# VACATION RENTAL SECRETS

*The Short-Term Rental Industry's Top Experts Disclose their Biggest Mistakes and Share their Hard-Earned Wisdom*

D. BROOKE PFAUTZ

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TESTIMONIALS

# "VACATION RENTAL SECRETS IS A MASTERCLASS IN LEARNING FROM OTHERS' MISTAKES. BROOKE HAS CURATED A COLLECTION OF WISDOM THAT IS AS ENLIGHTENING AS IT IS PRACTICAL. DON'T MISS OUT ON THIS OPPORTUNITY TO LEAPFROG THE COMPETITION."

– Ryan Dame with Casago Vacation Rentals

# TESTIMONIALS

"Brooke Pfautz has done it again! This book is a goldmine of insights from the industry's top experts. It's like having 50 mentors guiding you through their own mistakes so you can avoid them."
– Dennis Goedheid with Casiola Vacation Homes

"Brooke has pulled together an invaluable resource for anyone in the short-term rental industry with this book! It offers readers a rare glimpse into the mistakes and lessons of industry leaders, providing you a roadmap for success!"
– Lino Maldonado with Scenic Stays

"I wish I'd had this book in my hands when I started my property management business. The nuggets in here are gold - it's a handbook of professional wisdom."
– Heather Bayer, Formerly with CottageLINK Rental Management

"Brooke Pfautz's new book is a testament to the power of shared wisdom. It's a crash course in what not to do, taught by those who've been there. An essential read for anyone in the short-term rental industry."
– Steve Trover with BetterTalent

"This book is a treasure trove of industry wisdom. It's like having a personal sit-down with 50 of the top experts in the short-term rental industry. An absolute must-read."
– Ginger Harrelson with Beachball Properties

"A unique and invaluable resource. This book is a compilation of lessons learned from the top minds in the industry, providing a roadmap to success in the short-term rental business."
– Tim Rosolio with Vrbo.com

"Brooke's ability to weave together the wisdom of 50 industry leaders into a coherent, actionable guide is nothing short of masterful. This book is a must-read for anyone in the short-term rental space."
– Jessica Singer with Nectar

“This book is an essential tool for anyone in the short-term rental industry. It’s like having a personal mentorship session with 50 of the industry’s top experts.”
– Justin Ford, Formerly with On the Water in Maine

“This book is a game-changer. It’s a unique compilation of hard-earned wisdom from industry experts that will help you avoid common pitfalls and accelerate your success.”
– CJ Stam with Southern Comfort Cabin Rentals

“A masterclass in avoiding pitfalls and accelerating success. This book is a unique compilation of industry insights that will save you years of trial and error.”
– Lance Stitcher with Seaside Vacations & Sales

“This book is a goldmine of lessons learned from the top minds in the short-term rental industry. It’s a shortcut to success, bypassing the common mistakes that can set you back.”
– Wil Slickers with Hospitality.FM

“This book is a game-changer. Brooke has harnessed the power of shared experience to create a guide that’s as insightful as it is practical. It’s like having a roundtable discussion with 50 industry experts at your fingertips.”
– John An with Ohana Stays

“This book is an elite quasi mastermind class collaborated by the industries most successful owners and managers. I sincerely wish I would have had access to this depth of wisdom and knowledge when I was starting out. Curated by the master himself.”
– Terry Whyte with Anna Maria Island Beach Rentals

“An invaluable resource for anyone in the short-term rental industry. This book offers a rare glimpse into the mistakes and lessons of industry leaders, providing a roadmap to success.”
– Matt Durrette Cozi Vacation Rentals

“Brooke’s second book is a testament to his commitment to sharing knowledge and elevating the industry. The insights shared by the contributors are invaluable, and Brooke’s expert curation makes it a seamless read.”
– Mike Sjogren with Short Term Rental Secrets

"This book is a goldmine of industry wisdom. It's like having a personal sit-down with 50 of the top experts in the short-term rental industry. An absolute must-read."
– Michael Goldin with Storied Collection

"Brooke's latest book is a masterclass in learning from the best. It's a unique blend of shared mistakes and hard-earned wisdom that will save you years of trial and error."
– Dustin Abney with Portoro

"Whether you are a seasoned pro or just starting out, Brooke's book is filled with amazing insights and priceless wisdom from the best in the business. It is an absolute must-read that gives you the unique opportunity to leverage their lessons learned to save you years of trial and error."
– Jodi Taylor Refosco

*Vacation Rental Secrets: The Short-Term Rental Industry's Top Experts Disclose their Biggest Mistakes and Share their Hard-Earned Wisdom*



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# ACKNOWLEDGEMENTS

I would like to express my deepest gratitude to the individuals and groups who have played an essential role in the creation of this book. Without their support, contributions, and inspiration, this project would not have been possible.

First and foremost, I want to thank my wife, Suzanne. Her unwavering support and understanding have allowed me to dedicate countless hours outside of “normal” work hours to compile this book. Her encouragement and belief in me have been invaluable throughout this journey. I love you more and more every day!

To the 52 contributors, who have shared their Top 10 Mistakes, thank you. Your insights, experiences, and willingness to be part of this project have truly made this book what it is. Each of you has brought a unique perspective and invaluable knowledge to the table. You all are the true authors of the book, and I am privileged to have been the one that just compiled all of your wisdom and expertise together.

A special mention goes to Ryan Dame, who immediately responded to my initial text and set in motion the chain of events that led to the creation of this book. Your enthusiasm, collaboration, and friendship over the years have been instrumental, and I am grateful for your involvement.

I would like to extend my gratitude to our outstanding team at Vintory and Comparent. To my co-founder Brian and my business partner Randy, thank you for your support and shared vision. Rob, your brilliant mind and insights always elevate our discussions. Jade and Kristen, our longest and most tenured teammates, have been instrumental in our success. To every member of our team, too numerous to mention individually, I am incredibly fortunate to be surrounded by such a talented and dedicated group of individuals. You are all “Top 10%’ers,” and it is a privilege to work alongside each of you every day.

A heartfelt appreciation goes to the EO Forum, which has provided me with a network of like-minded individuals who have offered guidance, support, and invaluable insights. Your collective wisdom has been a guiding light on this journey.

To my children, Mason and Riley, thank you for your love, patience, and understanding during the creation of this book. Your unwavering support and presence in my life are a constant reminder of what truly matters.

I would also like to acknowledge my family, including my parents, brother, in-laws, and extended family. Your love, encouragement, and belief in me have been a source of strength throughout my life and this project. I am grateful to have each of you by my side.

Lastly, I want to express my deep appreciation to the entire short-term vacation rental industry. This industry has been my passion, and I am grateful for everything it has provided me. I consider the industry an extended family, one that I have the joy in connecting with multiple times a year. The camaraderie and willingness to help one another, even as competitors, are truly remarkable and unlike anything else I've ever seen. It is this spirit of collaboration and support that has shaped the industry into what it is today.

To everyone mentioned here and to those who have supported me behind the scenes, thank you from the bottom of my heart. Your contributions and belief in me have made this book a reality. I am honored and humbled to have had the opportunity to work with each and every one of you.

“

THINK OF THIS AS THE VRM EDITION OF *CHICKEN SOUP FOR THE SOUL.*

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# INTRODUCTION

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One evening this past April, I was watching TV, sipping a glass of wine, and casually flipping through *LinkedIn*. As I scrolled, a post popped up that talked about the top mistakes certain business leaders made in an industry. While I usually flip through posts like these and move on to the next, this one caught my attention.

Intrigued, I started reading, and as I did, I appreciated the transparency of the author and how he was willing to share his own mistakes. And this got me thinking about the many mistakes I and so many other VRMs had made in the vacation rental industry. Switching from my *LinkedIn* app to email, I emailed four of my vacation rental (VRM) friends with this question: “What were the top ten mistakes you made in building and growing your business?”

Setting my phone down on the end table, I went back to drinking wine and watching TV. But several hours later, my friends had my full attention. Their thought-provoking responses made me pause and I knew I was on to something special.

The next day, I posted Ryan Dame’s reply on a *LinkedIn* thread and the interaction in the Comments section was amazing. That same day, I reached out to another group of VRMs and asked them to answer the same question. And for the next 52 days, I posted their responses, ending on June 1st with my own.

While I don’t have a massive social media following, it wasn’t hard to realize these posts connected well with people. And I think this was the case for several reasons.

First, these responses were raw, and they were helpful. There were few canned answers and the VRMs were willing to be vulnerable. But second, these posts helped other VRMs realize they weren’t alone. This is especially important, because even though our business is like a family, sometimes it’s easy to get started as a VRM and feel like you’re the only one making mistakes. But obviously this isn’t true. Everyone makes mistakes.

Just use my life as an example. When I started my first vacation rental company, Vantage Resort Realty, I knew how to run a business, but I did not know how to run a vacation rental business. And as a result, I ended up making every mistake you could imagine. I added the wrong property owners, did things that sometimes made my guests angry and worked myself into the ground.

I've often compared those first few years as a VRM to those first few sessions working out at a gym. After days one and two, your muscles are sore, your back aches, and you wonder if this extra pain is worth the effort. But it's only through experiencing discomfort that you develop strength. Mistakes and pain are just part of the growth journey for every VRM. But the key is to learn from your mistakes and avoid repeating them.

And better yet, it's even less painful to learn from the mistakes of others. That's why I think this book is important. It's often said that most books are written by authors who seek to resolve a problem they experienced ten to fifteen years earlier on in life. And such is the tale of this book. If only I could have received a copy of this material when I first started in this industry, I would have saved myself a lot of time and effort.

The breakdown of this book is simple. Part 1 contains the raw content of the top mistakes responses from VRMs. And in Part 2, I summarize these mistakes under ten major headings. It was interesting how common many of these were across the board and how we all had many of the same challenges. If you are a VRM, I'd recommend you start each morning with one of these responses and do your own 52-day journey. And as you read, make notes, and ask yourself if you're making the same mistakes. Look for areas you can improve.

Think of this as the VRM edition of *Chicken Soup for the Soul*.

And in the following pages, you get the opportunity to learn from some of the brightest minds of people in our industry – leaders who I believe will remain a force in the vacation rental industry for years to come.

# PART 1

## TOP MISTAKES RESPONSES

# RYAN DAME WITH CASAGO

1. Not understanding Pricing, Yield, rate on a unit level
2. Failing to properly maintain your properties
3. Not having clear policies in place so your staff can make documented consistent decisions… they always come to you for decisions.
4. Not investing into the brand, and therefore not having a direct booking strategy
5. Not having an owner communication strategy for current owners. Someone is always trying to get their attention. Show constant appreciation, and what you are doing to help them win.
6. Not investing a [percentage] of your income into constant owner acquisition.
7. Failing to properly screen guests before allowing them to come into your homes. Screening software these days is a must. It's good for owners, and saves you headaches.
8. Not having adequate insurance for your business
9. Not having a budget in place to make vital decisions for your business
10. Not investing in 10 out of 10 photography and virtual tours

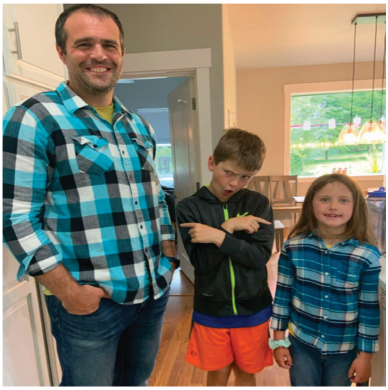
# ROBIN CRAIGEN WITH MOVING MOUNTAINS

1. Underestimating the value of the Team as you grow – without them we are nothing
2. Picking tech that looks good but doesn't solve the problem
3. Not managing the cost of tech – death by 1000 subscriptions
4. Hiring someone too fast
5. Losing talented people by failing to nurture their career goals
6. Failing to develop standards that provide a consistent guest experience
7. Missing a budget meeting because we were "too busy"
8. Trying to solve a dispute by email
9. Ignoring the warning signs and accepting a home into our portfolio that we really wanted, without being fully aligned with the owner.
10. Compromising our standards because we couldn't get owner buy-in

# GINGER HARRELSON WITH BEACHBALL PROPERTIES

1. When we first started, putting all of our eggs in one basket for cleaning (only hiring one subcontracting cleaning company)
2. Waiting to start cleaning in-house until this year (would have been much more manageable at 100 properties)
3. Not hiring VAs sooner
4. Not trusting my gut as far as personnel issues – keeping people on our team when they should have been fired or moved to different departments
5. Waiting until we were overwhelmed before making a hire (in numerous departments)
6. Not using a CRM to keep up with lead generation for owner acquisition
7. Not bringing real estate in-house sooner
8. Waiting too long to go to summits/conferences – networking is important
9. Not utilizing direct mail sooner for owner acquisition
10. Spreading ourselves too thin/not delegating/being distracted by shiny objects

# AARON LINFOOT WITH MEREDITH LODGING



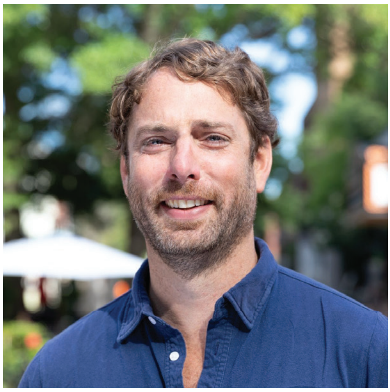
1. Marketing to the wrong people – know your demographic and client. Make sure you are spending money in the right areas. Set it and forget it is a lie.
2. Too much software – simpler is better. Too many platforms create confusion and can make operational inefficiencies.
3. Not listening to your guests – they will teach you something about your system and create an opportunity to both win them back and improve your system for future success.
4. Not listening to your owners – they will teach you how and where to improve your product and services – even if the truth hurts.
5. Not delegating soon enough – two is one and one is none. Create redundancy.
6. Not asking for reviews (guests, staff and owners) – create a funnel to request a review. People need to be encouraged to leave reviews after a positive experience. Human nature is to leave a review after a bad experience. Encourage the good!
7. Hiring the wrong people and also hiring people without a clear training process – both are bad. The first 90 days is crucial for establishing the future in all relationships.
8. Being afraid to say I'm sorry and do the right thing – this goes for the core three: guests, staff and owners!

9. Not being agile enough – things change fast (tech, market, etc.) What worked last year or when you had fewer properties may not work now.
10. Not managing people – stay in touch with them and they stay connected and focused on the goal. You shouldn't have to do their job but you should know how to do it. Slow to hire and quick to fire.

# DANNA KITTELL FORMERLY WITH STARFISH

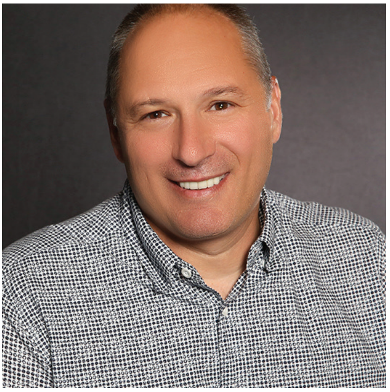
1. Spending too much time working in my business instead of on my business.
2. Not adopting a business management system like EOS. Hiring an integrator would have made all the difference.
3. Not hiring a business consultant to help solve specific issues.
4. Not putting enough SOPs in place soon enough. Too many SOPs lived in my head which made it harder to bring on new employees and created inconsistencies in how things were done.
5. Failing to create appropriate KPIs for employees and then holding them accountable.
6. Not consistently using data to make decisions.
7. Spending too much time contemplating small decisions.
8. Relying on ad hoc system for owner acquisition.
9. Not utilizing a communication channel like Slack for company-wide communications.
10. Not utilizing behavioral assessments and other hiring tools to get the right people in the right seats on the bus.

# TRAVIS WILBURN WITH STAY CHARLOTTESVILLE



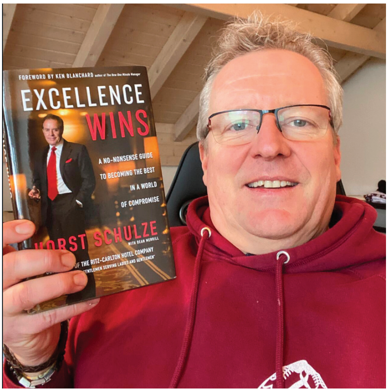
1. Not networking among peers fast enough. (VRMA)
2. Not having upper management sign non-competes.
3. Waiting too long to fire people.
4. Waiting too long to implement a system/technique to hire the right people. (Better Talent/CI)
5. Showing the brand difference in owner acquisition. Important to have strong tools.
6. Not showing enough love to owners and all that we do to make it look easy.
7. Setting and implementing roles and responsibilities to create success.
8. Allowing people of influence (in bureaucratic positions) to not put their positions in writing for record keeping later – don't want to be told five years later you should be paying sales tax on cleaning!!
9. Demanding my software to do trust accounting w/accuracy.
10. Taking time for myself – went five years with no vacation.

# FRED CERCENA WITH GETAWAY VACATIONS



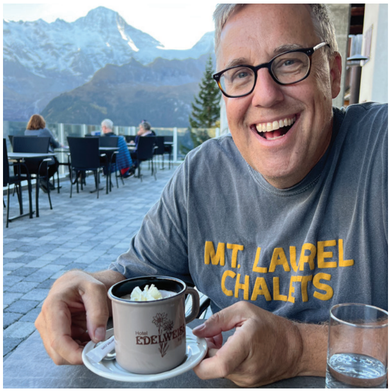
1. Posting anything on Social Media without thinking I will get a reply
2. Keeping a business partnership for too long because we were friends
3. Under-communicating with my owners
4. Setting rates too high at the beginning of this past ski season
5. Not increasing my fees sooner
6. Hiring the wrong person when I knew they probably couldn't do the job just to get someone hired
7. Trying to grow in an area that has low opportunity and strong competition
8. Not saving enough money for a rainy day – it will always come
9. Not acting sooner to pursue opportunities, fearing that I may fail
10. Realizing that we are in the hospitality business and need to take amazing care of our guests – they are the ones that pay us

# SIMON LEHMANN WITH AJL CONSULTING




1. Being opportunistic and not having a clear vision, mission, and strategy underlined with a financial plan. Not having a plan for bad times.
2. Not giving enough attention to the human capital – motivation, retention, loyalty.
3. Missing strong leadership, giving guidance, feedback, support, walk the talk and communicate the mission daily.
4. Making tech stack decisions too fast and having to change it later.
5. Missing a clear understanding of the competitive environment and knowing who they are up against and how to differentiate.
6. Not knowing what makes the business truly unique and not to have a me-too strategy.
7. Not putting enough emphasis on financial hygiene, cashflow planning, playing with trust accounting, no budgets, no forecast and no tracking of the overall performance of the business.
8. Thinking that the business won't run without the founder/owner and therefore not being able to take a break or a holiday. One needs to delegate to keep the head clear.
9. Being too opportunistic with the portfolio growth and deviating away from the original positioning of who they want to be.
10. Not having or not living up to operating procedures.

# TOM GOODWIN WITH MOUNTAIN LAUREL CHALETS




1. I wish I had engaged with the local Chamber of Commerce sooner. Being a platinum sponsor is worth every dollar!
2. I didn't attend conferences in my first eight years of running the company. In February 2020, I attended VRM Intel because it was local, and it was a game changer. Thanks, Amy Hinote for coming to Gatlinburg.
3. I didn't used to collaborate with like-minded business owners. Our industry often makes competition out to be the enemy, and it's easy to operate as an island. However, it's not wise. Thanks, Lauren Madewell, for changing my perspective.
4. There was a time when I allowed people with limiting beliefs to suppress my ideas and vision. It was difficult to fully lead when occupying my mind with their limiting beliefs.
5. I didn't used to ask myself what I'm afraid of as a leader. I now know that by asking that question and identifying my fears, I am instead able to remember what is true as opposed to being limited by fears.
6. I tried to juggle too many balls instead of hiring out and/or delegating more. There are things I'm good at and enjoy doing that still aren't the best use of my time; I had to learn to say no and to trust others to handle those details.
7. I sometimes misunderstood the value of investing with excellence in mind. I was always looking for a bargain. You get what

you pay for. I am learning more and more that spending resources on competent staff, helpful tools, and quality services pays off in the long run.

