:** That would be live people, they would be able to call when they have, I guess the knee-jerk reaction to want to throw in the towel.

**Kim:** It will include the program. Some parts of the program are completely passive. Like for me, they do it all on their own. It's module by module.

**Dan:** Okay.

**Kim:** Then once they go through a foundational program, the second tier of the program is they can join a mastermind group. That is where they would have live time with me. But that's all unraveling and coming out in 2022.

**Dan:** I like it.

**Kim:** It just comes from I've done this for 20 years. I've literally coached thousands of people down this path. This month alone, 10 people said yes to their dream to own a franchise through The Daly Coach in one 30-day period. It's unbelievable.

**Dan:** Nice.

**Kim:** Right. If you're doing that, if I'm helping that volume of people think how many 6-month to 18-month people I have said, "Oh my God." They're not all unhappy, they're all calling me, right? But there's a few like something at any given week it could be two or three phone calls. There has to be a solution and franchisors are really great operational coaches. But like I look at myself as a mindset coach because the one thing that changed from 2010 to 2011 that made all the difference in my business, Dan, was my mindset. That's it. I was the same me. FranChoice was the same process, but I produced two completely different results. I will tell you it's been a lot more fun being a history-making consultant for the last decade than it was being that, as my dad would say, "That means you're an unemployed consultant."

**Dan:** Yeah, and the economy was horrible in 2011 and 2012. Like things were not great in 2011, and 2012.

**Kim:** Yeah. I just wrote an article about this because that is such a great point because I was so determined going through my divorce personally that I was going to make it. Well, so many other consultants were focused on the stock market crash and how everybody lost all their money. That is typically the money they would use to invest in a franchise I was focused on. Yeah. But look at all the people who've lost their jobs and their life savings who need to figure out how to get control and recreate their future. It was what I was focused on because I was so determined that made all the difference and that's when I had my breakout year. But that's the mindset, right? There's 2020, the same thing I didn't panic about, I was questioning, how is this going to go? I've never...

**Dan:** Yeah. Right.

**Kim:** Help somebody buy a franchise in a pandemic. This could get interesting. My results in 2020 were the exact same as they were in 2019. The same number of people that I helped. The thing that happened very interestingly in 2020 is I worked the overall volume of people that I worked with that year went down, but the number of people I helped was exactly the same. Okay. I didn't have to go through all the people who weren't going to be...

**Dan:** [inaudible]

**Kim:** Yes. Anyway. The tire kickers went away. The faint-of-heart people was not looking that year. Right. Only the super robust, hearty people were like, I know there's an opportunity when there's a lot of obstacles in the economy. It was so true.

**Dan:** True enough. Do you have any book recommendations or maybe podcasts or other sources of knowledge that would be worth sharing with what we talked about today, Kim?

**Kim:** I love it, Dan. I'm an avid reader, so many books, but the number one book, I actually pay my children to read this book on a regular basis. For two years. I set a timer and on the first day of every month for two years, it's I read this book, but I audible all my books.

**Dan:** Okay.

**Kim:** I'm sure you've read it. It's Earl Nightingale, The Strangest Secret.

**Dan:** In Chills.

**Kim:** That to me so my kids, people laugh like you pay your kids to read books. I'm like, I pay my kids to read the right what I would deem the right books. Like if I can teach my boys the mindset of what, and how we are not here to face reality. We are here to create reality and that anything can be accomplished if it can first be dreamed of and believed in. I mean, if they can do that now at 14 and 15 years old, they're going to be self-employed millionaires by the time

they're 25 and 30 years old. What Mom doesn't want that?

**Dan:** Yeah. What mom wouldn't have the connections or the pathway to put in front of them to help them out, Huh?

**Kim:** Yeah, but your kids never want to do what you want them to do. I can...

**Dan:** True enough.

**Kim:** That's where the money comes in. It's a bribe. Anybody who says you bribing kids is very bad. I'm like, "Well then you're not a parent."

**Dan:** True enough.

**Kim:** Sometimes, the only way you can get your kids to do what you want, is kids always want to do the opposite, right? You almost have to be like, just downplay what you really want them to do because otherwise they never want to do it.

