



**HIERARCH**  
REAL ESTATE & INVESTMENTS, INC.

## Disrupting An Industry

Brought to you by Hierarch Real Estate & Investments, Inc.

209-753-0123 | [info@hierarchrei.com](mailto:info@hierarchrei.com)

### ENTREPRENEURS

## Transform Your Training from Monotonous to Memorable

Good trainers employ a blend of psychology, creativity, and thorough preparation to deliver truly effective and memorable learning experiences. They earn our engagement. Want to join their ranks? Here are some tips to make your presentations, trainings, and workshops soar.

**Make the content relevant.** Do some research or send out a preliminary survey to identify topics attendees want to hear about, issues they want to address, and information that will be useful to them. Create content and ask questions tailored to attendees' roles and responsibilities and the challenges they face in their jobs.

**Create a conducive learning environment.** A bright, airy, inviting space is way more conducive to learning than a bland meeting room. Also, remember that people learn in different ways, so use a variety of audio and visual presentations, interactive exercises, handouts, and small-group discussions. Avoid death by PowerPoint. Kick off every session with a brief overview of what attendees will learn and how the information will help them achieve their objectives.

**Use props, games, music, and mini-contests.** These liven up sessions and help people focus on learning goals. You can also use music to energize attendees before the session and during breaks and to settle things down when it's time to concentrate.

**Tell stories.** Make your content relatable to everyday life by using examples, case studies, and anecdotes. Stories, in fact, are central to how memory works.

**Keep it short.** Limit working sessions to two hours, and provide enough breaks so attendees don't get antsy and can check email, grab coffee, or return phone calls.



### How to Win Big in Today's Economy

The altered economic landscape presents innovative and nimble businesses with opportunities to thrive.

Find out how by requesting my free report "How to Win Big in Today's Economy" by emailing me at [info@hierarchrei.com](mailto:info@hierarchrei.com) or calling 209-753-0123.

### REAL ESTATE

## Room Rentals: Are They Right for You?

The initial expense of buying a home has some homeowners looking for ways to lower their monthly costs. Renting out underutilized space in your home can help offset costs and generate revenue. Here are four tips to consider before you rent out a room.

**Understand live-in vs. live-out:** A live-in arrangement means the homeowner lives in the dwelling along with the tenant(s). Establish clear rules and boundaries before considering tenants. Clearly spell out your expectations for shared living spaces, privacy, cleanliness, and maintenance with a lease agreement. Always get it in writing.

Live-out arrangements are ideal for student housing and can be more profitable than renting the home to an individual. The main drawback is lack of tenant supervision. Clear boundaries and care with tenant selection will be necessary to ensure financial success.

**Determine market rent:** Seek professional advice from real estate agents who can also assist with the tenant selection process. They can provide clear examples of similar properties in your area and what is appropriate to charge for rent. Your diligence in this area can help maximize your rental income.

**Understand your legal obligations:** Tenancy regulations vary from region to region. It will be important to confirm how your options will be impacted by these rules. Typically, rules define the allowable rental increases, grounds for eviction, and dispute resolution processes.

**Conduct thorough screening:** Proper tenant screening will involve checking tenant references, reviewing credit history, and conducting an in-person interview to determine whether the applicant is a good fit for your situation.

## Should You Join the Subscription Movement?

Have you considered a subscription model for your business? With a subscription, customers receive regular deliveries of products or services rather than placing individual orders.

Why would you want to offer a subscription? The subscription model offers benefits for both you and your customers.

### Subscription Model Benefits

For starters, the subscription model provides a predictable income stream. Knowing that you can count on a certain amount of revenue each month enables you to better manage cash flow, inventory, and resource allocation.

Because subscription billings are automatically deducted from clients' accounts, you also eliminate the cost and hassle of collections.

Another benefit is the opportunity to upsell. As you evolve your relationship with subscribers, you build brand loyalty and learn more about your customers.

This enables you to offer additional services targeted to their specific needs. These may be ancillary services, premium services, or discounts for longer-term subscriptions.