8. In the hustle and bustle of running a busy company, I have not always put enough emphasis on proactively and regularly communicating with homeowners. Thankfully we are on week seven of a new vlog that goes out to keep our owners informed and connected.
9. After the catastrophic Gatlinburg fires of 2016, I let our email list and weekly emails go stagnant while I dealt with the most pressing issues. Thanks to Switchback for getting us back on track for the last 18 months!
10. I've dreamed of starting a podcast. Wish I had started one five years ago. I still haven't done this. Ask me again in a year.

# STEVE TROVER FORMERLY WITH ALL STAR VACATION HOMES

1. Not trust accounting right out of the gates. This should be an industry standard regardless of whether or not it is required in a location. Strong financial controls are imperative.
2. Not recognizing that the team is the single most important part of this business early enough. The market leaders in this industry have one thing in common. They have the best teams because they invest in them.
3. Waiting far too long to hire an "Integrator." As a visionary founder, I held on to far too many tasks that I was not best suited for. I ultimately hired an amazing GM but really never achieved the "Visionary / Integrator / one, two punch" that we advise today.
4. Stretching myself too thin by being on far too many boards and committees instead of focusing on the core business. At one point I was on a total of 14 at one time. Giving back is great, but not to the detriment of your company. I also have what I call "entrepreneurial ADHD" (perhaps due to my actual ADHD) and started far too many companies. You don't wear a cape. Focus!
5. Taking on properties and owners that were not profitable. This is a common mistake in this industry and one I corrected later in the game than I should have.
6. Leaving the wrong person in a seat too long. I can't say enough about this one. When someone is not right for a role it hurts both the company and the individual. It is imperative that you

take the time to find the right person for each seat. “Hire slow. Fire fast (when it’s clear you need to),” should be the mantra.

7. Moving into too many markets at once. We were very strong in the Orlando market and thought we could march into other markets and dominate. It’s not as easy as you think, and the owners and guests in the new market aren’t all that impressed by what you did somewhere else.
8. Not getting EVERYTHING in a contract and trusting people on a handshake. While this was rare, the few times I let it happen came back to bite hard. Get it in writing!
9. Trusting data to third parties. No matter how strong your relationship is with your software or service provider, it is critical that you have access to your financial and reservation data in a usable format at all times.
10. Not running the company like I was preparing it for sale. Even if you have no desire to sell any time soon or even ever, doing so will make sure you are running it in a responsible, profitable and structured way. When it’s run this way, you may never want to sell.

# JENNIFER MUCHA WITH ARRIVED

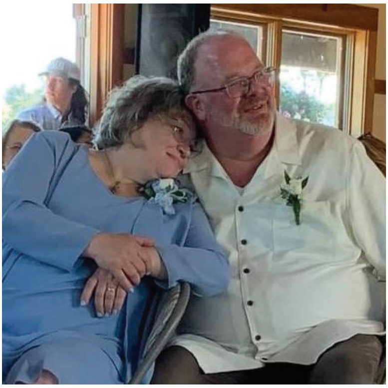
1. Not listening to your intuition in ALL THINGS business. You know best if you stop and listen.
2. Keeping “bad” employees too long. Trust your gut when you know it’s time for them to go.
3. Taking investor money. If you have a good healthy vacation rental business, that is growing and profitable and structured as you wish, do not get sucked into the hype.
4. Not being prepared for this to be such a complex business.
5. (Conversely) Not keeping the business as simple as possible. It is inherently complex enough without adding in more structure.
6. Not jumping into a CRM for owner acquisition soon enough. Tried everything else first because it all “sort of” worked. So much wasted time! (Can I say here how much we LOVE Vintory?)
7. Not hiring team members for owner acquisition soon enough, and not often enough, through stages of growth. The team needs time and focus on keeping owner relationships strong AND acquisition, however you structure that.
8. Taking on owner/properties that we shouldn’t. Don’t say yes to everyone.
9. Not hiring someone early in the business to ensure accounting is dialed in daily/weekly. Monthly makes it a big push every few weeks and creates unnecessary stress.

10. Getting swept up in the latest trends (both micro/macro). Our industry is always changing and often those things are only trends and not fully vetted.

# SARAH BRADFORD FORMELY WITH WINTER PARK LODGING COMPANY AND STEAMBOAT LODGING COMPANY

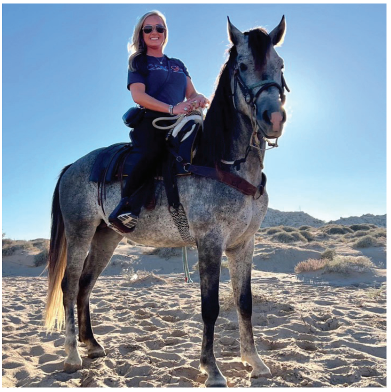
1. Not having a budget for the first few years.
2. Thinking I had to do it all at first – be a mom to twin baby boys, print the owner checks (so many screaming moments!), answer the phones, answer every email within an hour, and head up every initiative.
3. Using a linen service and not building out my own laundry sooner.
4. Hiring employees without really vetting them, not having an organized training program and not regularly checking in with them.
5. Taking on properties that were not a good fit, and even worse, taking on owners that had red flags all over them before they even signed on.
6. Not getting ahead of local regulations before it was too late.
7. Letting each issue get to me emotionally and carrying it with me to the dinner table and beyond. Learn "this too shall pass" and don't sweat the small stuff. Leave work at work.
8. Using and trusting Airbnb. Bad idea!
9. Avoiding having homeowner gatherings.
10. Not hiring a personal assistant until the last year I owned the companies.

# BRIAN OLSON WITH BEACHCOMBER VACATION HOMES



1. Not taking care of my own health to make sure I am there for our team
2. Not having a communication plan to communicate with owners
3. Realizing while I am good at finding new Tech, I am not the one to implement it
4. Trying to be involved in too many things – Work, Community, and Industry
5. Waiting a year too long to build out our Laundry
6. Waiting too long to bring Cleaning in-house along with our Contract teams
7. Waiting too long to build a management team to help with growth maintenance and operations
8. Not Learning How to Say No
9. Holding on to bad employees too long, thinking we could fix them
10. Keeping bad owners too long – they will bring down you and your team

# ALEX HUSNER WITH CASAGO

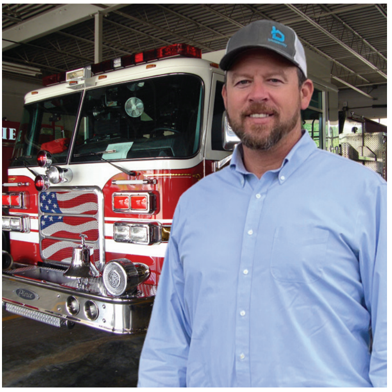


1. Thinking too small. Always set your targets higher than what you think you can achieve to get where you want to be. If you only set them at what you think is realistic, you will come in under.
2. Assuming everyone is motivated by the same things you are.
3. Thinking everyone that is in your circle is in your corner.
4. Surrounding yourself with the wrong people. You are the Sum of five people you're around the most. Are they helping you or holding you back?
5. Building all your technology in house. Unless you plan to be a technology company, this ultimately leads to less innovation, higher costs and becomes a liability for the future of your business if you aren't properly structured to maintain this tech. If something were to happen to your main developer tomorrow, would your company be okay? If not, it's time to think about a new strategy. Your job is to protect the future of the company.
6. Outsourcing marketing – while building an in-house marketing team can be expensive, it's worth it if your focus is on growing your brand. Unlike the previous point, a marketing team can be scaled and adjusted easier than proprietary tech.
7. Not using project management software to manage your in-house marketing team. Marketing teams need to think and work like an ad agency – the different parts of your business are their clients. Vacation/Golf/Real Estate/Homeowner Ac-

quisition are four divisions I have led. There are further breakdowns depending on your model.

8. Not getting involved with your DMO. You are stronger as the sum of all parts – your competition is more of an ally than you think.
9. Not listening to podcasts, reading books, attending conferences. Your network is your net worth.
10. Don't assume everyone has it figured out – your input is valuable, and you never know what information you share could be a game changer for someone else.

# JUSTIN FORD FORMERLY WITH ON THE WATER IN MAINE

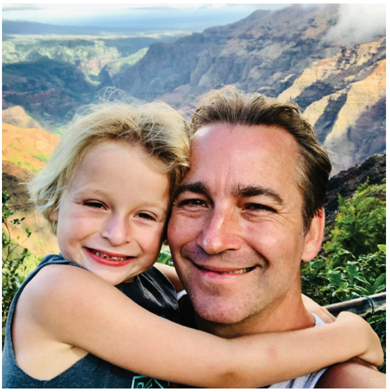


1. Not networking sooner. I waited 12 years to join the VRMA, I should have joined on day one. It wasn't until I started learning from others that I started to grow.
2. Not paying better attention to guest safety. I almost lost the company from just one guest safety incident.
3. Thinking I should take on any property listing that presented itself. It took several years to define a bottom line ($5000) for profitability as a listing. After that, if a property didn't meet that profitability minimum, I wouldn't list it or it got dropped.
4. Not inviting my competitors for coffee. It wasn't until I built alliances with my competitors – that we all started to succeed together. Your competitors aren't your enemy. There are plenty of properties for everyone to manage.
5. Not realizing that managing the "back-of-the house" was just as important as the front the Customers saw. Efficiently run property management can be very profitable!
6. Waiting ten years before I hosted a property owner gathering/party. Don't be afraid for your owners to gather together with you. It was not only a great retention tool, it helped with future property acquisition as well.
7. Investing heavily in ancillary amenities. At one point, we had over 30 boat rentals, a baby gear rental division, and did grocery

provisioning. We finally realized we could make more income and save time by adding just two great property listings.

8. Not putting the right General Manager in place from the beginning. A good GM will relieve the agency owner(s) from killing themselves trying to grow the business.
9. Not building a laundry facility sooner. Wow! When we finally built it, the cash rolled in!
10. Following others in tech. Don't sign on with a software platform just because others are. Deep dive into all of them and find the one that works for you.

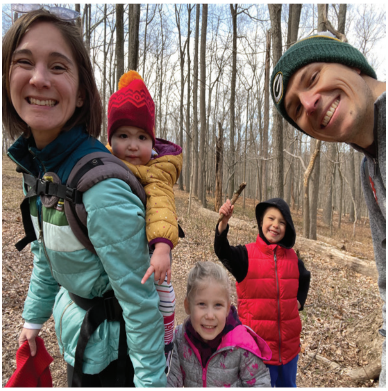
# JED STEVENS WITH KOLOA KAI



1. Not fully committing sooner to the process of building our business. We sat on the fence for years before we went all in; and that was when things finally started gaining momentum for us.
2. Being overeager to get our first properties and taking on owners that weren't a good fit for our program. They always caused issues and resulted in spending too much time for too little return.
3. Misunderstanding how important the basic property cleaning is to the long-term health of the rental. I allowed a sub-par cleaner to stay on months longer than we should have, and it cost us a property owner.
4. Not creating/storing repeat communications earlier in the process. I typed and retyped the same emails and answered the same questions way too many times (to guests, owners, prospects, etc.) – probably wasted weeks of my own time.
5. Allowing our employees to be aimless because I didn't provide structure and guidance in formalized ways (SOPs, training sessions, etc.).
6. Hiring / subcontracting / farming out parts of the business that I don't like doing. Things like owner acquisition, marketing, bookkeeping, etc., are crucial to the health of the business, but I hate executing on them and suffered through them until I finally hired them out. Now they get done professionally and the time/money savings is huge.

7. Reaching past our core-competency areas. The few times that we have ventured (always at the request of an owner) to cross the boundaries from Vacation Rental Manager to some adjacent service (interior design, fabrication, major trade work) we have paid the price in wasted time, homeowner frustration and mediocre results – not the results we strive for.
8. Not investing in my professional Network earlier. The doors that have opened because of the relationships that I have made have been transformative and would not have been possible if I had not made this a priority.
9. I wish I had started with better boundaries for personal life – the tools are available now (like an after-hours overnight call answering service), which can allow you to disengage from work and engage in your personal/family life. I wish I had done this sooner instead of living with the phone in my pocket for eight years straight.
10. I wish I'd learned earlier how to recognize when we had a deficiency in some part of the business and that there are so many resources in this community to help fix those issues – tools, programs, products, etc. I spent a lot of time trying to build custom-made solutions to problems that were already solved; I just didn't know how to find them. I do now, though!

# TONY CAPPAERT WITH BLUE MAPLE

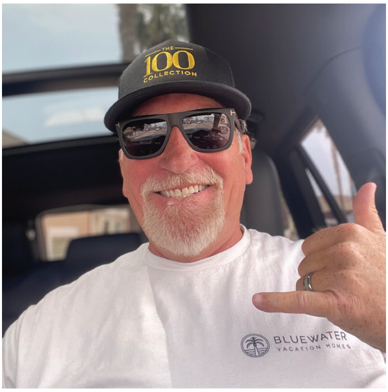


1. Not taking the time to plan. I went YEARS without doing real yearly, quarterly, and monthly planning — and we wasted so much time on things that didn't move the needle.
2. Getting stuck in analysis paralysis, and moving too slowly. There often isn't a "perfect decision." And nearly all decisions can be undone or changed.
3. Keeping someone on the team who's not working out. Waiting to fire someone is hurting both the business and them.
4. Not working with a coach or other sounding board. We all need someone to help us take a step back and see the bigger picture. I still check in with a coach every two weeks; I don't always know what we'll talk about, but the act of having to talk to her forces me to step back and identify the big strategic decisions I need to make.
5. Failing to take time off during the week/month for me. Life's too short to constantly grind.  And the funny thing is, I think the business is often better off when I do.
6. Investing too little in conferences and networking.  The relationships I build going to conferences almost ALWAYS generate so much more value than the cost of the ticket & travel.  It's a big investment & time suck, but always worth it.
7. Being too conservative with investing in the business. It's similar to the analysis paralysis point: sometimes you need to make

some bets to identify the true step-function that'll massively improve the business.

8. Hiring too junior or too slowly. Don't wait until things are broken to hire someone. And when you do, don't cheap out. Senior people – assuming they can still execute and get in the weeds – can 10x the business.
9. Over-relying on setting KPIs and goals. I'm a numbers guy, and I always want to measure everything. But setting a goal or KPI without any basis for it leads to a false sense of certainly. Avoid setting an artificial numerical goal.
10. Not taking the time to celebrate the wins. Have fun!

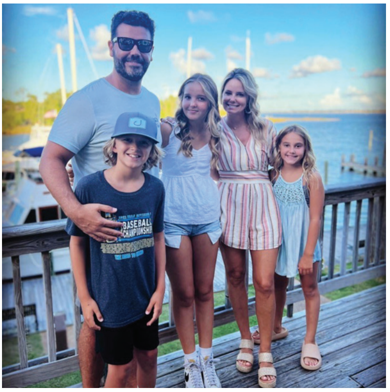
# PAUL BECKER WITH BLUEWATER VACATION HOMES




1. Taking on inventory just for the sake of growth without a grading system-based revenue, location, amenities, condition, homeowner's appetite to invest in the home, monthly time spent dealing with a homeowner, and regularly applying these metrics to know when to drop a home.
2. Not clearly disclosing the suitability aspects of a home to a guest, especially if the home doesn't have A/C and clear parking descriptions and dimensions.
3. Not fully discussing the potentially ugly part of short term renting their home with a homeowner, just to get a new listing. When the inevitable bad event happens, the conversations are much easier.
4. Not documenting everything to do with the home, from appliance numbers, to locations of breaker boxes to parking dimensions, etc. Lot of work up front to save much more work and problems down the road.
5. Not insisting on brand and inventory standards up front with homeowners to provide a consistent guest experience across our inventory and for ease of replacement.
6. Not relying on housekeepers to inspect our homes. Their job is to perfectly clean the home, not find things wrong with it or expect them to know what was a priority.

7. Stocking amenities like bikes, boards, and beach toys without having a tracking and inventory replacement system. Guests who show up to find damaged or missing items started the relationship off on the wrong foot. It is sometimes better to invest in partnerships and discounts with local providers who will deliver.
8. Not bidding on my own brand name in Google. My competitors do, including OTA’s.
9. Not being involved in your community. I was “too busy” and initially avoided local councils, etc. Once I participated, I was looked upon more favorably and started getting referrals and had my finger on the pulse of potential legislation.
10. Not attending industry events. Again, I thought I was “too busy” to learn more about my industry and make connections with others to learn about best practices and ways to improve.

# MIKE HARRINGTON FORMERLY WITH CAROLINA RETREATS

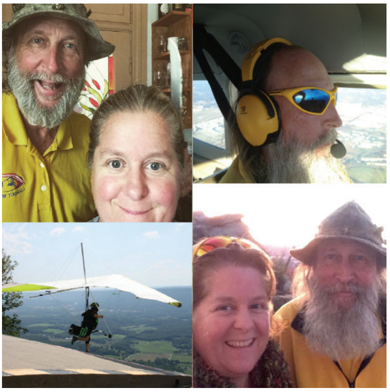


1. Over complicating what we do: It's easy to get distracted with things (especially today) that really don't move the needle in performing for our homeowner or guest. Keep it simple.
2. Letting issues fester: I've learned that if you let guest or homeowner issues fester, it leads to a lot of unnecessary anxiety. Deal with it as soon as possible.
3. Being too reliant on email: If it takes more than five sentences to explain, pick up the phone and call.
4. Being too available as an owner/manager: This is a tough one as it is ultimately your reputation and business on the line. But, if you really want to build a sustainable organization for the long haul, letting your team perform and work through issues on their own is a must.
5. Not re-evaluating vendors and service providers enough: I'm loyal to those that do what they say they will do, but it's imperative to consistently audit and verify that these relationships are still providing the appropriate value to the business as it evolves. Do it.
6. Being too worried about the competition: Maybe it kept me on my toes, but being too worried about the competitor down the street only created anxiety for no reason. I learned most of the time they are just trying to keep up with the day-to-day demands just like you. There's enough business out there for everyone.

7. Being too "tech" focused with a team that wasn't "techie." Most of the time your team is not as excited about that new tech you want to rollout. In fact they secretly hate it!
8. Being too slow to fire: I hate this part of the job. I'm not a great people manager. But, sometimes this has to be done and it's not about you, it's about the entire team that a bad hire can affect.
9. Not visible enough in the community: A lot of the most successful mangers I know are very active and visible within the communities they serve. If I had to do it over, I'd participate more on the local level boards, non-profits, and organizations. A lot of trust and goodwill is built this way with local stakeholders.
10. Only talking to my bank when necessary: Financing and capital is the lifeblood of a business. There were many opportunities over the years I thought I could not pursue due to lack of funds or financing. It turns out your local bank likes to be courted as well! VRM's are a very good bankable client for banks, and they love to help figure out ways for you to grow (and your deposits)!

# CHRISTINA AND THOR THORESON – FORMERLY OF CHATTANOOGA VACATION RENTALS

# CHRISTINA THORESON



1. Failing to help some owners understand why maintenance and upgrades are so important for safety and guest enjoyment translating into better profitability
2. Not doing a thing because I thought it had to be perfect – do it ANYWAY – it's good enough
3. Not leveraging the power of video intentionally
   – showing guests properties
   – making homes more personal through owners' and guests' stories
   – before and after of homes when we implemented our management or updates
4. Wishing I had been more intentional about team member feedback and having one-to-one's with everyone to understand better as we grew
5. Using our values to apply to our budget to make sure we were spending where our goals were
6. I wish we had hired more slowly and fired more quickly when we knew it wasn't a fit

7. Not having clear, consistent, measurable processes for every part of the business
8. Not having an annual guest marketing strategy calendarized and shared with the entire team
9. Not having a video of the interior and exterior of every stinking home we managed
10. Not dedicating a specific budget percentage and communication plan for owner retention and new owner development

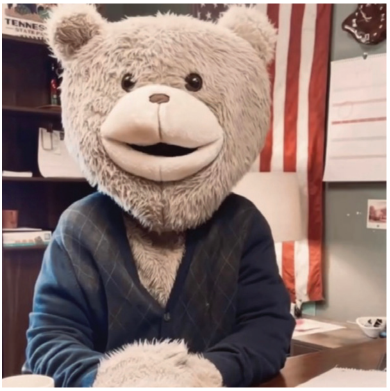
## THOR THORESON

1. Not using Culture Index or Predictive Index sooner for new hires (yes, profile those housekeepers too!).
2. Not using EOS soon enough.
3. Not understanding the safety points on our homes, sooner. Even after passing the safety course with Breezeway after Justin Ford's visit, I was blown away with what I didn't know!
4. Not hiring an accounting firm that actually knew about how vacation rentals operate. We wasted too much time with not good results. There are firms now that do this and even integrate with some PMS's so they can even help with end of month, owner states' 1099's, etc.
5. Letting owners who did not want to spend money for upgrades stay in the program even though we tried to explain to them that spending money on upgrades would make them more money in the long run.
6. Allowing properties that really did not fit our standards to enter the program.
7. Finding out, on the front end, and probably quarterly, how much and what method of communication each property owner preferred.
8. The importance, as a minimum, quarterly, of pest control on the properties.
9. Not having a better plan in a rural market for trash removal.
10. Not investing in new/better quality company vehicles on the front end. We spent more money in the long run on repairs and down time, with three vehicles each racking up about 30,000 miles each year.