**Dan:** Yeah. My daughter's in the process of getting her real estate license right now, and I think there was a bribe attached and I guess the bribe wasn't enough. It like, still didn't happen. But one of the cool things we do, my daughter and I a little tangent, but maybe two years ago, right? The pandemic came and everyone, we were all dealing with anxieties and depression and things like that. I remember praying on it, "God, how do I come up with a solution for this?" Right? Is this just, "Oh, we're going to go take medication?" Or like, "No, that doesn't feel right," and the answer came back, it was a vision. People perished for lack of vision. I was like, "Huh". I've been doing these executive growth sessions with people on my team and I've gotten a lot of value out of it and the business has gotten a lot of value out it.

Then they in turn do it with the acquisition managers and the form of one-on-ones. I said, "Why am I not doing a weekly growth session with my daughter?" We started doing like, All right, what are the goals? She wanted to get a dog and she wants an apartment someday and she wants to Jeep Grand Cherokee someday. We did the wishlist for what her life would look like if God waved a magic wand. Then there were all these things and she came up with this list of things. I remember doing this years ago to put the vision in my life and then we take those goals and we pull them apart and see what the pass might be in the next year or so to make that happen and then those yearly goals might be pulled apart into what's going to happen throughout the course of the week.

We do that every Sunday afternoon and some Sundays we miss it and she's four or five states away in Philadelphia and I'm in Chicago. We do them over the phone now. But it was a real blessing to watch her come alive and get excited about living again and have that vision in her life. She's got the dog and she's living in Philadelphia. They were some of the goals she had in front of her and it was just such a simple little thing that I don't hear many people talking about and I'm so happy that we had the idea to go with that.

**Kim:** It's so awesome. Every single candidate that I work with we begins with the end in mind



because I am 100% in alignment with you. If you have no vision, how do where you want to go? Once you get clear on what you're using a business or real estate or what you want from life to my kids, then you can align with it and then you can find it or attract it so I love that.

**Dan:** Nice. We are at the crown jewel of wisdom. If you could go back let's say it was the end of the five-year period, right? You were doing this entrepreneur thing and we had the shift and you were getting ready to embark on this new adventure and franchising. What would be the crown jewel of wisdom that you would go back and share with yourself knowing everything that you do today, Kim?

**Kim:** There so many crown jewels, Dan. Can I give you two?

**Dan:** We'll go with two. I'll allow two.

**Kim:** The first one is to go like you can't create an outcome if you don't move. Like get in the arena, put yourself in the arena, and don't be afraid to fail. That's okay, that's kind of two, but that's one. But the other one that I would say, I say to my candidates, and it's my daily mindset coaching program, which basically is a vision basically entire, my whole daily mindset is, goes back to the vision. But is that when you become the owner worthy of your million-dollar dreams, then you will have the million-dollar business. People typically want to see it to believe it, and that's why they never see it or believe it. But when I got clear that I was worthy of a certain business that I knew was inside of me, and I had no data to analyze because nobody had ever done it, and I wasn't even talking to anybody about what I was doing.

I was just like you have... I had this desire deep inside of me to produce more than I had. I knew I was more capable than I had ever done. I put my head down with just one simple goal and one year later and did not like going to the gym to bring up full circle. Did not question, "Oh, it's stepping on the scale, it's not working." I just kept my head down and my mouth shut. And I kept following through because I figured like going to the gym, if you had just keep doing the fundamentals with consistency, eventually something good is going to come of it. One year later, I had no idea that what happened would be what happened, but it happened in a much, much bigger way than I ever imagined.

It's that to wrap this up, it's that I knew what I was capable of and I got clear with a vision of what I wanted to produce. I put my head down and kept my mouth shut. I didn't look for outside people to tell me I could or I couldn't. I just stayed focused and executed. Didn't argue for any limitation, and didn't make it about anything external. I just made it about me. One year later I was a business owner and have been ever since that I knew that I could be.

**Dan:** Fantastic. If anyone wants to get more Kim Daly reach out to you. What is the best way to do that, Kim?

**Kim:** Definitely through my YouTube channel, KimDaly.tv, and from there that will bring you over to my website. But please check out some of the videos. We've been March 29, 2021, we launched my first video on YouTube. We've surpassed 250 videos. We just got an award from YouTube.

**Dan:** Wow.

**Kim:** We got busy in the first year, 250 videos in 365 days. There's a lot of great content out there on franchising, business ownership, and all things around mindset coaching. Please check out my YouTube channel.

**Dan:** All right. Good stuff. I had a blast. I appreciate you giving us your time and wisdom and insight into the success mindset and the franchise world. Thank you for coming on to the show, Kim.

**Kim:** Thank you, Dan. God bless you. You're amazing.

**Dan:** God bless you too.

[END]