Finally, the subscription model provides data that you can use to keep track of recurring revenue, conversion rates, return on advertising investments, and much more.

### Getting Started

The first step to adopting a subscription model is to design a version of your service with a standardized package of features that can be delivered each payment cycle. It's a good idea to offer several options.

You may also want to consider offering free trials when you're first starting out, to encourage early adopters.

Additionally, make sure the platform you are using supports automatic billing via credit card and the ability to collect customer data and preferences.

## Worth Reading

### 25 Things to Do When You Retire

By Phil Taylor

*USNews.com*

Opportunities abound in retirement. You can remodel your home or downsize. You could purchase a mobile home or travel the world. You can take college classes, perhaps to learn the languages you'll need in your travels, or gather the knowledge you've learned and teach others. Just make sure you clearly understand your budget and how your plans fit within it. **More:** <https://tinyurl.com/worth07191>

### Writing an "About" Page for Your Business Doesn't Have to Be Hard

By Pratik Dholakiya

*Small Business Trends*

Writing an impressive "About Us" section for your website is important, but it doesn't have to be complicated. The basics include understanding what your potential customers need, how your company's story and products fit their needs, and why they should trust you to fix their problems. You want visitors to desire further interaction with you after reading about you, so make sure it ends with a way to further the relationship. **More:** <https://tinyurl.com/worth07192>

### 10 Indicators It's Time to Expand Your Business

By Rieva Lesonsky

*Fundera.com*

Business expansions are only good if they're done well. Before you add a new product line, service, or location, consider the following: Make sure you have a reliable and loyal customer base and steady income. Have good employees or contractors and logistical processes to retain and train them. Make sure your expansion is profitable by managing it properly. **More:** <https://tinyurl.com/worth07193>

## WISDOM

### Quotes on ... Learning

Leadership and learning are indispensable to each other.

John F. Kennedy

Develop a passion for learning. If you do, you will never cease to grow.

Anthony J. D'Angelo

A good teacher can inspire hope, ignite the imagination, and instill a love of learning.

Brad Henry

Tell me and I forget. Teach me and I remember. Involve me and I learn.

Benjamin Franklin

Change is the end result of all true learning.

Leo Buscaglia

Learning never exhausts the mind.

Leonardo da Vinci

Curiosity is the wick in the candle of learning.

William Arthur Ward

The beautiful thing about learning is nobody can take it away from you.

B. B. King

# Property Ownership: Which Type Is Best for You?

The way you set up your ownership interests in investment properties impacts your taxes, earning potential, and legal liabilities. It is important to consult with experienced taxation and liability lawyers before investing, to determine which ownership type works best. Following are the basic options available.

**Sole ownership:** One person has total control over the ownership interest in the property. Ownership may be transferred through legal documents with the sale of the property, or it can be transferred via a succession document. Without a succession document in place, the property will be considered an asset of the estate upon the death of the sole owner. In this case, estate taxes and fees may reduce the value of the asset.

**Joint tenancy:** Two or more individuals have an ownership stake in the undivided property. This process is not limited to your spouse; however, spousal joint tenancy arrangements do offer potential tax benefits.

One of the primary benefits of a joint tenancy ownership arrangement is that survivorship rights may be preassigned. If one member of the tenancy arrangement predeceases the other, the property can be legally transferred to

the survivor without the need to involve the estate. The proportional property ownership may also be assigned through a will.

**Tenancy in common:** Two or more people own an undivided interest in the property or group of properties. Interests can be divided into various percentages, which do not need to be of equal value. The percentage is usually tied to the amount of capital investment each member provides. Usually, the investment stake can be passed through traditional transfer means, through either a bill of sale or a transfer of the shares in the property.

**REITs (real estate investment trusts):** Multiple investors purchase shares in a trust in the form of a company. There are six types of REITs, as described below.

**Equity REIT:** The trust owns and operates the income properties in order to generate income from rental revenue. The revenue is then redistributed after expenses and fees as a dividend to the individual shareholders, and allows the investors to have limited financial liabilities.