# TERRY WHYTE WITH ANNA MARIA ISLAND BEACH RENTALS

1. Not realizing I had to spend money to make money
2. Not being properly insured
3. Waited too long to adapt to revenue management
4. Waited way too long to focus on digital marketing
5. Not having a clear owner acquisition strategy
6. Not securing my competitions' domain names when I had the opportunity
7. Not securing my own domain names
8. Not having the best website I could afford
9. Not having a clear budget
10. Not having a clear business plan

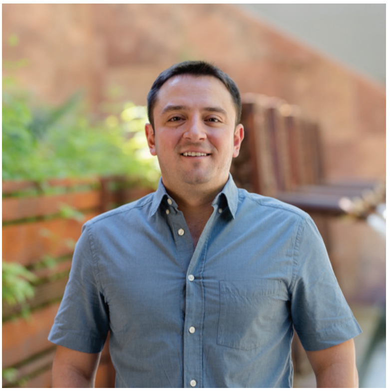
# LAUREN MADEWELL WITH AUNTIE BELHAM'S CABIN RENTALS



1. Not realizing the power of our worth sooner. I'm no longer worried about having one of the higher commissions in our market because you get what you pay for. You can't compare our apples to another company's oranges, and that's a conversation I'm excited to have when our commission is questioned.
2. Riffing off #1, compromising the integrity of our brand to bring on potentially problematic properties and/or homeowners just for the sake of growing our inventory and additional income.
3. Not studying the various communications styles sooner. Working this industry requires dirty, demanding, delicate work and tensions can rise quickly over the silliest things. If you aren't practicing and teaching good communication skills, you're allowing the jobs to be harder than they need to be.
4. Not involving myself within the community sooner – Chamber events and involvement, meet & greets, randomly popping in to meet local mom & pop shop owners, forging relationships with local companies to offer our guests and owners discounts, etc. It is so rewarding to have all these new local relationships, everyone benefits from it.
5. Not taking the time to delegate tasks once they become fully teachable/trainable. Delegating frees up my time (for new projects, or just balance) AND allows me the chance to show confidence in our employees and help them grow in their roles.

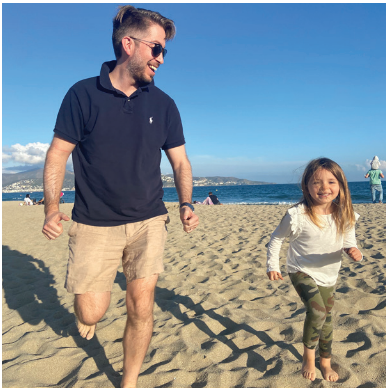
6. Getting lost in the sauce and not dedicating enough time to the things I love about my job, the things that energize and refresh me. I love our employees and I love the freedom to be creative with our branding, but I'd forget to focus on these things when my plate was full with "work work." Socializing and creativity are now operationally equivalent to "work work" in my week-to-week.
7. Ignoring free demo offers. If you know me, you know our tech stack is SMALL, but… these demos have given me MANY good ideas for our own operations. I get to keep my finger on the pulse of what's out there and at what cost, and I get to know the very people I run into at conferences. Maybe I'm crazy, but I've never regretted a demo.
8. Not getting an espresso machine for the office sooner. Enough said.
9. Not having a fridge with free drinks and snacks for the Field Teams sooner. The housekeepers, the maintenance and inspections teams – they're running all over town on a time crunch and it's hard to stop for food and drink sometimes. They've loved having goodies at the office stocked and ready for them.
10. Not getting live plants and an office hamster sooner. They bring such good vibes! The plants are cute for decor and good for the air, our hamster is cuddly and good for morale, and they give us all something to care for and love on while we're at work. Plants and a hamster have made us a better hospitality company.

# MICHAEL PEDENKO WITH STAY PORTER



1. Not firing fast enough when you know someone is a detriment to your team.
2. Not paying better than the competition which leads to certain positions becoming a revolving door. (Always pay better!)
3. Not implementing a full-time revenue management strategy/ position earlier in growth.
4. Not choosing quality units over quantity.
5. Not building a solid company culture first, that will allow for you to build a solid company.
6. Not checking in with your staff regularly – you need to know what's going on in someone's life.
7. Not listening to owners close enough – they'll let you know if your services are slipping.
8. Not using a CRM for owner acquisition. This is absolute must in today's competitive environment.
9. Not having more processes in places for onboarding/offboarding.
10. Not dedicating a percentage of your income toward continuous owner acquisition.

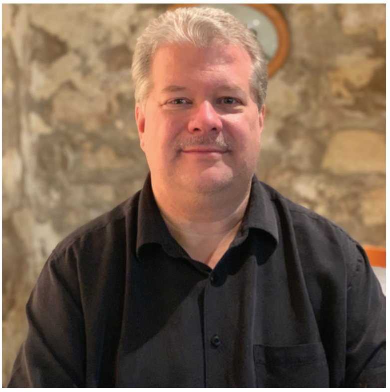
# JAMES MANNINGS WITH TOP VILLAS



1. Giving our company a name that we didn't love and one that did not leave a lasting impression on our clients. Changing it from Presidential Villas to Top Villas after three years of business was a challenge, but it has proven to be the right decision.*
2. Not listening to your own business intuition. You can sense when things are right or wrong.*
3. Not fully understanding the importance of finding the right personalities that fit within the company culture.*
4. Assuming that someone who is a top performer within a department will also make a good manager. This has worked out well on a few occasions, but has been disastrous in some instances.*
5. Not investing enough time into staff training and processes from the start can be a shortcut that ultimately leads to problems. It's sometimes too easy to throw staff in the deep end, when you are busy and under-resourced.*
6. Not investing in truly scalable technology from the beginning. It's important to invest more at the start to build a solid foundation.*
7. Expanding into new destinations too quickly.*
8. Getting consumed by emails throughout the day can distract from important tasks. It's better to have set times to check and reply to them.*

9. In the early days of business, not getting everything in writing from partners and suppliers, with clear documentation of agreements and policies.*
10. Not investing enough time in networking and building relationships with other professionals in the industry.*

# ERIC THIBODEAUX WITH CURRENT TIDES



1. Not hiring an Operations Director sooner
2. Hiring too fast
3. Bringing in owners who don't meet our standards and still want to do it their way
4. Choosing to blame and punish, rather than learn and get better
5. People make mistakes in our business, and as the leader, how have I contributed to or caused these mistakes? Listen to the team, owners and guests.
6. Not switching to our own laundry facility quicker
7. Not doing a better job of direct marketing to past guests
8. Not hiring more realtors for our team several years ago
9. Keeping too many roles and activities with the company owners. Delegate sooner and let go
10. Not dedicating the resources for owner acquisition

# DENNIS GOEDHEID WITH CASIOLA

1. Thinking that managing vacation rentals would be easy. Spoiler alert: it's hard! Like reeeeaaally hard. 24/7 hard.
2. Not showing owners all the things we (often free of charge) do for them.
3. Not delegating fast enough. It's often so much faster to do small repetitive things yourself instead of writing a procedure and teaching someone else to do it. Until that's all you do all day.
4. Focusing too much on the guest experience instead of on the owner experience. Owners are the key to growth in our business.
5. Not building out a laundry facility sooner. It's so much easier to get a laundry system started when you have 20 homes, than when you have 200.
6. Holding on to underperforming employees too long, hoping they will get better if we give them some more time. You usually know within the first week if someone will work out or not.
7. Viewing every owner that leaves our management program as a personal failure. You will not be a match for every owner, and you have to learn that that's okay.
8. Not timely and proactively overstaffing in preparation for high season. You most likely will (unexpectedly) lose someone, cre-

ating a trickle effect and burning out the others, causing even more people to leave.

9. Thinking that we had to list our homes on as many booking channels as possible. 80% of your bookings will most likely come from 20% of your channels. Focus on your top five and really learn how to master them.

10. OTA bookings are NOT bad! Not a popular opinion in our industry, but it took me a few years to realize that the real cost per acquisition (CPA) for our direct bookings was actually almost twice as high than the commissions we paid to the OTA's in the highly competitive Orlando market. Analyze your costs and make sure that direct bookings are REALLY the way to go for your market. If not, embrace the OTA's, but manage them carefully so you don't get to depend on a single one of them.

# VALERIE HAWKINS WITH PERDIDO REALTY VACATIONS

1. Taking criticism personally (as in an owner complaint or notice to cancel contract) rather using experience as feedback and problem-solving.
2. Saying "yes" to onboarding underperforming properties. Beware of partial-year rentals, heavy owner use and owners who don't give you control of revenue management. Ask them the right questions during initial interview and just say "NO."
3. Waited too long to create and implement written Standard Operating Procedures for every department. We have a member of our leadership team who collaborates with managers to write all SOP's. They are modified as needed. She creates these amazing personal binders for leaders and staff.
4. Waited too long to hire an administrative assistant with HR background who handles all hiring and created an Employee Handbook which new employees sign off on. She also handles admin duties that were taking me away from business development and owner retention.
5. Waited too long to establish core values and business principles. DO IT ON DAY ONE. Share with leaders and all staff and integrate into daily functions.
6. Didn't jump into the VR community until invited to join an Advisory Board comprised of eight industry leaders. What a game-changer! Collaborating with really smart people to share

ideas and information is essential to growth and mental health! Attending the best conferences and small retreats is also essential.

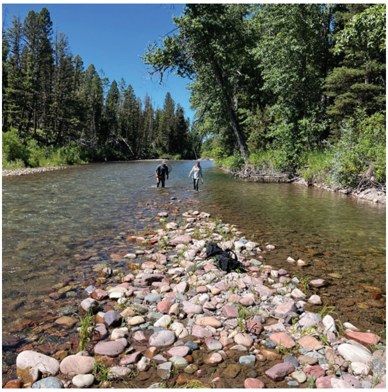
7. Failed to recognize the importance of formal marketing, revenue management and dynamic pricing. Now working with a contract revenue manager and professional (small) marketing firm.

8. Realizing that thinking outside-the-box is A-OK and way more fun than by-the-book!

9. Failed to see Owner Acquisition as strategic and Owner Retention as a correlation to company value. Hired Vintory to fix that. Formerly acquired properties by referral only and had no channels for distributing essential information to owners.

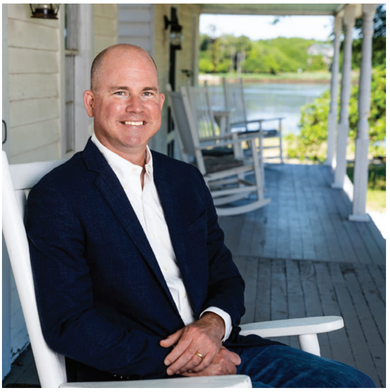
10. The big one – letting go, which means stepping back to allow my leadership team to work their magic, to grow personally and professionally, and experience the real meaning of success. Still working on this one!

# ADAM NORRIS WITH BLUE RIDGE MOUNTAIN RENTALS



1. Trusting technology products before testing their actual functionality in the field
2. Never hire a management level employee that does not have actual field experience
3. Forgetting humility trumps a resumé 100% of the time
4. There can't be too many verification photos of work in the field
5. Houses must be inspected every single check in, no exceptions
6. When it comes to integrity issues, there can be no second chances
7. Only rely on sub-contractors when the job isn't mission critical
8. Forgetting that phone calls trump emails every time for difficult situations
9. Just because something works well, doesn't mean it can't get better
10. Not having enough redundancy for peak periods as anything that can go wrong, will go wrong

# CLARK TWIDDY WITH TWIDDY & COMPANY

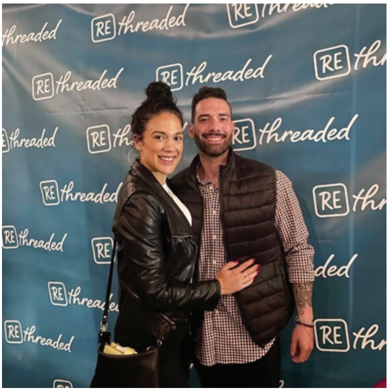


1. Richard Nixon once said that management was prose while leadership was poetry; I continue to reflect on the difference and composition between the two in terms of both our customer and staff experience.
2. While we are all prisoners of our lived experiences, it's been my observation that humility and curiosity are closely related cousins. I hope we've worked to make sure they grow as leaves on the tree within our company culture and beware their absence.
3. It is a privilege to earn responsibility in the service of our customers and staff. We strive never to forget our duty to them in our efforts and our choice in accepting it.
4. The extra mile, as my Dad would say, is seldom crowded.
5. The two most important words in our business are 1) trust and 2) listen. They are uniquely human in their application.
6. Be able to translate business language across sectors; the curse of expertise is that it confines us to our jargon on occasion. It's always been important to me that, as Steven Covey might say, in seeking to understand before we are understood that we make our business relatable to others in their own business language.
7. A trusted banker once gave me two golden pieces of advice that have guided me along the way: he said, first, that through hard

work we could have anything but not everything; and second, that we would never be able to buy a reputation.

8. Very simply, success comes through our ability to create value for others through the quality of our service to them. There is, happily, a nobility in that service.
9. John Wooden once said to try and make every day a masterpiece. That's tough to do in reality, but through self-awareness and self-reflection we are able to approach it. When we lose those things, happiness in our efforts becomes elusive.
10. This business, as with so many others, remains very simply all about people. It contains a lot of other things but everything is wrapped up in good people.

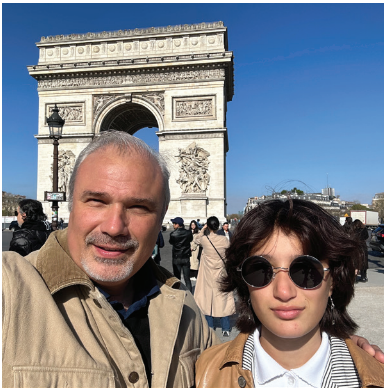
# ANDREW POKRZYWINSKI WITH JOSEPH ELLEN PROPERTIES




1. Keep plenty of cash reserves, plan ahead and set money aside for when things go south in the business so that you're prepared to weather the storm.
2. The term "fire quickly" applies to owners as well. Not letting rude owners ruin the synergy of your team.
3. Pay for a high quality bookkeeper. You will eat more capital doing it yourself or going the cheap route.
4. Not implementing the "Profit First" methodology sooner within our business.
5. Delegate sooner, Don't make the mistake thinking you have to do everything yourself. If trained properly, more often than not, your team can be better equipped than you in certain aspects of the business.
6. Alignment with your spouse or partner is key in the early stages. This can be a stressful business, lean on each other to excel.
7. Not bringing our cleaning team in-house or negotiating a revenue share earlier.
8. Not taking owner decisions/actions personally; at the end of the day, their decisions are best for their family.
9. Not building out a direct booking strategy from day one and putting $$$ into driving brand awareness.

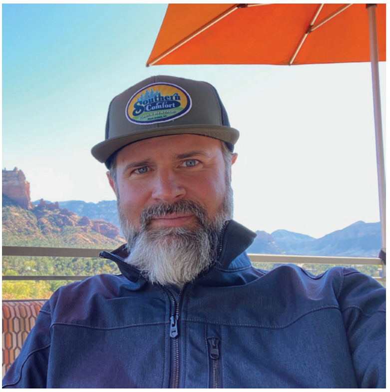
10. Build out your tech for the company you want to be, not the company you are at the time. What tech you choose amplifies your growth, and is no fun changing PMS's at 140+ properties.

# KOEN ROELENS WITH ROELENS VACATIONS



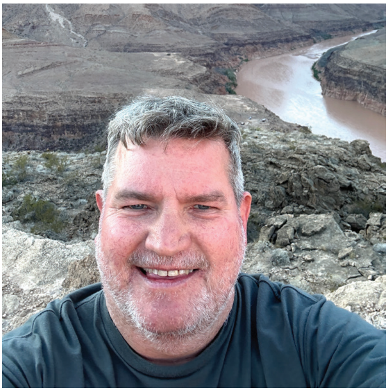
1. Not having used sooner some analytics like Cultural Index in the hiring process.
2. Working too much in the business and not enough on the business.
3. Not having made the time to write up our core processes.
4. Not fully understanding the data, not using the data to make the right revenue management decisions.
5. Regretting not having been sooner a member of a mastermind group.
6. Not being able to fire bad owners.
7. Not valuing, appreciating and trusting enough my employees: not understanding that hiring an integrator is the best way to prepare the business for scaling.
8. Not sooner having hired a business development employee, a personal assistant and owner relations employee.
9. Not understanding the power of clarity and not having simplified a complex process sooner.
10. Not understanding the power of having the accounting in order.

# CJ STAM III WITH SOUTHERN COMFORT CABIN RENTALS



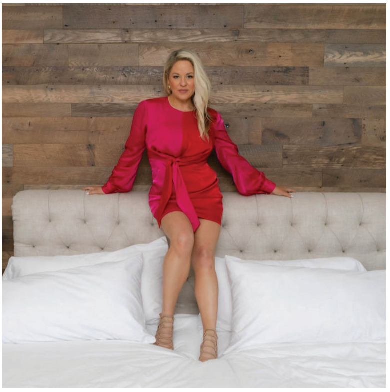
1. Not fully implementing EOS or similar business operating system that facilitated change management / improvements sooner.
2. Not moving faster on new ideas. Allowing distractions to delay completion of good ideas.
3. Keeping toxic employees for too long or allowing employees to harbor institutional knowledge in an effort to protect their jobs.
4. Allowing toxic owners to steal energy from my employees.
5. Not ALWAYS trusting my gut.
6. Believing what a sales person told me and going with the flow on select technology decisions without thorough due diligence or reference checking.
7. Allowing people to steal my energy and/or time on things that were not mission critical.
8. Slipping in to time periods of “Lack of Focus.” Trying to do too many things at once.
9. Not enforcing best practice or allowing people to get away with things that later became bigger worse things.
10. Discounting my own value. Falling in to the trap of the “guilt of irrelevance.” Feeling like you have be doing something to prove your worth.

# STEVE TAGGERT WITH MY GETAWAYS (UK)



1. Not establishing rules for growth and becoming a crisis manager.
2. Getting excited about new tech, without thinking of the REAL use and cost. Only invest in technology if it saves you money or improves your business operations.
3. Not keeping taxes in mind and structuring your business accordingly to minimize exposure.
4. Trusting OTA data over market data! OTA's prioritize their own profits.
5. Review your listings from your own perspective, not your guest's expectations.
6. Not making your HR watertight and ensuring your team understands what's expected of them.
7. Not seeking out advice from mentors and professional networks.
8. Not knowing your value and paying yourself accordingly.
9. Not showcasing your own skills and value to clients for fear of looking stupid.
10. Offering a cheap service rather than a good value service and not fully understanding your competitors' offerings to improve your own sales pitch.

