

**Don DeRosa's**

# *Real Estate Investing for The Real World*



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## **Getting to Muncie: Setting Goals, Part Two**

*If you have built castles in the air, your work need not be lost; that is where they should be. Now put the foundations under them. **Henry David Thoreau***

In my last newsletter, I talked about the importance of setting goals – not just thinking about them, but really planning them out. Just as you can't find Muncie, Indiana if all the names of the cities are blacked out on your road map, you can't reach your goals if you don't know what they are. This month, I'll talk about how you can go about setting goals.

Last month, as you may recall, I encouraged you to set balanced goals covering all aspects of your life: your spirituality; your family; personal and emotional matters; business; and your finances. I also said that effective goals have five characteristics: they're specific, measurable, achievable, realistic, and trackable. Finally, I talked about setting short-term, intermediate, and long-term goals.

But talking about goals is a lot easier than setting them. So how do you go about it?

My favorite method is to start with long-term goals and work backward. That way, my long-term goal gives me the information I need to choose intermediate and short-term goals.

Let's say I want to make \$500,000 in the coming year. That, then, is my long-term goal. Now, I can plan my "route." I start with an intermediate goal: "I will buy two houses per month, each with a minimum profit of \$20,000." Figuring out how to get those houses provides me with short-term goals: "I will send out 1000 letters to foreclosures, 250 post cards to expired listings, and run a daily ad in the newspaper." Remember, the more specific your goals, the more likely you are to achieve them.

I like this goal-setting method for two reasons: First, it works well for all five areas of my life. Second, it requires me to *do* as well as *think*. As a result, I have managed to accomplish nearly all of the goals I have set for myself.

If you have trouble thinking of specific goals, try thinking about aspects of your business that require planning anyway: the type of investments you want to make (e.g., long-term or short-term investments); your budget; the number of offers you want to make per week; your estimated monthly or yearly income, net worth, retirement income, or tax benefits. Be sure to keep your focus on revenue, and not expenses.

If you're new in real estate, you may need to back it up a step. If you're just getting started, try this on for size:

- Long-term goal: "In the next twelve months, I will make at least \$50,000 in profits from investing in real estate."
- Intermediate goal: "Within one month, I will take on a real-estate mentor or enroll in a real-estate course."
- Short-term goals: "Tomorrow, I will read enough literature and do enough research on the Internet to gather names of five possible mentors and five possible real-estate courses. The day after that, I will call each of those mentors and order information about the courses. And on the third day, I will set a budget for my education and outline five possible ways to raise the money."

No matter where you are in your business, you can set – and achieve – goals that work for *you*. It's all about planning and taking action.

So how do you get to Muncie? One mile at a time! Similarly, you can accomplish your goals by taking concrete steps in the right direction. Plan your outcome by setting a long-term goal. Then, develop intermediate and short-term goals that will serve as action steps to get you there. You'll find the road is a lot more pleasant when you stop spinning your wheels and actually start getting somewhere!

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*Don DeRosa* was recognized as one of the nation's top 21 real estate investors in the *New York Times* bestseller *The Millionaire Real Estate Investor*. Don, who is a full-time investor, trainer, and mentor, offers a complete system to build and run a thriving real estate business. For more information on *Building Wealth with Real Estate*, visit [www.donderosa.com](http://www.donderosa.com).