**Mortgage REIT:** The trust lends funds to real estate investors. The revenue generated is derived from the net interest margin (the difference between the

interest earned on the mortgage loans and the cost of lending the funds) and is sensitive to interest rate fluctuations.

**Hybrid REIT:** This trust utilizes a portfolio with a combination of the above two types. The combination does not have to be fifty-fifty.

**Publicly traded REIT:** The trust lists shares on a national securities exchange, which are bought and sold by individual investors and are regulated by the U.S. Securities and Exchange Commission (SEC).

**Public non-traded REIT:** This is a trust also regulated by the SEC, but it does not trade on the national securities exchange, and although it is less liquid than a publicly traded REIT, it offers stability because it is not subject to market fluctuations.

**Private REIT:** This trust is not registered with the SEC and does not trade on the national securities exchange, but works by selling shares to select investors.

Which ownership type is best for you? Contact our office to review your options and determine what makes the most sense for your property investment goals.

## LINKS YOU CAN USE NOW

### This Month – Modernizing

In today's fast-paced marketplace, businesses must remain on the cutting edge to survive. This means accessing the latest digital tools and continually striving to modernize operations. Sound like a daunting task? It can be, but the following links can make this process more manageable.

The right strategies are essential as you modernize. Find key principles to follow here: <https://tinyurl.com/links07191>

Want to optimize your business with the most modern solutions? Here are 10: <https://tinyurl.com/links07192>

Modernizing requires updating your marketing approach. Use these tips to transform your tactics: <https://tinyurl.com/links07193>

Finding it hard to decide what aspects of your business to focus on for modernizing? Here are four key areas that merit attention: <https://tinyurl.com/links07194>

What should you do with old systems as you update to today's tech? Use these tips: <https://tinyurl.com/links07195>

### Quick Quiz

Each month I'll give you a new question.

Just email me at [info@hierarchrei.com](mailto:info@hierarchrei.com) or call 209-753-0123 for the answer.

#### This month's question:

What hide was first used to cover baseballs in 1975?

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## CUSTOMER RELATIONS

### What If the Customer Isn't Always Right?

Customers act rudely or become angry for lots of reasons. Some are justified; some aren't. The way you respond can make the difference between a customer who is satisfied with the outcome and one who goes on to trash your company on social media and cause you endless aggravation.

The next time you encounter a challenging client, try the following tips for coping with belligerent customers and diffusing tense situations.

**Remain calm.** When a customer is belligerent or acting rudely, there is nothing to be gained by responding in kind. That will only escalate hostilities. Maintaining control of yourself will go a long way toward gaining control of the situation.

**Listen patiently.** Usually an irate customer needs to vent and wants to feel validated in his or her complaint. Let the person get it off his or her chest. When the customer is done talking, reintroduce yourself, summarize what you've heard, and ask questions to further clarify the situation. Express sympathy for the unpleasant customer experience. Use the person's name when possible.

**Don't take it personally.** Don't allow the exchange to become personal. Focus on the problem or situation that is causing the customer distress. Demonstrate respect and understanding. Body language is critically important here, so maintain eye contact, open posture, and uncrossed arms. Show that you're paying attention to the problem.

**Apologize gracefully.** A simple, straightforward statement will usually suffice: "I'm sorry you had that experience with our product or service. Let's see what we can do to make things right." Don't dwell on who's wrong or whose fault it is. Your responsibility in that moment is to resolve the situation.

**Learn from it.** Dealing with obnoxious customers is never fun. It requires patience, skill, understanding, and poise. Sometimes, however, a rude customer experience will bring an important issue to your attention or provide valuable feedback about your products, processes, and services. Apply this input to create more positive customer experiences in the future.

## Inside This Month

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### Hierarch Real Estate & Investments, Inc.

Hierarch Real Estate & Investments, Inc.  
16925 S Harlan Road Suite. 305  
Lathrop, CA 95330  
209-753-0123  
info@hierarchrei.com www.hierarchrei.com  
License # 01147261