# VALERIE GANGAS WITH JUNIPER HOLIDAY AND HOME



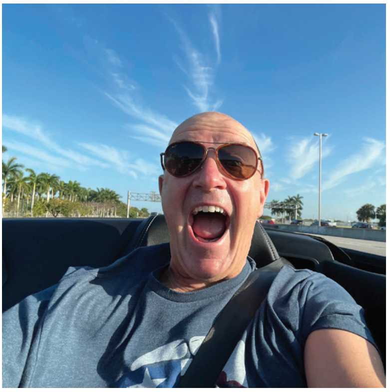
1. The mistake is operating without a budget and without tracking my P&L statement against my monthly budget. Thanks, Steve Schwab, for setting me straight.
2. Waiting too long to switch from "everybody does everything" to creating roles with specific job descriptions.
3. Not taking some time off regularly/working seven days a week for years on end (doesn't contribute to a balanced life or perspective).
4. Not getting a mentor right out of the gate. Why learn bad habits? Thank you, Sarah Bradford.
5. Being unaware of the industry knowledge via podcasts, attending conferences, and retreats. Stay curious. Endless a-ha moments!
6. Not using an HR person to help organize the company, including making sure we were doing our hiring, paperwork, etc., in accordance with various state laws. HR is a whole universe! Thanks, Sue Jones!
7. Managing my remote employees in the same manner that I lead an in-person team. It's a whole different world.
8. Not realizing how supported you can feel networking with other peeps in the vacation rental industry. They speak my language.

9. Not putting sufficient focus on building a training platform for new employees. Juniper University coming soon!
10. Invest with the end goal in mind of one day selling your company. Get yourself out of the day-to-day even if you never sell. Be the complete package deal for yourself, your sanity, and your team.

# ERIN LENHARDT WITH THE BRIGHTHOUSE

1. Not linking OTA iCals as a backup to PMS APIs, which sometimes fail (hello, double bookings!)
2. Not having a process in place to prevent and defend chargebacks when taking direct bookings or being the merchant of record
3. Not having a backup lockbox to the primary lockbox or smart lock
4. Failing to proactively change batteries on smart locks and smoke alarms, and then having to solve these problems as emergencies, now with angry guests
5. Failing to write everything down, so that I am the only person who knows how to do X, Y, Z
6. Not training housekeepers to checklists and requiring photos after each turnover
7. Not being diversified in markets and unit types (COVID wiped my SF-based business out in 2020)
8. Failing to have clear contracts in place or set limits on out-of-scope work
9. Not getting professional photos
10. Not watching and manually adjusting dynamic pricing

# ANDY MEDDICK FORMERLY WITH SEACHANGE VACATION RENTALS



1. Brand Positioning and Strategy. Waiting until almost two years into the business before figuring this out then having to rebrand.
2. Brand Positioning and Strategy for Owner and Portfolio Curation Acquisition Plan. Not having a clear idea as to how our "why" would be matched to ideal clients, ideal product mix, and service lines early enough. This led us to take the wrong client types and skewed inventory in the earlier years.
3. Brand Positioning and Strategy. Not driving this down to all levels of the organization to ensure the entire business is kept on message.
4. Staffing. Organizational Structure. Not figuring out an organizational structure to hire into quickly enough to save forays into inappropriate services.
5. Staffing. Not bringing Housekeeping, Maintenance, and Laundry in-house at the outset.
6. Staffing. Not hiring an Integrator charged with executing the CEO/Founder vision. This led to staff trying to go their own way, not following the needs of the business, and a CEO pulled into operational work.
7. Staffing. Hiring. Not integrating personality profiling into hiring decisions resulting in an over-reliance on skills and experience

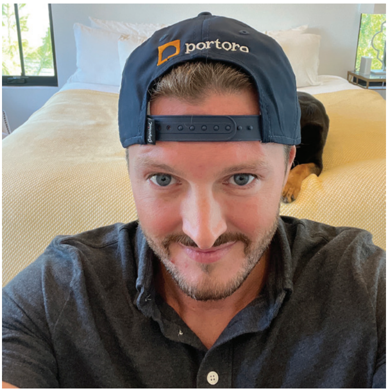
versus personality match to job needs. Associated with this – retaining poor hires for too long.

8. Revenue Strategy. Not staffing this as a physical department to tie in with Owner Recruitment and Owner Relations.

9. Owner Relations. Having too many staff working on this, slowing down response time.

10. Property Management. Not having a clear message that management of a property on an Owner's behalf is not the same thing as vacation rental management. Consequently, not establishing property management services as a physical department and paid service line for Owners. The commission charged to Owners for vacation rental management services is too low industry-wide, resulting in an over-reliance on fees to fund unpaid property services performed on an Owner's behalf, or worst-case scenario, important property services are not performed in a timely manner downgrading the Guest experience.

# DUSTIN ABNEY WITH PORTORO




1. Underestimating the power of a good team. Hire the best of the best and turn them loose. Industry experience goes a long way too. Don't hire on pedigree alone.
2. Wasting money on non-ROI items early on. Many get caught up in over-hiring and overspending in the early days and run out of cash too quickly, then are forced to make tough decisions. Be scrappy and lean as long as you can.
3. Letting yourself get distracted – shiny object syndrome. Stay true to your niche or focus. If it's not a f* yes, it's probably a no. Sacrificing your values and getting distracted will take you down the wrong path.
4. Getting caught up in the "need to do it all in-house mentality." Outsource then insource. Use off-the-shelf tech, outsourced experts, contractors, etc., until you can afford to and need to bring pieces of the business in-house.
5. Trying to build tech and tools too early. Use technology not for technology's sake, but use it to do more with less and invest in the plan early.
6. Underestimating the competition and ease of organic sales. People shop around and you need to know who is in your market or you look like you don't know where you operate.
7. Develop your value proposition and execute it 100% of the time. Know what truly sets you apart. If you can't do it, don't sell it.

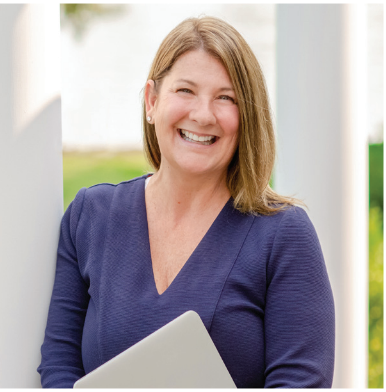
8. Losing touch with your front line and your guests.  Ask for feedback early and often from the people that are in the thick of it and your customers. When they tell you what's wrong, it could be too late.
9. Waiting too long and not prioritizing the marketing engine. Relationships take a long time to build. Start early and have a well-defined plan.
10. Forgetting why you got into the business and only focusing on the problems. Constantly find joy in what you do.  Have fun while doing it. Celebrate the wins!

# MAUREEN REGAN FORMERLY WITH SEASIDE VACATION RENTALS (MAINE)

1. Spending too much on the wrong things. The glitzy stuff doesn't help you.
2. The other side of spending too much on the wrong things is not spending enough money where I should have on important things as the company grew.
3. Branching out into somewhat related subsets of vacation rentals that were not really in our wheelhouse like commercial, condo and hotel management.
4. Not getting technology as soon as we should have. Once we had a good reservation and operating system, it was a game changer for us internally and set us apart in our area.
5. Not joining VRMA until we were ten years into the business. It was definitely the best move we ever made. From our first conference, when Stuart Couch invited our team to come to the Outer Banks to shadow his team, we made strides that were incredible from that point on.
6. Not initially being involved with the whole tourism community in our area. When you refer people to other area businesses, they refer people to you. Overall, getting people to come to Maine helps our companies and all of our area businesses.

7. In one instance, keeping a problem employee too long. I should have thought of it as a bad infection that made the whole team sick.
8. Trying to do everything myself at times. Not necessary and I'm not Superwoman.
9. Not reaching out to others in the vacation rental community more often for advice when it was needed.
10. Expecting things to go according to "Plan." (Ha Ha)

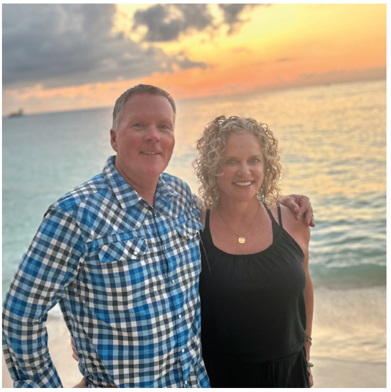
# DEBBIE LIPSCOMB FORMERLY WITH EASTERN SHORE VACATION RENTALS



1. Quantity versus Quality. When we were first starting out, we were eager for properties and took virtually anything. As our business evolved, we developed standards and even turned down properties that we did not perceive as being of the quality our guests expected.
2. Refunding guests for (valid) complaints. It's easy to just give money back, but does that really solve anything other than getting them off the phone? We began discouraging refunds and offering experiences instead. It signaled that we recognize no amount of money will change the guests bad experience, but we can offer to give you something more valuable. We would frequently give a sunset cruise, deliver kayaks, a crab feast or something that would take their mind off the negative and enhance their vacation.
3. Not hiring property inspectors soon enough. When we started the business in 2004, the industry buzz was to save money and "let the guest inspect." Bad idea.
4. Not taking frivolous guest complaints seriously. You have to remember that what is mildly displeasing to one guest may be a disaster for another. I learned to treat every problem with the same urgency.
5. Everything is fine until it is not. Be sure paperwork, procedures, etc., are always executed and buttoned up. No exceptions, ever.

6. Don't take your eye off your core business. It's natural to see other ways you can make money off reservations, start ancillary businesses, etc., but be careful that it doesn't compromise the mother ship. We tried a boat rental business and we spent a lot of time coordinating, and when things did not go well, the whole business got the black eye, not just the rental component.
7. Not going all-inclusive sooner. We realized we were spending way too much time fielding complaints about linens and towels, whether or not the guest actually brought a pet, etc. Once we went all-inclusive and included everything in the price, it all went away. This also simplified operations because beds were automatically made, etc.
8. Not setting the right expectations. It is natural to want to point out the positives and oversell a property, but that can really come back to haunt you when the guest arrives. Photography is a great way to say it without saying it. Show the ugly house next door, the bad bedrooms with the good ones, and anything else. Let the guest decide.
9. We switched reservation software and moved our office the Friday of Memorial Day Weekend one year. What were we thinking? I don't recommend.
10. Not attending conferences. You can learn from other property managers even if they have a different product than you, and it really helps to have some friends in the business!

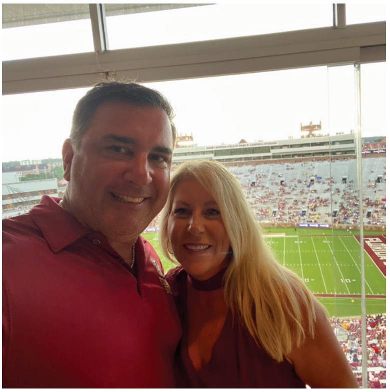
# KIRSTEN KING FORMERLY WITH BIG SKY VACATION RENTALS



1. Getting distracted from core business by implementing "new ideas." My need to "create" and my desire to be innovative diverted resources and staff energy.
2. Not hitting the pause button on acquisitions. It is really tough to say no to great owners and great properties, but the stress that onboarding put on our people and systems was often more than people could handle and contributed to burn-out.
3. Not implementing profit sharing with the most valuable and key employees.
4. Getting so caught in the daily frustrations or challenges that I lost sight of the great things we were doing and accomplishing. Taking things too personally.
5. Overseeing or having my hands in too many pots.... not enough delegation, freedom to fail. (Micromanaging)
6. Always being an early adopter. Sure you might be the "cool" kid and have the latest in the industry, but this came with a lot of pain when it came to implementation, i.e., data migration issues, integration issues, challenges with functionality, etc.
7. Not asking for help from my colleagues in the industry when I really could have used their expertise and advice. (Keeping things too close to the vest)
8. Not working hard enough on my management skills, continuing to push myself to be a better leader.

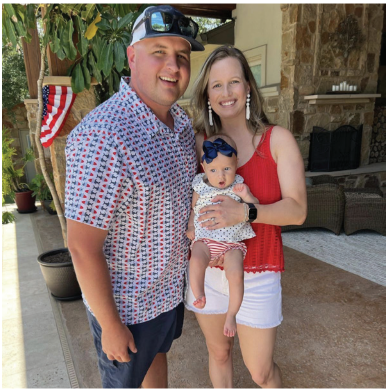
9. Not learning about EOS soon enough. Once we all read Traction and started Level 10 meetings, we accomplished a ton in the first year. I wish I had started down this path five years earlier.
10. Not mapping out five-year, three-year and one-year goals clearly and ending up having to “bolt-on” solutions to growth problems as we outgrew systems.

# LINO MALDANADO WITH SCENIC STAYS



1. Don't underestimate the importance of proactive communication to owners even when it's bad news.
2. Growing the skill set of your team is as important as your inventory.
3. The "basics" aren't differentiators, they're the basics. Rooms should be cleaned properly and your team should be nice and smile...
4. If it isn't in writing, it's not part of the deal. Document everything.
5. Not every owner is a good fit for your company even if their property is.
6. Remember without the owner's asset, you're not in business; side with them over a guest.
7. Vendors are an extension of your team, treat them as such and share in the success.
8. Every associate should be valued but also bring value to your business. If they don't, it's time to review your org chart.
9. Not original, but "Hire slow, fire fast," – the right people will accelerate your business, and the wrong ones will poison it.
10. Don't take yourself too seriously, you're selling vacations for heaven's sake...

# MATT DURRETTE WITH COZI VACATION RENTAL

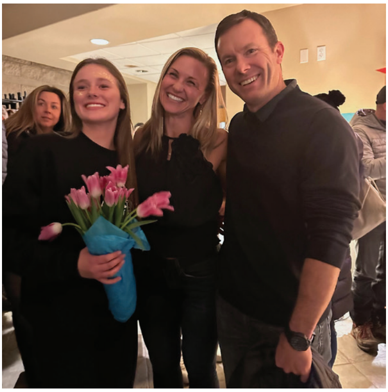


1. Waiting entirely too long to leave my full-time cushy job to pursue my own successful proven business model knowing I wasn't happy in my full time job.
2. Operating from a position of fear in a big or critical business decision versus taking action to address and fix the situation from a position of strength.
3. Allowing team members to stay in the wrong roles and assuming that since a team member or employee did a fantastic job in a certain prior position that they would be great fit in a different department or promotional role – only to be disappointed; but then to no longer have this person a part of our team because they failed in their new role as it wasn't within their skillset or fit.
4. Not truly understanding how critical company values and culture really are to the organization. Without them, your company will 100% fail or struggle long term. Furthermore, realizing that the company values that we instilled across the company truly do come from the company owners' core beliefs and values.
5. Not implementing a true enterprise operating system like EOS across the company.
6. You can't run your business effectively unless you take care of yourself physically and mentally. Working 80 hour weeks only sets you personally up for failure long term as it sets a false standard for your team, employees, and your owners. That kind of lifestyle will burn you out and will make everyone think you're

available 24/7. You will also end up neglecting your time with family and friends.

7. Not networking enough or speaking enough at conferences. Your network is net worth.
8. Not holding team members accountable due to fear of not finding the right employees within our tourism market where talent is thin. This will drastically affect your culture and spread like a cancer through your organization.
9. Not listening to your intuition when you knew something wasn't right or when you knew you should have pulled a trigger on a decision.
10. Shiny Object Syndrome. Going after business ideas or opportunities that are not within your core scope of business.

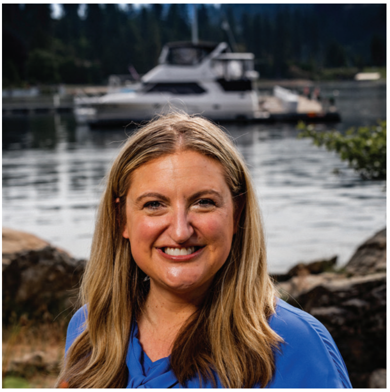
# KEVIN JONES FORMERLY WITH LATITUDE 38



1. Ownership. If you plan on keeping your company for a while and staying (relatively) small, then NEVER give up majority (ownership) control.
2. Growing too big, too fast. Have a plan and know your cash flow. The lack of preparation will hurt you, your guests, owners and your brand. Know the difference between growth and profitability. Having more properties for the sake of having more homes to satisfy your ego is different than having more, profitable homes.
3. Bending the rules – with guests+owners+employees. Try very hard to NOT do it. For example, you have a cancellation policy – try to stick with it. Your management fee is set, so don't give a client a concession in order to add that one "special" unit. Or, if the rule is no dogs in the office, don't allow someone to bring their new puppy "just this one time..." Try to hold the line.
4. Not starting out with a higher Owner management fee. Once you set it, there is no turning back... FYI – you deserve it every penny.
5. Hiring when there "might be" cultural fit. Then, trying to change that person to make them fit, and finally not letting that person go fast enough when you realize that they are truly NOT a fit. You work in a small office and in a small town. Make the hard decision to remove the bad seed before they negatively impact all facets of your company.

6. Forgetting to prioritize communication. Timely communication is the key to everything. Communicate the good news. Communicate the bad news. And know that no communication is never a good strategy.
7. In an effort to not fail, I tried to involve myself in all matters; I forgot to trust the team. Set very clear roles and responsibilities, set expectations and goals; then hold people accountable. You simply cannot do everything by yourself.
8. Getting distracted by shiny objects. Stay focused. Do that one thing really, really well and try not get distracted by non-core activities.
9. Not raising billable rates and fees over time. Don't set your hourly rates or housekeeping fees once and forget them. Update them annually.
10. I had bad days. If I received bad news, or was having a hard day, the team would often be impacted by my mood. I learned that I couldn't let that happen. Simply stated, the CEO can't have a bad day, so be sure to take care of yourself. You are the face of the company. Your mood and attitude impacts everyone whether or not you know it. Your attitude can't (won't) be perfect every day, but being aware of your non-verbal impact on the company environment is huge. Figure out a healthy way to deal with stress or the bad news of the day and do so privately. Go workout. Go on a hike. Take a ten-minute walk (without your phone). Take care of yourself so that you can lead the way forward.

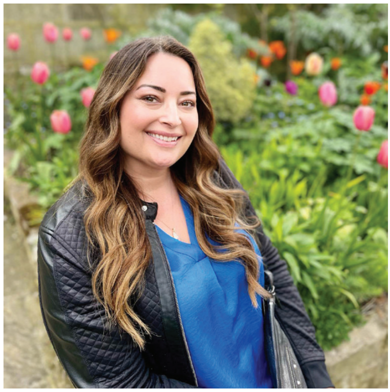
# CHERYL LANTZ WITH VACATION RENTAL AUTHORITY



1. **Display ads.** Glossy magazines and compelling ad copy are tempting, but promised ROI never seems to materialize. Instead, VRA opts for a high visibility office and digital ads – affordable, flexible and easier to track.
2. **Low cost office.** After WFH for a year, I selected an office with minimal visibility in exchange for ultra-low rent and both were a mistake. Once VRA invested in a high-visibility office, the positive impact was quick: increased credibility, community-wide brand recognition, and high traffic marketing opportunities.
3. **Employee vehicles.** Even well-meaning team members may roll into the office on fumes, or with an unreliable vehicle. We found company vehicles mean one less obstacle to attracting and maintaining a dependable, loyal team.
4. **No onboarding fee.** Signing new properties without any upfront fee was a huge mistake, as a surprising number of property owners would commit without thinking it through. The resulting loss of time and money was eliminated once we instituted an onboarding fee. Lesson learned!
5. **Owner linens.** After dodging guest complaints about subpar quality, and owner complaints about irreplaceable sheets, VRA now provides all linens and towels as part of our commission-based service.

6. **Laser-like focus**. Commissions are tiny and demands are high! To enhance profit margins, VRA added a tourism service for our existing market (boat rentals).
7. **Heavy on seasonal staff.** Due to a ten-week peak season, the majority of our lake town runs on seasonal labor. Investing in a highly engaged, year-round team (supplemented with vendors seasonally) was a game-changer. Keeping annual cost the same, we increased pay for an experienced team, improved guest experience, and minimized the annual hiring burden.
8. **Feeling alone.** After attending my first conference year four, I never looked back. Despite the unavoidable gut punch of ticket prices, the support of fellow VRMs is absolutely priceless.
9. **Fighting guests over damage.** VRA stopped convincing guests to take responsibility for minor damage. Instead, we implemented a damage waiver, avoiding admin hours, insurance claims and breaking even. Result: happier guests, money for repairs and a happier team.
10. **Appeasing bully clients.** Although there will always be challenges, most owners are willing to have a conversation. Those who won't discuss with a win-win mentality prove costly to team morale and the bottom line; so sending them swiftly away (with love) is a must.

# LESLIE ANNE MORRIS WITH INVEST IN THE SMOKY MOUNTAINS

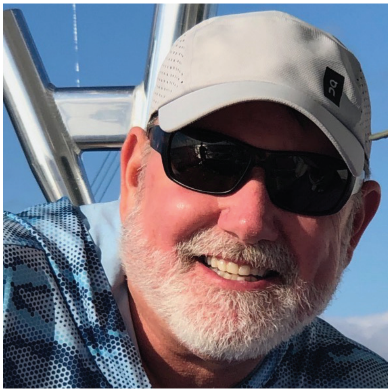


1. Saying yes to too many opportunities too quickly. I am always quick to act and get excited about the possibility of everything! This results in speed to result, and sometimes speed to failure.
2. Spending heavily on marketing with the hope that it will all work out. Sometimes a direct ROI cannot always be correlated to your efforts. Will you be okay with not being able to tie results to dollars?
3. Having employees in jobs that aren't directly suited to their skills. When I was working on my master's degree at the University of Southern California, I learned that sometimes you should lean into roles that aren't necessarily suited for your skill set, and this is how you grow. However, when scaling a new company, this isn't always the best approach.
4. Saying yes to every single traveler demand. The customer is always right! Or are they? When a traveler books our cabins through Airbnb or VRBO, they sometimes seek a discount. We find that the travelers whose stays we discounted nit-picked other details in the hopes for more discounts.
5. Not giving owners clear instructions after onboarding their property. This caused confusion around who to contact for certain needs. Today, we use a team-shared email box which has cut down on unnecessary circle backs.
6. Not creating shared tools for team members fast enough. Frequently communicating through text messages has its perks –

quick and easy – but when we would try to refer back to these previous conversations the communication was quickly lost.

7. Not understanding the value of close vendor relationships, or all of the services that industry vendors can provide. Don't be afraid to lean on vendors and learn how they can really support you.
8. Underestimating the amount of work you'll have to put in when starting a business in this industry. I started as a solo investor – buying cabins by myself with no partners and self-managing them. Pivoting to a full-service property management company and offering services to others is very complex and adds layers to your existing day-to-day processes.
9. Not communicating a clear strategy to everyone involved. Getting clear on what you want and where you see your company heading is so important. But, you must clearly communicate this strategy to team members and vendors, to truly see this strategy come to life.
10. Not celebrating the wins! Not everything is negative, even some positive things can be mistakes. Not taking the time to celebrate your wins and shout them from the rooftops is a huge missed opportunity for you to let everyone know what you're doing so that they can cheer you along. This is your journey to building an amazing company and brand, so share the wins frequently and often.

# JASON SPRENKLE FORMERLY WITH 360 BLUE



1. Accounting – Don't wait to get a strong accounting team in place. It is the foundation of your data-driven metrics. Even when you're small, start with great accounting. Clean-up is too hard.
2. Branding – You're selling an experience, so lean into incredible branding early. Your brand should always make you look a little bit better than you are.
3. Data – Invest in the process of gathering and simplifying the data that you need to run your business efficiently and effectively. You can't be everywhere, and there's too much to manage at any given time. Invest in great data so you can make efficient decisions and know where your time is needed.
4. Begin with the end in mind – Find Jacobie Olin, Ben Edwards, or Simon Lehmann, and understand what truly drives the value of your business. Then get up every morning and aim at those targets.
5. Get away and think – The vacation rental business is particularly good at sucking you into the day-to-day. There is always a guest, owner, or employee that needs your attention. Take time away to think about what the needle movers are that could change the direction of the business.
6. Get out of the way – Find great people and get out of their way. It took me too long to get out of the way of the amazing CEO we

found. And she taught me that if you can't get out of the way of your team leaders, you've selected the wrong leaders.

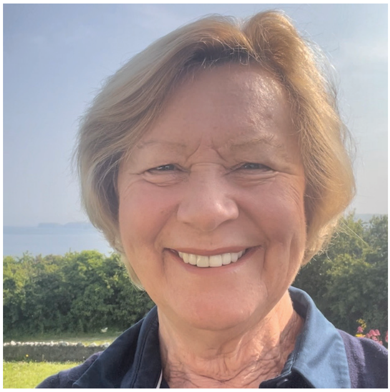
7. Prioritize – Set clear company goals and priorities and keep the list short and focused. Then get super-focused on the handful of things that need your attention.

8. Firing Owners – Some customers are just not worth the impact on your business, your branding, your bottom line, and most of all, the impact on your employees. Fire from the bottom yearly at a minimum.

9. Budgets and goals – Have clear, well-defined monthly goals and objectives. You don't have to be cost-conscious or profit-focused out of the gate, but you have to know where you're going, and you have to measure it – monthly! It's the only way to keep yourself and your team accountable and focused on the right things.

10. Owner communication – You can never have enough owner communication! You build trust and relationships with open, honest, transparent, and frequent communications. There is very little that can't be cured with great owner communication.

# HEATHER BAYER FORMERLY WITH COTTAGELINK RENTAL MANAGEMENT

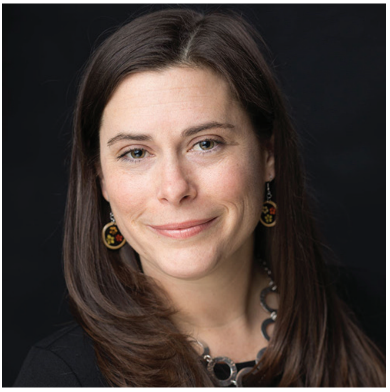


1. Getting caught up in the bells, whistles and promises of a property management software company without doing full due diligence. It took up six months of our time, thousands of dollars, and a huge amount of stress, to ultimately roll it back when we realized it was not compatible with our Canadian tax system.
2. Allowing cost to dictate software choices rather than planning ahead to the cost savings we'd make in the future by going for a higher quality product.
3. Leaving ourselves and our owners open to liability issues by not implementing a safety program earlier. Looking back, we dodged bullets on multiple occasions, when situations occurred that were preventable.
4. Not having a clear business development strategy or doing a regular SWOT analysis from the start, meant we missed out on opportunities for growth early in the business. Because of this we took way too long making business decisions which could have been achieved with focused business planning and goal setting.
5. Failing to realize that hanging onto high performing properties didn't make sense if the owners were a drain on resources, and a cause of stress to the team. We let our highest performing property go because the owners were horrible to deal with.

Happily, were able to replace it with some great owners with even better properties.

6. Letting issues fester and hoping they would go away rather than tackling them promptly. Trust me – they don't go away, and when they come back a year later to get the issue resolved, it's a lot more challenging (and costly) to deal with.
7. Using a set-it-and-forget it strategy (which was not a strategy) on rates, and not exploring revenue management ideas because we felt the data in our market was too sparse. Getting excited early in the season because we booked up early without thinking it might have been because rates were too attractive.
8. Not creating an alliance with other managers earlier. Once we formed this, we realized what we had been missing. Great networking, sharing of best practices, support in difficult times (through the pandemic), togetherness in battling regulatory issues, and enduring friendships.
9. Not having a structured owner acquisition plan meant we failed to follow-up on leads that didn't respond to receiving our owner package. We lost a lot of potential owners by not adding them to an email list and staying connected with them.
10. Not appreciating that owners have different needs and expectations. Some want hand-holding and reassurance, while others were happy to let us run with it. And not all are hospitality focused and need a clear understanding of why we were asking for more investment in amenities. Onboarding is so much more than posting a listing!

# JODI TAYLOR REFOSCO FORMERLY WITH TAYLOR-MADE DEEP CREEK VACATIONS



1. Trust your gut. This goes from hiring and firing to knowing who to onboard as an owner or not. Sometimes you know what your intuition is telling you, but you are swayed by outside influences or the demand you have at that moment. If it does not feel right, it probably isn't.
2. Don't just hire warm bodies. We have all been there. When the stress of peak season arrives and you are short staffed, don't let quality control fall by the wayside. Hiring just to fill a spot can cause headaches in the long run.
3. Know when to fire. When a team member is consistently unreliable – even if you need the help – cut the strings ASAP. You are better off being shorthanded and scheduling around it than dealing with last-minute call offs that leave you scrambling.
4. Always remember, "This too shall pass." I must constantly tell myself that. Keeping this mantra in mind will help you avoid knee-jerk reactions like emails written out of anger. Sleep on it. The next day, you always have a clearer head (but hey, if you slept on it and it is warranted – have at it). This is a relationship business, and we always say don't take it personally. But it is personal – all of it. That is why you do well and continue to improve – it personally matters.

5. Do not get involved with office gossip and try to nip it in the bud quickly. Always go straight to those involved to get the real story should you need to intervene.
6. Don't spread yourself too thin and watch the numbers. Even though there is a need for something to be filled, it does not mean you "need" to be the one to fill it. Analyze it, watch the numbers, and balance the need with the risk.
7. Do not wait too long to fire an owner. If you are feeling frustrated with them, so are your employees. If anyone is badgering your staff and has unrealistic expectations, cut them loose. You are better off, and they may be too.
8. Take liability issues seriously. Make sure your staff understands this as well. Have ongoing training. Also, make sure you are completely protected. Have a system of checks and balances for safety inspections, repairs, etc., and keep records of them.
9. It is okay to say "no." Whether it is unrealistic requests from an owner, serving on boards, or volunteering at events, only say "yes" to what matters to you the most. Prioritize your personal time.
10. At the end of the day, the company is your work/life legacy. You put everything into it. If you are not comfortable with big a change, don't do it.

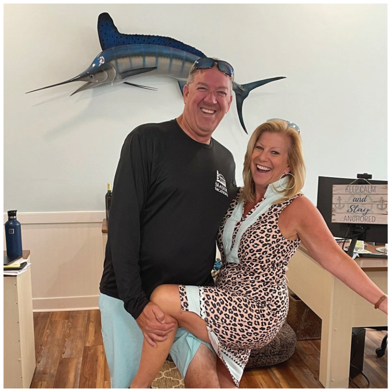
# DAVID ANGOTTI FORMERLY WITH SMOKYMOUNTAINS.COM PROPERTY MANAGEMENT

1. **I Hired Key People Too Slowly.** Hiring too slowly hampered our growth. Eventually, we hired Miriam Ramsey and her background in restaurants and hospitality made her a perfect fit. Instead of waiting for all the math to pencil out perfectly, I would have hired her earlier and the numbers would have sorted themselves out.
2. **I Wasn't Consistent At Excellent Owner Marketing.** Our company did a decent job at owner marketing, but consistency was an ongoing issue. I should have created the minimum acceptable standards for both homeowner marketing and our new units funnel along with a well-defined plan to achieve it.
3. **I Neglected My Own Health & Happiness By Not Putting Boundaries In Place.** I had a mantra of "Treat each owner like they are the only owner" and I lived by it. That came at a personal cost as I gave up exercise, date nights, and would let owners interrupt critical time with my wife and children. Boundaries are a must.
4. **I Focused On Developing The Wrong Technology.** Instead of developing technology to save money, I should have stayed laser-focused on building technology that was going to provide us a unique advantage over everything else on the market and not on saving money.

5. **I Waited Too Long To Make Friends with Small PMs and Single Property RBOs.** It took me years to realize that smaller operations had valuable insight and ideas. Thankfully I learned to listen to great ideas from all sources, not just large companies.
6. **I Didn't Know My Customer Acquisition Cost (CAC) By Channel Soon Enough.** Early on, I would make decisions on gut or emotions – they weren't usually correct. It is imperative to know how much a booking costs from your own website, Airbnb, or Vrbo. Once you know that, remove the emotions and scale the correct channels.
7. **I Should Have Befriended Competition Sooner.** Instead of fearing the local competition, I wish I had made the effort to grab lunch or drinks more often. These meetings could have been helpful opportunities to discuss technology, city regulations, and work on advocacy together.
8. **I Did Not Have A Proper Disaster Mitigation Plan in Place.** In 2016, there was a significant wildfire in Gatlinburg and the surrounding cities that was a company-wide threat requiring an evacuation of 100% of our units. All the disaster plans I had created were based on our office being operational and the threat impacting a small area.
9. **I Assumed Everyone Was Like Me.** As I created processes and tried to understand the mindset of our guests, I made an assumption that the general public was just like me. This assumption led to an incorrectly designed business model and prioritizing the wrong things based on the squeaky wheel.
10. **My Prevailing Attitude Was Naive Optimism.** When I entered the space, I overestimated my own abilities and knowledge of the VR world. I saw a few things I could do better and assumed I could do everything better. This judgment error led to significant challenges that made property management unnecessarily difficult.

# LANCE AND ELAINE STITCHER WITH SEASIDE VACATION RENTALS AND SALES

## LANCE STITCHER




1. Overstaffing in Business Development. Vacation Rentals are truly focused around relationships. 90% of the growth came from the right people, with the right relationships. Biggest mistake ever!
2. The technology rabbit hole. We onboarded the latest and greatest guest app and it had a ton of shiny new features, and the sales team was amazing. We didn't have the human capital to make it work. We also made the leap from an all in one PMS to a standalone PMS that required a third-party website. It takes a ton of human capital to build and launch a new website, let alone two in one year.
3. Cutting service levels in the name of profitability. This was the beginning of the end. We had built a very successful brand that was growing rapidly. A new CFO was hired at the Enterprise level who (while brilliant in the finance sector) had no understanding of hospitality. The writing was on the wall that things would never be the same. This lead to stage two:
4. I bought a Camera. No lie, it was one of the first purchases we made, and Elaine told me it wouldn't work. We hired a Professional Photographer – BEST DECISION EVER! The amazing unintended consequence was that we captured 30% of the

local real estate market in a matter of months which fueled our growth from that day forward.

5. Learning when to hire, and how to delegate. We should have started sooner.
6. Taking on the wrong property for the right reason. Holding on to the right property for the wrong reasons. To this day, we still manage the first home that signed with us. We probably shouldn't, but for nostalgic reasons we just can't pull the trigger. Fire bad owners quickly… while they may put dollars to the P&L, the withdrawals on the human capital side weren't sustainable! This leads to stage three:
7. Continuing to think small. I still wake up many days as if we still manage 25 homes. It works out in most situations, as we refer to ourselves as a "Mom & Pop, small business with big technology." That said, we've long since surpassed being "small," which leads to:
8. Not establishing an HR protocol soon enough. Elaine & I continued past 50-75 properties with very little help. We were incredibly efficient. This is when we should have laid the groundwork for HR.
9. Not bringing Services in-house soon enough. We began to bring cleaning in house at around 75 properties. We had most of our eggs in one basket with a cleaning contractor. That contractor walked out Memorial Day weekend of 2020… yes, the week we reopened from COVID. The second item in this area was building a laundry facility. We simply couldn't afford to do it when small, but bringing a laundry program online, from scratch, for 375 homes is a much larger task than anticipated.
10. Understanding Growth, Profitability, and the Relationship between the two. Since my first day in this industry, I've been in a growth mindset. Know that there are stages to profitability. You may be a well-oiled machine managing fifty properties, but taking on two more that are a few miles away may turn that upside down. More staffing, more tech, more stress & worry. Once you add in the horsepower to surpass that level, you won't reach the same profitability plateau until you are ready to level up again. Growth is expensive, and year one is usually not the best year for any individual property. It takes time to develop marketing credibility for any home.

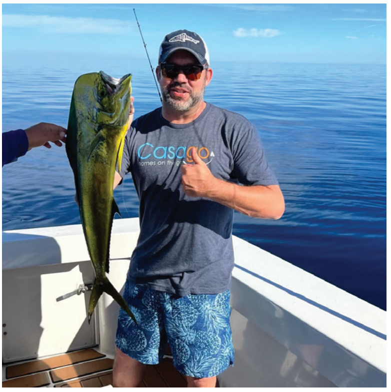
# ELAINE STITCHER

1. Not listening to my gut when hiring, and hiring for experience/skill rather than culture. Nine times out of ten, your gut doesn't let you down. Waiting too long to hire – we had it covered! But we were also working 24/7. Waiting too long to let someone go once you realize you didn't listen to your gut. Don't waste your time or theirs. Involve your Team in hiring and firing – they usually have a lot more to say about this, if you actually include them. First time we let someone go, it wasn't until after they were gone that our Team told us things that were happening, and how this person was making them feel, and we had no idea. They speak up freely now, and I'd have it no other way.
2. Waiting too long to hire Marketing help and trying to do it all myself. We grew our business from day one with Social – we had no money, and it worked brilliantly! But, there were so many other things we should have been doing – and I couldn't find any more hours in the day.
3. Not adhering to the company policies we created in the beginning – when we only had a few employees, and realizing how difficult it is to follow them more stringently now that we're larger. Get your HR in order while you're small! Only do for one, what you can do for all. You may think your Team won't share secrets, but if they're as close as ours are – they will, whether you like it or not.
4. I second Mike Harrington on this one – worrying too much about what your competitor is doing. Unless we become complacent, they'll never catch us. Letting the fact that our largest competitor mindlessly copies us gets to me – frustrating when we do all the work, right? Wrong – it just means they don't have the strength and creativity to actually ever be a threat.
5. Not being better about letting our lowest producing/highest maintenance properties go annually. Lance mentioned our very first property – yes, it's sentimental, but they haven't updated it in all these years, and it's time for them to update or go. Look at your inventory every year, and ask, "Which of these is hurting our reputation, taking our Team, or deflating our Team?" – and then say goodbye.

6. Owners – Again, follow your gut. It's a bit like dating – if you don't get warm fuzzies from the beginning, it's probably not a great match. Don't allow Owners to alter your contract, or tell you how things should be done. This confidence grows the longer you do this, so speak out. I wouldn't hesitate to explain to an Owner that we are the experts, we're great at what we do, and they need to step aside and let us do our thing. If it doesn't feel like a good match – you may have to let them walk. But always maintain excellent communication with your Owners – as you are a Team, and we want to grow together.
7. Maintenance – As you grow and hire more Maintenance Techs, make sure they're doing the simple things like changing lock batteries and smoke detectors BEFORE they die. No one wants to get that call at midnight that a guest cannot get in or sleep because it's beeping. But when you're small, it's hard some days to just get through what HAS to be done, let alone be proactive. But do it, you'll be glad you did.
8. Community – Get involved! Show your community that you're not just here to make money. Show them you care, and you're here for the good times and the bad times. Let your Team get involved with charitable work, and let them do it on the clock when time permits. Encourage them to do this, and lead them by example. We say "yes" to almost everything – sponsor the little league team, the Food Bank (we have a food drive all year long), share with everyone you can – remember when you couldn't afford to do that? It feels amazing to give back. This is about as Local as you get, and as I always say, "You can't fake Local."
9. Let your Cleaners and Inspectors know how much they truly matter. Pay them well, treat them like family (or better depending on how you like your family, ha!). The fact is, we are nothing without them. They need to know how much they do matters to our entire business – in so many ways, they're the most important part of the puzzle. Don't assume it's just your key people that need the love. They're scrubbing toilets and dealing with disrespectful guests at times, and it sucks. Let them know you appreciate them.
10. Growth – Lance and I don't always see eye to eye on this one, and that's probably a good thing! He's about full speed ahead, and I am more conservative. But between the two of us, we want to be sure that we don't become so large, we lose our

“us-ness.” The day an Owner, Guest, or one of our Team feels as if we have so many, they don’t matter, we have failed. Never stop showing them that even though you’re growing, they’re as important as they’ve always been.

# STEVE SCHWAB WITH CASAGO




1. TODAY'S COMPETITION IS KEY TO TOMORROW'S GROWTH

I underestimated the value of befriending competitors. Building trust and caring for them has fueled my growth. While remaining competitive, I offer honest advice and cheer for their successes.

2. A VERBAL CONTRACT WON'T HOLD ITS WEIGHT

Our world is a reflection of our intentions. I believed that people would do the right thing without a solid contract. Trusting in humanity is good, but a well-written contract is essential.

3. YOUR HOMEOWNER SELECTION WILL DETERMINE YOUR SUCCESS AND HAPPINESS

Taking on the wrong owners hurts. Owners should be consulted on product decisions and customer recovery choices. A misaligned owner taints the ability to offer quality service that reflects your vision.

4. YOU CAN ONLY BE A LOCAL IN ONE PLACE

When opening my first expansion city, I replicated my previous approach. However, I realized the importance of adapting to the unique homeowner expectations and local culture. Aligning with the community is key to achieving growth.

5. SELF-CARE IS CRITICAL TO THE HEALTH OF YOUR BUSINESS

Neglecting my health due to business commitments was a mistake. Like any aspect of the business, ensuring pride of ownership and maintaining equipment is crucial for lasting success.

6. OPERATIONAL EXCELLENCE IS VITAL, BUT HOSPITALITY UNLOCKS BRAND LOVE

In the early 2000s, I saw the company as a clockwork operation, emphasizing excellent service but neglecting the necessary human touch for hospitality toward our guests and homeowners.

7. COMMUNICATED AND PRACTICED PRINCIPLES TRANSFORMS CHAOS INTO COHESION

Initially, I inspired my small team personally, sharing our company's vision, values, mission, and purpose. As the company grew, I realized the importance of formal training, clear values, and consistent procedures to scale beyond myself.

8. TECHNOLOGY SHOULD MAKE US BIONIC

Previously, finding property management software results was difficult. But with tech advancements, we gained efficiency at the expense of human connection. Casago prioritizes the human touch, love for homeowners, and genuine hospitality to restore that essential element.

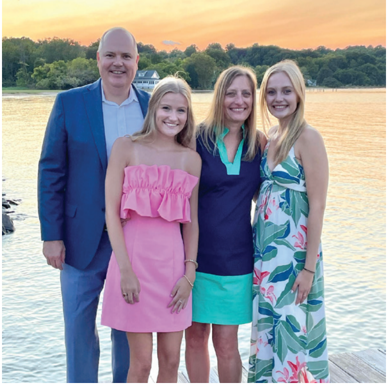
9. EMBRACE A "BEGINNERS MINDSET" EXPLORE NEW IDEAS WITHOUT CONCERN FOR OTHERS' JUDGMENT

With more experience, we're expected to be experts. However, fearing judgment for asking basic questions limits our knowledge growth. This mistake renders the old guard irrelevant, while the industry's pioneers embrace innovation and progress.

10. HAVE HARD CONVERSATIONS FOR YOUR TEAMMATE'S SAKE

Avoiding difficult conversations for fear of losing a team member is a mistake. I call it "getting off the eggshells." Being aware during tough times is crucial. Uncomfortable yet candid discussions build trust and safety in a team.

# BROOKE PFAUTZ, FORMERLY WITH VANTAGE RESORT REALTY



1. Not understanding the lifetime value of new inventory and truly how valuable it was to the bottom line and business valuation. Additionally, not understanding the Holy Grail of all inventory metrics: Lifetime Value to Customer Acquisition Cost (LTV:-CAC).
2. Taking on the wrong properties and not focusing in on just a few key buildings in our market. Furthermore, not requiring certain standards for these properties early on. These mistakes caused incredible operational inefficiencies, low profit margins and poor guest experience.
3. Not truly understanding how important recruiting and building out a team was to the success of the organization. I should have made this my primary job as CEO. Furthermore, not hiring an Integrator / COO / GM role to complement my wide and vast weaknesses.
4. Not leveraging psychometric personality assessment tools earlier to get the right people in the right seats.
5. Short-sighted thinking that everyone needed to be physically located in our office/market and not taking advantage of remote workers.
6. Not running a structured business operating system like EOS.

7. Not charging a higher guest fee to offset the abnormally low owner commission in our market.
8. Not leveraging a CRM and marketing automation platform for new inventory acquisition. We lost dozens of new contracts per year by not having automated follow-up in place.
9. Not proactively extending an olive branch to local competitors to build out a local network.
10. Not trying harder to work out co-founder conflict issues so that we could have gone long.

# PART 2

## TEN MISTAKES SUMMARIZED

# 1. STRATEGY

## "IF YOU DON'T KNOW WHERE YOU ARE GOING, YOU MIGHT WIND UP SOMEPLACE ELSE."

– Yogi Berra

It would be easy to say *every successful vacation rental business starts with an effective strategy*. But that would be a lie. Some of the best VRMs I know today didn't start with clear goals in mind. Such was my story.

When I first launched Vantage Resort Realty in Ocean City, Maryland, I was bold and ambitious. But the only problem was I didn't know what I was doing and ended up learning a lot of key strategic lessons the hard way. Finally, I got to the place where I realized I had to shift my mentality. Without an effective strategy, either I or the business was going to collapse.

I say this because if you're like many VRMs, you got into this business not knowing what you didn't know. Perhaps you had lofty goals, but you didn't understand how to craft a realistic plan to reach them. And as a result, you struggled.

Among the fifty plus VRMs I surveyed, it's clear that strategy was one of their major challenges as well. In the words of the great philosopher Yogi Berra, "If you don't know where you are going, you might wind up someplace else." Without a strategy, you're wandering around in the dark, trusting in hope over reason. And hope is never an effective strategy.

After pouring over the hundreds of paragraph responses from VRMs, I noticed some consistent themes and believe there are a few key reasons we struggle to strategize as we should.

# CHASING SHINY OBJECTS

The first reason is we have this unhealthy fascination with shiny objects. When asked to list one of his greatest mistakes, Dustin Abney said, "Letting yourself get distracted – shiny object syndrome." As he pointed out, it's imperative to, "…stay true to your niche or focus. If it's not a f*** yes, it's probably a no. Sacrificing your values and getting distracted will take you down the wrong path."

As I thought about Dustin's words, my mind went back to my own journey. Focus wasn't one of my strengths in the early days of Vantage. While I may have fooled some people by acting like a disciplined and detailed person, the truth is I was just like Dustin and struggled with shiny object syndrome.

And the real problem with shiny object syndrome is it distracts our focus. As Kevin Jones' writes, "Stay focused – what is the core business that you are in? Do that one thing really, really well and try not [to] get distracted by non-core activities." I think Leslie Anne Morris speaks for a lot of VRMs when she admits, "I am always quick to act and get excited about the possibility of everything! This results in speed to result, and sometimes speed to failure."

As Justin Ford, formerly with On the Water in Maine, said, "At one point, we had over 30 boat rentals, a baby gear rental division, and did grocery provisioning. We finally realized we could make more income and save time by adding just two great property listings." This discovery Justin made points us back to the power of focus.

Confucius famously warned, "The man who chases two rabbits, catches neither." And we could apply this same statement to vacation rentals. Chase too many opportunities and you'll end up with nothing.

The longer I've spoken with people in different industries, the more I've realized shiny object syndrome is far from just a Justin Ford, Leslie Anne Morris, or Dustin Abney problem. It's prevalent in all industries with all entrepreneurs, but especially noticeable in the vacation rental market.

The solution for this syndrome is to become laser-focused on your objective and turn down every opportunity that pulls you away from your intended destination. Warren Buffett said, “The difference between successful people and really successful people is that really successful people say NO to almost everything.” This is a statement I’ve tried to replicate in my own life.

Every VRM wants to be successful in this industry. And it’s tough to turn down opportunities that look like they might offer a fast-track to an intended destination. But this is where we need to slow down and focus on what matters most.

## EXPANDING TOO FAST INTO NEW MARKETS

After just starting Vantage, rather than dominate my area in Ocean City, I wanted everything at once. And even before developing my first piece of inventory, I drew a map of the entire United States and crafted a national plan to expand. (Crazy, I know!)

I was hopping all over the place to locations like New Jersey, Delaware, and North Carolina, but struggled to focus on my own backyard. I wasn’t even good in one market, and I was naïve enough to think I could be good in *multiple* markets. Looking back, I can’t believe how stupid I was.

But as it turns out, my story is far from an isolated one. “We were very strong in the Orlando market and thought we could march into other markets and dominate,” Steve Trover said before offering this word of caution: “It’s not as easy as you think, and the owners and guests in the new market aren’t all that impressed by what you did somewhere else.”

He’s right. At the end of the day, owners and guests just want a great experience. While what we do two states over might look nice on our resumés, if these actions make it tougher to provide a great experience for those we serve, everyone ends up losing in the end.

Instead, I like what author Susan Friedman said when she wrote about "riches in niches.[1] Rather than focusing on too many areas, get to know one really well. In the words of executive chairman of Strava, Mark Gainey, be an "inch wide, mile deep."[2]

Sometimes ideas that work well in one context don't translate to another. Case in point, Steve Schwab with Casago said one of his greatest mistakes was:

> Thinking that expanding to other cities and countries would be a business decision based on operations. When I opened my first expansion city, I took everything I knew and did it the exact same way and expected the owners to do it my way. The fact is there are local homeowner expectations and cultures that shift between cities and making sure that you operate in alignment with the local community is the path to growth. This is a relationship business with your team, community, homeowners, and guests.

Steve's lesson: You can only be a local in one place so don't expand too fast.

## BIAS FOR ACTION

On the flip side of this equation there is the problem of inaction. Depending on your personality, you might struggle to take the next right step.

When you're a new VRM, there are so many decisions on your plate. And as Tony Cappaert mentioned, when he launched Blue Maple, he wound up stuck in the paralysis of analysis mode. And

1 https://www.amazon.com/Riches-Niches-Make-Small-Market/dp/1564149307
2 https://ecorner.stanford.edu/videos/how-strava-found-its-niche-entire-talk/

rather than making prompt decisions, he dragged his feet. But as Tony discovered, there is seldom a "perfect decision." Nearly every decision can be changed, but it is important to be decisive.

CJ Stam with Southern Comfort Cabin Rentals had this same struggle. "Not moving faster on new ideas," CJ admitted, was one of his greatest mistakes. Danna Kittle with Starfish Vacation Rentals agreed and noted she spent "too much time contemplating small decisions."

Having spent the last 25+ years in Baltimore, I keep close tabs on our local hero company, Under Armour. Company founder and executive chairman Kevin Plank has a couple of statements I often repeat. The first is "expedite the inevitable" and the second is "perfection is the enemy of innovation." Both point to the importance of action.

During our new team member onboarding meeting at Vintory, there is a Teddy Roosevelt quote I always share that says, "The best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing." Do nothing and that is precisely what you will achieve.

If we were to be honest with ourselves, I think one of the reasons we struggle with inaction is because we struggle with insecurity. We're unsure of who we are, and this carries over into the way we lead our businesses. Fred Cercena with Getaway Vacations underscores this point when he admitted his mistake was "not acting sooner to pursue opportunities, fearing that I may fail."

In Jason Lemkin's words, "Slow down big decisions, speed up the rest."

## TRUST YOUR GUT

And when in doubt, trust your gut. Albert Einstein said, "I believe in intuitions and inspirations. I sometimes feel that I am right. I do not know that I am."

When it comes to leading a business, I've found my initial gut instincts are often accurate. It's when I try to rationalize that I run into problems. And as it turned out, quite a few VRMs I surveyed agreed.

After several years in the vacation rental industry, Jennifer Mucha with Arrived has discovered it's best to trust your gut instinct in "ALL THINGS business." As she says, "You know best if you stop and listen." CJ Stam with Southern Comfort Cabin Rentals agrees and says one of the early mistakes he made was "not ALWAYS trusting my gut."

You would have thought James Mannings and Matt Durrette were in the same room based on their responses. James said a common mistake VRMs make is, "Not listening to your own business intuition. You can sense when things are right or wrong. Don't let anyone tell you otherwise." Matt followed this up with his own piece of advice and warned against, "Not listening to your intuition when you knew something wasn't right or when you knew you should have pulled a trigger on a decision."

Sometimes gut instincts are inaccurate, and we need to reevaluate. But most times our first impressions are correct.

## COMMUNICATION

This brings us to our final reason VRMs struggle with strategy and that's poor communication. Sometimes VRMs have a decent strategy, but the problem is it's all in their heads. They haven't written anything on paper, don't have a vision plan, and certainly cannot articulate this vision to their team.

But when you have an idea of where you want to go, follow these words from Leslie Anne Morris and "…clearly communicate this strategy to team members and vendors, really anyone involved in your business, to truly see this strategy come to life." Only when you are tired of communicating your strategy, mission, and vision will those on your team start to realize its importance.

Do as venture capital firm Sequoia Capital instructs and "Showcase your leadership" with "2 D's and 4 C's." This means, "give Direction, be Decisive; Communication with Conviction with Confidence with Calmness."

# CONCLUSION

A final word on strategy. As Jason Sprenkle points out, it's best to "begin with the end in mind." He goes on to say, "Your business will almost inevitably be sold one day." And if there was one regret Jason had, it was that he "waited too long to understand the core drivers of value." From his perspective, "…understand what truly drives the value in your business. Then get up every morning and aim at that target."

Steve Trover agrees. He was, "…not running the company like I was preparing it for sale. Even if you have no desire to sell any time soon or even ever, doing so will make sure you are running it in a responsible, profitable and structured way. When it's run this way, you may never want to sell."

This is a big one and I can't underscore it enough. When you operate your company from the perspective of a potential buyer, you confront problems you might otherwise dismiss. But when you've adapted a "mom and pop" mindset, you can afford to let little details slip through the cracks. Or at least you *think* you can.

Having an effective strategy requires intention. It's easy to lose focus and do too many things at once or drift into the paralysis of analysis. But the key is to surround yourself with great people who buy into the vision you have for your business. This leads us into our next section.

# 2. TEAM

## "THIS BUSINESS, AS WITH SO MANY OTHERS, REMAINS VERY SIMPLY ALL ABOUT PEOPLE. IT CONTAINS A LOT OF OTHER THINGS BUT EVERYTHING IS WRAPPED UP IN GOOD PEOPLE."

– Clark Twiddy

A VRM's team is their most important asset. As Robin Craigen with Moving Mountains says, "Without them we are nothing."

It's hard to overstate the importance of a team. Nothing will grow your company faster than a strong team and nothing will cause it to unravel quicker than a weak one. In the words of Andrew Carnegie, "Teamwork is the ability to work together toward a common vision. The ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results."

When I first started Vantage, I knew it would be difficult, but I failed to realize how all-consuming this industry would be. I didn't know I'd be waking up at midnight to run over to a condo and put new sheets on a bed for a guest. I didn't comprehend I'd receive calls at all hours of the day and that I'd struggle to take a vacation myself for the first five years. I needed a solid team.

At first, I didn't do the best job of identifying the right people for my team. I hired some members who were highly competent but too abrasive. They got the job done, but no one wanted to work with them because of the toxic culture they created around the office. Then there were others who were great people and great leaders but weren't a fit for my team. Maybe they didn't complement my personality well or their position felt like a redundant role.

I once heard a story from the former coach of the Baltimore Ravens, Brian Billick. He said most games come down to one or two key plays that change the outcome of a game. Therefore, you need the best players on your team, or those one or two plays won't go your way. This might be why Michael Jordan said, "Talent wins games, but teamwork and intelligence win championships."

As CEO of Vintory, I've realized the most important thing I can do is recruit, hire, and build a great culture. This is why I spend two-thirds or more of my time focused on our team. I know we have the right idea at the right time and we're in the right industry. But what determines whether we are successful is the team we assemble, build, nurture and develop. It's only taken me four startups and 25 years to finally figure this out.

When it comes to the topic of team, this was one of the most widely mentioned points among these fifty VRMs.

# HIRING

It goes without saying that hiring is a major part of building a team. Unfortunately, it's often one of the most overlooked aspects. One of the greatest mistakes Sarah Bradford made was, "…hiring employees without really vetting them, not having an organized training program and not regularly checking in with them."

James Mannings agreed because he made a similar mistake. In his words, his challenge was, "Not fully understanding the importance of finding the right personalities that fit within the company culture."

Elaine Stitcher agrees. "Not listening to my gut when hiring, and hiring for experience/skill rather than culture. Nine times out of ten, your gut doesn't let you down."

Taking a cue from Good to Great author Jim Collins, Audrey Leeds Miller says she struggled with, "Not hiring the right people for the right seats."

So what are the best hiring practices? According to Sam Altman, co-founder of OpenAI and former President of Y-Combinator, "Hire for values first, aptitude second and skills third." And as Lino Maldonado says, "Hire slow, fire fast – the right people will accelerate your business, the wrong ones will poison it."

The only thought I'd add to these excellent pieces of advice is a quote from Spanx founder Sara Blakey, who says, "*Hire your weaknesses as soon as you can afford to.*" As someone who has a ton of weaknesses, I've taken this thought to heart. And whenever I'm about to bring a new person on board, I'm always asking myself, *how can this person help me compensate for my vast shortcomings?*

# PERSONALITY ASSESSMENTS

One of the greatest mistakes VRMs can make, according to Danna Kittell, is "Not utilizing behavioral assessments and other hiring tools to get the right people in the right seats on the bus." This seemed to be a common theme as six other people agreed with Danna and specifically mentioned leveraging these tools.

Personally, I am a big believer of psychometric personality assessments. And while there are many assessments available, I'm partial to Predictive Index and Culture Index. Within these tools, there are eighteen typified patterns that are broken down into four categories:

- Category 1 is the visionary
- Category 2 is the technical person
- Category 3 highlights social patterns
- Category 4 takes us to organizational individuals

Personally, I fall into the first category, and within that I am described as a "Daredevil" or "Maverick." And while there are some things I excel at, there are also many, many areas where I have vast limitations. But my goal is to backfill those limitations with people that complement my weaknesses. These psychometric personality assessments are the easiest way to identify the people that have those complementary traits.

Andy Meddick, formerly with Seachange Vacation Rentals, warns against, “Not integrating personality profiling into hiring decisions resulting in an over-reliance on skills and experience versus personality match to job needs.” Knowing who you are changes everything. When you do, you understand what you’re good at, and what you can feasibly accomplish.

# FIRING

This brings us to a word most VRMs dread – firing. Mike Harrington, founder of Carolina Retreats, made this candid admission: “I hate this part of the job. I’m not a great people manager. But, sometimes this has to be done and it’s not about you, it’s about the entire team that a bad hire can affect.”

Perry Belcher agrees. “Nothing will kill a great employee faster than watching you tolerate a bad one,” he says. Adam Norris takes it one step further. “When it comes to integrity issues, there can be no second chances.”

Firing isn’t any fun. It’s often one of those tasks we keep putting off – hoping in vain the situation will work itself out. And it’s easy to do what Audrey Leeds Miller said and keep “people on that should have been fired.”

There are so many reasons bad hires occur. One of these, according to Ginger Harrelson with Beachball Properties, is not trusting our gut when it comes to personnel decisions.

So how do you fire? Jason Sprenkle offers these words of advice:

> It’s never easy, and I was awful at it. As a people pleaser, I wanted someone to understand the full context of why they were being fired, so I always

> began with a deep explanation. I learned from Ashley to start with, “We’ve decided to let you go.” It’s still something no one wants to hear, but it was a vastly better approach, and I never done it any other way since then.

## NURTURING

After you’ve hired someone, it’s important to nurture and develop them. If you don’t, you run the risk of losing touch with where they’re at and holding them back when you could be propelling them forward. Checking in with your staff regularly was a common theme and as Michael Pedenko noted, “You never know what’s going on in someone’s life.”

One of the regrets Christina Thoreson had was, “Wishing I had been more intentional about team member feedback and having one-on-one’s with everyone to understand better as we grew.” Valerie Gangas added to this sentiment and said she wished she’d placed, “…sufficient focus on building a training platform for new employees.”

As Lino Maldonado says, “Growing the skill set of your team is as important as your inventory.” Sometimes it’s important to have tough talks. But as Steve Schwab says, “Have hard conversations out of fairness for your teammates. Observe how people react when the relationship is tested. Act accordingly.”

## DELEGATING

Delegation was another big one. Or, to be more precise, the failure to delegate sooner.

Why don’t VRMs delegate sooner? I can’t speak for everyone, but I can say the reason I didn’t delegate sooner was because of fear. I mistakenly worried others wouldn’t be able to do as good a job as I could and was concerned our quality would suffer if I took a step back and empowered others.

I was recently at an Entrepreneurs Organization (EO) retreat, and our keynote speaker, Brian Brault, said something that resonated with me. I'm paraphrasing, but he said something like, "The width of the bottleneck in your organization is directly correlated to the amount of decision makers in an organization. If you have a small number of decision makers, you'll have to slow down decision making and therefore create a bottleneck. And ultimately, this is the number one factor that determines the ability of a company to scale."

Another key factor that holds people back from delegation is their desire to micromanage a situation. As Kirsten King shared, she struggled with overseeing and having her hands in too many pots. There was not enough freedom to fail.

Kevin Jones, formerly of Latitude 38, agrees with Kirsten King when he says, "In an effort to not fail, I tried to involve myself in all matters, know everything, be everywhere and I forgot to trust the team. Set very clear roles and responsibilities, set expectations and goals; then hold people accountable. You simply cannot do everything by yourself."

One of Lance Stitcher's top mistakes was learning when to hire and how to delegate. He goes on to say, "We should have started sooner."

So what is the solution? It's simple. As Andrew Pokrzywinski said, "Delegate sooner, don't make the mistake thinking you have to do everything yourself. If trained properly, more often than not, your team can be better equipped than you in certain aspects of the business." In the words of Jason Sprenkle:

> Get out of the way – find great people and get out of their way. I took way too long for me to get out of the way of the amazing CEO we found in Ashley Horsley. She was better at running the business, and I should have gotten out of the way much earlier and focused back on growth and sales. Most of the lessons here are things she and the team put in place once I stepped back. She taught me that if you can't get out the way

of your team leaders, you've selected the wrong leaders.

This getting out of the way is a humbling thought. But by refusing to delegate, a VRM only hinders their team's success.

## VISIONARY AND INTEGRATOR RELATIONSHIPS

EOS creator and author of *Rocket Fuel*, Gino Wickman, talks about the difference between visionaries and integrators.[3] "Visionaries are often the founders of the business. They are highly creative, solve big problems, and get bored easily."

Integrators love the details. They separate the great ideas from the poor ones. Integrators manage the details of the company and help people do their jobs more effectively. "Their clarity drives team unity."

As Mike Patton says, "In an entrepreneurial company, the roles of Visionary and Integrator are an essential part of the organization, no matter how big or how small."[4] When visionaries operate without integrators, everything runs well for a while and then it collapses.

I've learned this all too well from personal experience. I honestly believe if I would have hired an integrator at Vantage, we'd be a national company with over 10,000 properties under management. This missing role is what caused me to attempt to do things I didn't excel at. And this lack of balance is ultimately what caused me to sell. Had I found the right Integrator, who knows where we'd be today?

To this point, Andy Meddick said one of his biggest mistakes was staffing. "Not hiring an Integrator charged with executing

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3 https://www.youtube.com/watch?v=3fiotIYAx50&ab_channel=EOSWorldwide

4 https://www.eosworldwide.com/blog/visionaries-and-integrators-are-essential-part-one

the CEO/Founder vision. This led to staff trying to go their own way, not following the needs of the business, and a CEO pulled into operational work."

If you're a visionary, you need to surround yourself with integrators. And if you're an integrator, you need to find a visionary you trust and work for them.

## CULTURE

One of the most overlooked areas of team building is culture. This points us back to the hiring process. According to *LinkedIn* founder Reid Hoffman, "Who you hire is who you become – make sure the applicant fits the culture of the company."

Assuming you've hired the right people and have them sitting in the right seats on the bus, the next step is to create a culture that makes them want to show up to work each day. If there is anything the last few decades of workforce employees have taught us, it's that people think about their jobs differently than workers of the past. Most workers today are not content to show up, punch a time clock, and check out. Instead, they want their work to be meaningful.

In thinking about this evolution and employee expectations, in retrospect, Lauren Madewell said there were several things she would have done differently. She would have:

- Gotten an espresso machine for the office sooner
- Had a fridge full of free drinks and snacks for Field Teams
- Placed goodies in stock at the office for housekeepers, maintenance, and inspection
- Had more plants around the office and an office hamster

"The plants are cute for décor and good for the air, our hamster is cuddly and good for morale," she said, "and they give us all something to care for and love on while we're at work. Plants and a hamster have made us a better hospitality company."

I absolutely love this. Something so small and trivial can make such a huge difference. Sarah Bradford looks back reflectively and wishes she allowed her staff to bring in their dogs to the office.

While you might be tempted to look at Lauren and Sarah's list and scoff, I can assure you they are on to something. Competition has never been greater and every worker you have likely has many options on the table. And if you haven't worked hard to craft a great culture, there is a good chance they will move along to another organization that does.

## CONCLUSION

Building a strong team is critical. But it's important not to overthink the process. I love what Lino Maldonado says when he wrote, "Every associate should be valued but also bring value to your business. If they don't, it's time to review your org chart." That's a good balance.

When you look at the team members around you, ask yourself, *are they valued and are they contributing value?* If not, it's time to make some changes.

There is no perfect science around building a strong team. We've all made mistakes. In recent years, there were times I was short-sighted. I thought everyone needed to be physically located in our office to work for me and I didn't take advantage of remote workers. Now, I've changed my approach and will continue this approach moving forward.

But the key is to know your people and have a plan in place to get everyone where you want to go. This takes us into our next topic.

# 3. PROCESSES

## "IF YOU CAN'T DESCRIBE WHAT YOU ARE DOING AS A PROCESS, YOU DON'T KNOW WHAT YOU'RE DOING."

– W. Edwards Deming

The larger a vacation rental business grows, the more important processes and systems become. In the early days of Vantage, I had almost zero processes in place. Everything was in my head and there were no training programs for our team.

Remember, I'm the Visionary, the Daredevil, the Dreamer type of personality. I'm ready to tackle the next mountain and don't enjoy spending time in the weeds. Thankfully, at Vintory, I brought an Integrator named Randy Bonds on board. And one of the first steps Randy took was to create a detailed new team member onboarding process and what a new employee should do each hour of every day for their first two weeks and beyond. Everything suddenly fell into place because it eliminated the guesswork.

While systems and processes don't come natural to me, I've realized I cannot operate without them. The great American engineer Edwards Deming said, "If you can't describe what you are doing as a process, you don't know what you're doing."

# STANDARD OPERATING PROCEDURES

One of the most critical aspects of processes is standard operating procedures (SOPs). Without clear SOPs in place, team members struggle to know what's expected of them.

When it came to this topic of standard operating procedures, our fifty VRMs had a lot to say. "Not having clear policies in place," Ryan Dame said, "so your staff can make documented consistent decisions… they always come to you for decisions."

In retrospect, Jed Stevens with Koloa Kai wishes he hadn't allowed his employees to be "aimless because I didn't provide structure and guidance in formalized ways. (SOPs, training sessions, etc.)" Danna Kittell with Starfish Vacation Rentals agreed. "Not putting enough SOPs in place soon enough," was one of her greatest challenges. "Too many SOPs lived in my head which made it harder to bring on new employees and created inconsistencies in how things were done." Erin Lenhardt with The Brighthouse agreed with Danna, "Failing to write everything down, so that I am the only person who knows how to do X, Y, Z."

The reason it's easy to think you can get by without certain procedures in place is because you can, at least for a while. As Debbie Lipscomb said, "Everything is fine until it is not." But it doesn't take long before VRMs start to pay a price. As details start to fall through the cracks, guests, homeowners, and team members have a less than optimal experience.

And when this starts to happen, the hospitality fabric that binds a business together starts to fall apart. In the words of Steve Schwab, "Operational excellence is foundation to success, but hospitality is what unlocks love of the brand."

# ENTREPRENEURIAL OPERATING SYSTEM (EOS)

Many VRMs I talk to these days are using the Entrepreneurial Operating System. In fact, of the fifty plus VRMs I surveyed, nine noted how important this was to their business. One of these was Matt Durrette who regretted, "Not implementing a true enterprise operating system like EOS across the company."

In case you're unfamiliar, "The Entrepreneurial Operating System (EOS) is a set of simple concepts and practical tools used by more than 190,000+ companies around the world to clarify, simplify, and achieve their vision."[5]

This is especially helpful for VRMs who do not have a strong business background. As I've often noted, most of the people in the short-term vacation rental industry stumbled into the business. They didn't have prior experience running small businesses. Even if they had an MBA from the best business schools in the world, they still didn't understand how to effectively run a small business. EOS is the closest thing I've seen to how to run a small business in a box. The whole point of EOS is getting your entire team on the same page. There are eight main chunks to an effective EOS business.[6]

- People | Getting the right people in the right seats
- Vision | Sharing a common destination
- Data | Crafting measurable data points so there is a scorecard
- Process | Getting everything in writing
- Transaction | Becoming great at execution
- Issues | Great at problem solving

If you haven't already, I'd encourage you to pick up a copy of this EOS book titled Traction: Get a Grip on Your Business by Gino Wickman.[7] It will take you to the next level up.

5 https://www.eosworldwide.com/

6 https://www.eosworldwide.com/

7 https://www.amazon.com/Traction-Get-Grip-Your-Business-ebook/dp/B007QWLLV2/ref=tmm_kin_swatch_0?_encoding=UTF8&qid=1683630560&sr=8-1

Not learning about EOS soon enough was one of Kirsten King's greatest regrets. "Once we all read *Traction* and started Level 10 meetings, we accomplished a ton in the first year. I wish I had started down this path five years earlier."

CJ Stam added to Kirsten's words with this Top Ten mistake:

> Not fully implementing EOS or a similar business operating system that facilitated change management/improvements sooner.

Many of our Vintory partners use EOS and they all talk about what a game changer it has been. When we don't have a system like this in place, we run the risk of doing as Audrey Leeds Miller described as, "…growing too fast without systems in place to handle the increase."

## SIMPLIFY

One of the advantages to systems like EOS is it helps you clarify what is most important. You stop focusing on everything and simplify the process. And simplicity, as Leonardo da Vinci once wrote, "is the ultimate sophistication."

Looking back, one of the challenges Koen Roelens had was "not understanding the power of clarity and not having simplified a complex process sooner."

It's tempting to overcomplicate everything. But as Jennifer Mucha pointed out, running a vacation rental business "is inherently complex enough without adding in more structure."

Mike Harrington agrees. "Over complicating what we do – it's easy to get distracted with things (especially today) that really don't move the needle in performing for our homeowner or guest. Keep it simple."

And so with every new process and system you add, make sure each serves a clear purpose. In other words, don't fall into the bureaucracy trap. Processes are important but keep them simple and explain to your team the reason you have them in place.

## GET IT IN WRITING

This brings us back to a basic point. Get everything in writing. And I mean everything.

Steve Schwab with Casago points out, "It's said we see the world as a reflection of our own intentions. And one of the rookie mistakes I made early on was believing people would do the right thing in the absence of good contract. I figured I could trust people to keep their word because I kept mine."

But the fact is you can have faith in humanity, shake a person's hand in good faith, and they can turn on you in a moment. This is why the onus is on you to write a clear contract. As the saying goes, a verbal contract isn't worth the paper it's written on.

This is a discipline new VRMs find hard to put into practice. If he could go back and relive the early days of his business, James Mannings said he would get everything in writing, "…from partners and suppliers with clear documentation of agreements and policies."

As Steve Trover pointed out, everything needs to be in a contract and not done with a handshake. And he adds, "…the few times I let it happen came back to bite hard. Get it in writing!"

Lino Maldonado says, "If it isn't in writing, it's not part of the deal. Document everything."

## CONCLUSION

When I started Vantage, I was a pretty decent marketer and salesperson but not a strong operator. I knew how to present and sell products, but I struggled to build out the systems and processes required. Despite running successful businesses in the past, the vacation rental industry was new, and I felt like a rookie again.

As I share in *From 0 to 500 Properties in 5 Years*:

> In the early days of Vantage, I was doing everything. I was the account manager, salesperson, and receptionist. In fact, my Sunday afternoon ritual in the offseason was to watch football with my family as we created personalized postcards, licked the stamps, and sent them out to potential customers (every child's dream!). But as we grew, I recognized the need to shift roles. I had to stop taking on every responsibility and focus my time on being an ambassador for our brand.

Maybe this is your story. Perhaps you're trying to do it all or you don't know what to do next. Either way, the solution is the same. You need to focus on the processes in your company. As Henry Ford said, "If you always do what you've always done, you'll always get what you've always got."

"Quality is never an accident," William Foster says, "it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives." The same is true with processes.

# 4. FINANCE & ACCOUNTING

## "A FINANCIALLY HEALTHY COMPANY IS A RESULT OF A SERIES OF SMALL DAILY FINANCIAL WINS, NOT ONE BIG MOMENT."

– Mike Michalowicz

With a degree in corporate finance and history in the mortgage banking industry, topics like finance and accounting are second nature to me. And while there was a lot about the vacation rental space I didn't understand prior to starting my first vacation rental company, I knew my numbers and understood the importance of a clear financial strategy.

However, your story might be different. If you don't have a financial education background or previous experience running a business, you might be at a disadvantage. For many VRMs, the financial part of running a business is what trips them up. They enjoy running a team and growing a company, but they don't keep track of money coming in and money going out.

As a result, their business never gains stability. They live like kings one month and paupers the next. And when tough times like a pandemic hit, they don't stand a chance of survival. Poor financial decision-making can ruin a VRM overnight and place them in serious legal jeopardy.

While the list of potential finance and accounting mistakes is long, here are a few areas my fifty VRMs identified as being especially problematic.

# BUDGETING

The first one is about as basic as they come. All good financial practice starts with a clear budget. It's operating as George Washington admonished by living within our "means rather than our wishes."

Not all VRM companies start out with a clear budget. I certainly didn't for my first few years. At the time, our inventory was small and I could get away without having one. But after we hit around forty units, everything changed.

When asked to list some of their financial regrets, I received a slew of similar answers from various VRMs. Audrey Leeds Miller, Terry Whyte, Ryan Dame, Robin Craigen, and Sarah Bradford all said the common mistake they made was "not having a budget."

Unfortunately, one of the most common mistakes VRMs make, in the words of Valerie Gangas, "is operating without a budget and without tracking [their] P&L statement against [their] monthly budget." In other words, it's losing sight of the basics.

Everyone knows they should budget. But since only 32% of American households follow a budget[8], many VRMs aren't used to the routine of living within their means. To this point, Jason Sprenkle admitted:

> It took me far too long to understand how impactful it can be to have clear, well-defined, monthly goals and objectives. You don't have to be cost conscious or profit focused out of the gate, but you have to know where you're going, and you have to measure it – monthly! It's the only way to keep yourself and your team accountable and focused on the right things.

How do you craft a budget that works for you? Christina Thoreson offers some wonderful advice. As the head of Chatta-

8 https://www.creditdonkey.com/budgeting-statistics.html

nooga Vacation Rentals, she says their business turned around when they started using their values to apply to their budget to ensure they were spending in alignment with their goals.

I love that idea of letting your values guide your budgeting!

Like I said, if you're new, you can probably get away without having a budget for a few years. But after you gain traction, it's imperative to change. If your business has been in operation for a while and you have a good amount of inventory, you should have enough information to make accurate projections.

For example, if you have a hundred properties, and you know how many properties you will churn in an average year, and how many you will normally add, you have enough data to accurately predict your revenue within a few thousand dollars. Personally, after a couple years in business, I was able to accurately predict our revenue and profits within a couple thousands of dollars by building out a detailed pro forma in Excel.

Scaling a business is great. But if you're consistently operating at a deficit, you're shooting yourself in the foot.

## HIRING AND STAFFING

After you've created a budget, it's important to hire the right staff to run your operation. We've already talked about having the right team, but there are a few financial individuals you need to prioritize. The first of these is a strong bookkeeper.

Even though my background was finance, I realized I needed outside help to scale my business. My job was to lead the charge, bring on new owners, and keep our team on mission. In fact, my first hire was our controller, Ann Levinstim. I knew finances were critical to our success and because I'd worked with Ann in the mortgage industry, she already had my trust. This connection allowed me to focus on growing the business while I trusted her to have my back.

If you don't have an Ann Levinstim in your life and aren't sure who you can trust, this is where I'd point you back to the importance of personality assessments. Hire someone who is a rule follower, detail oriented, dots their I's, and crosses their T's. While this position is one of the most urgent to fill, it's also important you find the right person. I've watched too many VRMs hire the wrong individual who either doesn't know what they're doing or is shady and steals company funds. Both options can land you in a world of hurt.

Sometimes the *right person* comes along a steeper price tag. But I couldn't agree more with Andrew Pokrzywinski, who said, "Pay for a high-quality bookkeeper. You will eat more capital doing it yourself or going the cheap route."

Along these same lines, Jason Sprenkle admitted, "We waited too long to get a strong accounting team in place. It's not something you want to go back and try to clean up. It is the foundation of your data-driven metrics out of the gate. Your financials tell you what's working and not working. Even when you're small you need a great set of books. Start with great accounting!"

## TRUST ACCOUNTING

This brings us to an especially serious topic, trust accounting. What is trust accounting? Ryan Gallagher explains:

> Trust accounting is a system used to manage funds that a company collects and manages on behalf of someone else. Trust accounting allows a property management company to track how much money it is holding on behalf of each property owner. It helps to make sure the money is available when it is time to pay the owners, and it makes sure that property owner funds that come into the management company's bank account are not classified as income to the company.[9]

9 https://vacationrentalbookkeeping.com/trust-accounting-overview-for-property-managers/

Many states require trust accounting. This means that when a client makes a reservation, this money should be held in escrow till the reservation is complete. Unfortunately, some VRMs are careless and treat these funds as their piggy bank to make payroll or personal purchases.

Even if your state doesn't require trust accounting, I can't stress how important is for you to do. To this point, Zahava Wesfield says, "Vacation rental managers are really in the business of trust accounting. No matter what range of services they provide or how many properties they oversee, their fundamental role is to make sure funds flow from renters to property owners (and themselves) correctly. If managers need to get one thing consistently right, it's trust accounting."[10]

Jesse Ehret writes, "One of the most basic requirements of trust accounting as required by law, is that there be no commingling of company funds and property owner funds. While trust accounting is not required in every state for short-term rental property managers, trust accounting and separate bank accounts is the best way to track owners' and PM's funds."[11]

Steve Trover was the former President of the VRMA and owned All Star Vacation Homes. When thinking through his financial mistakes, Steve admits trust accounting "...should be an industry standard regardless of whether it is required in a location. Strong financial controls are imperative."

When I read this comment from Steve, I was grateful for his vulnerability. He made the mistake of not setting up trust accounting from the start. But rather than run from his past, he was willing to own it and help others avoid a common pitfall.

In states like Florida that don't require trust accounting, it's easy to think you can get by without it. But just last week, I had a gentleman from this state call me with a sobering story. Bottom line: he wasn't running trust accounting, had run out of funds,

10 https://www.guesty.com/blog/why-trust-accounting-is-crucial-for-vacations-rentals/

11 https://ximplifi.com/trust-accounting-for-vacation-rental-managers/

and couldn't pay his owners for that month. He had no idea what to do next.

These fifty owners didn't realize their funds had been comingled with operating funds and they were about to get screwed. Even though what this man did was perfectly legal, it wasn't the way he or any other VRM should ever run a vacation rental company.

Always create a trust account. Period. End of story.

## CASH RESERVES AND RAINY DAY FUND

One of my favorite books is *Profit First* by Mike Michalowicz. In this masterpiece, Michalowicz writes, "Profit is not an event. Profit is not something that happens at year-end or at the end of your five-year plan or someday. Profit isn't even something that waits until tomorrow. Profit must happen now and always. Profit must be baked into your business. Every day, every transaction, every moment. Profit is not an event. Profit is a habit." I couldn't agree with this more.

Andrew Pokrzywinski with Joseph Ellen Properties wishes he'd implemented the profit first methodology sooner with his business. Along with this, Audrey Leeds Miller said she wished she'd had, "a good chart of accounts for our industry." And according to Fred Cercena with Getaway Vacations, one of his regrets was, "Not saving enough money for a rainy day."

One of the rainiest seasons of my life was around 2008. In 0 to 500 Properties in 5 Years, I share this story that illustrates the importance of saving for a rainy day.

After several years of working at another job as an employee, I thought to myself, "I can do this better." This self-assurance prompted me to put the wheels of change in gear to say my good-bye. But about this same time, my boss learned of my plans and my departure was accelerated.

Several months prior to my intended farewell, my wife and I got married. The date was September 11, 1999 and two days later we flew to Hawaii for our honeymoon. It was then I received an unexpected call. I found out my boss realized I was starting my own mortgage company and he made the decision to fire me on the spot – along with several others in my department. Hanging up the phone, I made my way back down to the pool where my wife was sipping at a Pina Colada Lava Flow and I pronounced to her, "Well honey, you just married an unemployed man!"

Days after our honeymoon ended, we returned home to Baltimore, and I founded First Commonwealth Funding. And for the next eight years my company skyrocketed. We grew to over a hundred employees, were licensed in twelve states, and closed over $350 million in loans a year. It was an incredible ride and I felt on top of the world. I had all the toys, vacations, and prestige one could want at my age.

But then came the 2008 financial crisis and everything changed. Because the mortgage business was the first to feel this impact, my company's crash began in 2007. Over the course of a year, I watched the company I built from the ground up crumble before my eyes. We went from closing around thirty million a month in loans to about a tenth of that in the span of months. On top of this, because we had grown so fast, we found ourselves with a ton of overhead that included our 20k-square-foot facility.

While I felt terrible and partially responsible for our team's collapse, everyone around me could take one look at the mortgage business and see the writing was on the wall. Company after company folded and it was only a matter of time before we did the same.

To make matters worse, much of my parents' retirement was tied up in the success of the business and so the failure I experienced affected not only my team, but those who raised me. I had two small children and my wife was a stay-at-home mom. So many people were depending on me, and I could not escape the feeling I had let everyone down. Add to this terrible nightmare some legal challenges and let's just say there were a good number of sleepless nights.

The point is you never know when another Black Swan event might hit… but it will… eventually. September 11th, the 2008 Great Recession, COVID. Ironically enough, a “once-in-a-lifetime-type event” seems to happen every 7-12 years. If you’ve only been in business for a few years, you might be riding a tidal wave of good fortune. But let me assure you bad times are on the way. So be prepared.

# CONCLUSION

Having a healthy vacation rental business doesn’t happen by accident. It requires serious attention to detail. And this starts with the way you run your finances.

In the words of Mike Michalowicz, “A financially healthy company is a result of a series of small daily financial wins, not one big moment.” He goes on to say, “Profitability isn’t an event; it’s a habit.”

To be in our industry long, you must develop strong disciplines. It’s not enough to be a hard worker. You also need to know what you’re doing. Quoting again from Michalowicz, “Putting your nose to the grindstone is a really easy way to cover up an unhealthy business. We think that if we can just work harder, longer, better—if we can just hold out—something good will happen one day.”[12]

So develop a strong financial plan and stick with it.

12 Mike Michalowicz, Profit First: Transform Your Business from a Cash-Eating Monster to a Money-Making Machine

# 5. CLEANING, INSPECTIONS, LAUNDRY, AND SAFETY

## "I BELIEVE IN THE BASICS: ATTENTION TO, AND PERFECTION OF, TINY DETAILS THAT MIGHT BE COMMONLY OVERLOOKED."

– John Wooden

It'd be tough for me to pick a more boring title than this one. But as I reviewed the list of mistakes VRMs shared, this was the one that caught me the most by surprise. As it turned out, many VRMs wished they'd brought things like cleaning, inspections, and laundry in-house sooner.

There is nothing glamorous about this list I just mentioned. It all feels pretty mundane. But until you've mastered the basics, it's tough to move on to something else. Doing so is a bit like trying to become a great basketball player and never learning to do a layup. Dribbling behind your back and crossing over on an opponent look great on a highlight reel, but if you haven't mastered the fundamentals, your game will always have serious flaws.

In the words of legendary basketball coach John Wooden, "I believe in the basics: attention to, and perfection of, tiny details that might be commonly overlooked. They may seem trivial, perhaps even laughable to those who don't understand, but they aren't. They are fundamental to your progress in basketball, business, and life. They are the difference between champions and near champions."

Lino Maldonado made a helpful distinction when he wrote, "The 'basics' aren't differentiators, they're the basics. Rooms should be cleaned properly and your team should be nice and smile." In other words, master the fundamentals.

While I worked at Vantage, we developed a strong system that ensured our properties were spotless. In addition to cleaning between every guest's stay, we had a supervisor inspect the properties. And then we had another person white glove the place to make sure it was up to par. Then we documented these actions for homeowners. This step was important. At first, some homeowners questioned why they even needed a vacation rental management company. *Wouldn't they be better off to void the fees we charged and strike out on their own?*

But after receiving a few calls with these insinuations, I asked our team to document everything we did, even if it wasn't a charge to the owner. Each time we cleaned, inspected, made a drop off, tightened a screw, or made any improvement to a property we wrote it down. Then, I made sure we documented each of these trips and fixes on our owners' monthly invoices. And next to each service we provided, we marked, "$0 charge." Pretty soon, when homeowners realized everything we were doing, their complaints went down.

With that said, let's look at each of these four areas – cleaning, inspections, laundry, and safety – and review what our VRMs had to say.

# CLEANING

First, it's tough to overestimate the importance of cleaning. Jed Stevens with Koloa Kai said one of his greatest mistakes was "… misunderstanding how important the basic property cleaning is to the long-term health of the rental."

There are some things guests will forgive, but lack of cleanliness is the cardinal sin. When I think of cleaning, I picture a referee on a football field. As long as the ref does his job, no one pays them any attention. But when they make a mistake, everyone in the crowd is quick to pounce.

Guests are the same way. If they don't notice any problems with the home, they're happy. But if they find one area that's dirty, they start to question *everything*. It's like taking your car to a shop for an engine repair. If you get home and notice a problem, you start to question everything the mechanic did.

The most likely time guests complained about cleaning was when they were trapped in their homes for the day. For example, if it was the day after check-in and thundershowers started to pour, I knew we'd receive more calls than normal. Guests who were at their homes now had a chance to scrutinize everything. To prevent this, we started taking cleaning extra seriously because we realized it was critical to the survival of our business.

One of the common mistakes I heard time and time again from our VRMs was that they wished they'd brought cleaning in-house sooner. Brian Olson with Beachcomber Vacation Homes said one of his mistakes was, "…waiting too long to bring Cleaning in-house along with our Contract teams." Andrew Pokrzywinski agreed and said he wished he'd brought his cleaning team in-house sooner. Andy with Seachange and Ginger with Beachball Properties made similar statements.

Bringing cleaning in-house is more work on the front end, but it gives a VRM quality control of their product.

## INSPECTIONS

If you don't have the resources to bring your cleaning in-house, that's fine. I didn't either. Instead, I hired cleaners I could trust, and made sure every property was inspected before a guest showed up.

To me, inspections are just as important as the cleaning process. It's imperative to inspect properties right after they're cleaned and, in the words of Paul Becker, "…not relying on housekeepers to inspect our homes. Their job is to perfectly clean the home, not find things wrong with it or expect them to know what was a priority."

In the words of Adam Norris with Blue Ridge Vacation Homes, "Houses must be inspected every single check in... No exceptions." Think of inspections as checks and balances. Assuming you have different cleaners with different companies, you need to have a consistent standard that runs through all your properties.

And when it comes right down to it, especially if you're a small business, you need to be the other set of eyes. In the first few years of Vantage, I spent many Saturdays during the summer driving from property to property conducting personal inspections myself. I knew how important it was to our success.

## IN-HOUSE LAUNDRY

This brings us to another point that surprised me. As I read through our VRMs responses, I was shocked by how many VRMs regretted not bringing their laundry in-house sooner. Justin Ford only wishes he'd built a laundry facility sooner and said that, "…when we finally built it, the cash rolled in!"

Dennis Goedheid said almost the same thing. "Not building out a laundry facility sooner," was something he regretted. "It's so much easier to get a laundry system started when you have 20 homes, than when you have 200." Brian Olson, Eric Thibodeaux, Sarah Bradford, and Andy Meddick all agreed, stating in their own way that one of the biggest mistakes they made was not bringing their laundry in-house sooner.

To me, if some of the brightest minds in the vacation rental industry all agree on this point, it's probably a good idea for people like you and I to sit up and take notice. As many in our industry have proven, there are so many advantages to in-house laundry that far exceed the quality control gained from this step. In-house laundry gives VRMs the ability to expand into other areas and turn a profit.

A perfect case study of this point is Darbi Bolton and Teryn Chapin at Stay Local Nashville. In their story, building a laundry facility literally saved their business. When the COVID pandemic hit, they lost almost all their reservations overnight. Then the majority of their properties turned to long-term rentals.

However, months before this disaster struck, they built a state-of-the-art laundry facility. In fact, it was the largest of its kind in Nashville, even outsizing the Tennessee Titans' laundry facility. And while COVID meant their rental properties dried up, their laundry business thrived, saving their bacon in the process.

## SAFETY

And this brings us the final point in this section – safety.

Justin Ford is the king of safety in our industry. He has a unique background with four years in the U.S. Coast Guard, fifteen years as a firefighter, and thirteen years in the vacation rental industry as a Property Manager. Combining his areas of life experience, he created a niche within the short-term rental industry that focuses on short-term rental safety.

Justin created the first vacation rental safety checklist for the vacation rental industry and, in 2017, he created Dwell Safe, a certification program devoted to the safety of vacation rentals. In 2019, he sold Dwell Safe® to Breezeway®. Breezeway is now the leader in vacation rental safety with over 100,000 vacation rental units tied into safety compliance programs and Justin is the Director of those programs.[13]

For Justin, his greatest early regret was, "Not paying better attention to guest safety." As he went on to share, "I almost lost the company from just one guest safety incident."

Heather Bayer agrees with Justin's assessment and regrets, "…leaving ourselves and our owners open to liability issues by not implementing a safety program earlier. Looking back, we dodged bullets on multiple occasions, when situations occurred that were preventable." And Christian "Thor" Thoreson with Chattanooga Vacation Rentals wished he would have understood, "… the safety points on our homes, sooner. Even after passing the

13 https://www.linkedin.com/in/rentalsafety/

safety course with Breezeway and after Justin Ford's visit, I was blown away with what I didn't know!"

# CONCLUSION

Going back to another football analogy, I like to think of this chapter as the "block and tackle" section. When a running back makes an amazing 35-yard run, it's easy to overlook all the other men on the field who made this possible.

And in a similar respect, few people will ever see the work you put in to ensure a home is clean and secure. But these are the steps required to be successful.

If you're struggling in each of these areas, start with the basics. Begin with safety. Then make sure your homes are clean. Again, you might not have the funds to bring cleaning in-house at the moment, but do what you can. Hire great cleaners and personally inspect their work. Don't lean on third party voices until you fully trust their work. And then, as you grow, work to bring everything in-house.

# 6. COMMUNICATIONS, FEEDBACK, AND CONFLICT RESOLUTION

## "TO EFFECTIVELY COMMUNICATE, WE MUST REALIZE THAT WE ARE ALL DIFFERENT IN THE WAY WE PERCEIVE THE WORLD AND USE THIS UNDERSTANDING AS A GUIDE TO OUR COMMUNICATION WITH OTHERS."

– Tony Robbins

Self-improvement speaker Paul Meyer said, "Communication – the human connection – is the key to personal and career success."

Several years ago, I was at a Young President's Organization retreat in Gettysburg, PA. And as I took in the scenery from the spot that marked the bloodiest battle of the Civil War, one of our members who also taught an MBA program at Johns Hopkins University shared some historical details of this great battle. As she spoke, one of the points that struck me was the breakdown in communication.

The three-day battle that resulted in over 50,000 casualties had a series of turning points. And if you look back and create a timeline of events, you notice that poor communication was the root cause of each defeat. Lacking the modern technologies we take for granted today, the opportunity for poor communication was high and after three days, Lee's army was on the run.

One of the major problems for General Lee was the series of inaccurate reconnaissance reports he received that would have fooled any leader of his day. For example, longtime battlefield guide, Tony Nicastro, often walks students through a telling exercise that parallels the one our YPO member conducted.

> *Turning to the second day of the battle, Tony had five student teams develop the strategy for General Lee, based on reconnaissance reports earlier in the day from two Confederate scouts.*
>
> *All the teams proposed attacking the Union army on its right flank at Little Round Top. As at Oak Ridge, students acted out the march to the battle, only to find that they were blocked by a "mountain" that the scouts had failed to detect (and which, Tony mentioned, "had been in that spot for six million years"). Faced with having to turn around and countermarch, the students quickly saw for themselves the costs of poor strategic information.*[14]

As this account illustrates, communication can be the difference between life and death.

I've often thought back on that retreat and remembered the importance of communication. George Bernard Shaw said, "The single biggest problem in communication is the illusion that it has taken place." And this illusion can happen in many forms.

Clark Twiddy explains about communication this way: "Be able to translate business language across sectors; the curse of expertise is that it confines us to our jargon on occasion. It's always been important to me that, as Steven Covey might say, in seeking to understand before we are understood that we make our business relatable to others in their own business language."

I can't tell you the number of times I've done my best to communicate and still find people misinterpreted what I said. Now, I

14 https://www.jhsph.edu/departments/health-policy-and-management/degree-programs/master-of-health-administration/_pdf/management-rounds-2015.pdf

try my best to overcommunicate. I avoid abbreviations or acronyms. And I try to use language everyone can understand.

No doubt you've felt the sting of poor communication. Maybe you wrote a social media post others interpreted in ways you didn't anticipate. Or someone said something to you that you took the wrong way. Miscommunication happens. But as VRMs it's important we do all we can to speak clearly so everyone around us understands what we're trying to say.

## INTERNAL COMMUNICATIONS

The first is internal communications. Remember, it doesn't do your team any good if your vision is only in your head. You must communicate it with them. And on this point, Leslie Anne Morris said one of her challenges was, "…not communicating a clear strategy to everyone involved."

Getting clear on what you want and where you see your company heading is so important. But, you must clearly communicate this strategy to *team members* and vendors – really anyone involved in your business – to truly see this strategy come to life."

Along these same lines, "forgetting to prioritize communication," was something Kevin Jones mentioned. "Timely communication is the key to everything," he said. "Communicate the good news. Communicate the bad news. And know that no communication is never a good strategy." I love that last line the best!

Steve Schwab admitted:

> In the early days of my leadership, I was able to speak to each of my small team and inspire them to see the vision, values, mission, and purpose of our small company. Once the company grew beyond my ability to spend quality time with each of my team members, the magic started to unravel. It took a couple of years to understand that formal training, clearly articulated values and principles along with excellent procedures

> that are consistently upheld is the only way to scale a business beyond yourself.

As Steve went on to say, “Principles constantly communicated and practiced turns a herd of cats into a team of horses.” Personally, I love that quote so much I might get a tattoo of it on my arm!

## OWNER COMMUNICATIONS

Just as important as internal communication is communication with owners. Brian Olson said one of his greatest problems was, “…not having a communication plan to communicate with owners.”

“In the hustle and bustle of running a busy company, I have not always put enough emphasis on proactively and regularly communicating with homeowners,” admitted Tom Goodwin with Mountain Laurel Chalets.

Jason Sprenkle added this thought: “You can never have enough owner communication! You build trust and relationships with open, honest, transparent, and frequent communications. There is very little that can’t be cured with great owner communication.” And Lino Maldonado said, “Don’t underestimate the importance of proactive communication to owners even when it’s bad news.”

It’s easy to pick up the phone when you’re contacting an owner about adding their piece of property to your inventory list. But it’s a lot harder to make time for them when you know they’ve got some complaints. However, I can’t stress enough how important it is to have strong communication with your owners.

Effective owner communication is vital for vacation rental managers. Proactive and transparent dialogue builds trust, reduces skepticism, and minimizes calls and complaints. Prioritizing communication avoids common mistakes and promotes a thriving rental business.

## FEEDBACK

Ultimately, the best form of communication is not the kind you give but the kind you receive. As Aaron Linfoot with Meredith Lodging said, it's important to listen to owners because "they will teach you how and where to improve your product and services – even if the truth hurts."

Aaron added that it's helpful to collect reviews from guests, staff, and owners. "Create a funnel to request a review," he said. "People need to be encouraged to leave reviews after a positive experience. Human nature is to leave a review after a bad experience. Encourage the good!"

Dustin Abney with Portoro emphasized the importance of not losing touch with front line workers and guests. "Ask for feedback early and often from the people that are in the thick of it and your customers. When they tell you what's wrong, it could be too late."

And Michael Pedenko with Stay Porter sums it up best by encouraging other VRMs to listen to owners closely. "After all, they'll let you know if your services are slipping."

## CONFLICT RESOLUTION

As is often the case, guests and homeowners reach out when they have problems. Few phone you up just to say you're doing a wonderful job. They have an issue that needs to be resolved and they want to talk to someone in charge.

And often the *way* you communicate is just as important as *when* you communicate. One of the worst ways to communicate challenging issues is through email. To this point, Adam Norris said one of his communication challenges was, "…forgetting that phone calls trump emails every time for difficult situations." Mike Harrington agreed, regretting, "…being too reliant on email. If it takes more than five sentences to explain, pick up the phone and call."

The easy route is to hope problems magically vanish. But as Heather Bayer said, “Trust me – they don’t go away, and when they come back a year later to get the issue resolved, it’s a lot more challenging (and costly) to deal with.”

I can’t tell you how many problems I’ve avoided just by picking up the phone. When you hear someone’s tone of voice and level of anxiety, you’re able to quickly discern how to respond. As Peter Drucker once said, “The most important thing in communication is hearing what isn’t said.”

## GUEST COMMUNICATIONS

Finally, this brings us to the importance of conveying clear expectations to guests about what they can hope to experience. No one likes surprises, unless it’s on their birthday. When a guest shows up and expects one thing, only to receive another, they feel like you’ve pulled a bait and switch on them.

When listing his regrets, Paul Becker included, “…not clearly disclosing the suitability aspects of a home to a guest, especially if the home doesn’t have A/C and clear parking descriptions and dimensions.”

Debbie Lipscomb added another regret: “Not setting the right expectations. It is natural to want to point out the positives and oversell a property, but that can really come back to haunt you when the guest arrives. Photography is a great way to say it without saying it. Show the ugly house next door, the bad bedrooms with the good ones, and anything else. Let the guest decide.”

In other words, just be honest. Have integrity. Communicate effectively. Treat your guests the way you would want to be treated.

# CONCLUSION

Everyone is different. Tony Robbins says, "To effectively communicate, we must realize that we are all different in the way we perceive the world and use this understanding as a guide to our communication with others."

If you're not a great communicator, start by becoming a great listener. Pay attention to what others say and the expressions they use. Then, communicate with them on their level. There is no standard manual for effective communication because what works for one person might not work for another.

The key is to be intentional. And when in doubt, overcommunicate.

# 7. INVENTORY ACQUISITION

## “THE MOST IMPACTFUL LEVER YOU CAN PULL TO GROW YOUR COMPANY IS ADDING INVENTORY. PERIOD.”

Anyone who knows me longer than two seconds understands this section is my bread and butter. Without inventory we have no business. Even the name Vintory is a nod to inventory. (Of course, it also helps that the word “vintory” gets autocorrected to “victory” all of the time.)

Unfortunately, as I shared in *0 to 500 Properties in 5 Years*, “Many property owners become consumed in their day-to-day operations and put inventory on the back burner. This often means owner acquisition strategies fall to the side.” Inventory acquisition is key. Not focusing on inventory acquisition is the problem. As I go on to say in my book,

> If you have no inventory, you have no business. It’s as simple as that. Sometimes I work with people who say, “Brooke, I want to expand my business and take it to the level just like you did with Vantage.”
>
> My response always starts with a question. “How many properties do you have?” Not how many properties they *want* to have or how many properties they *plan* to have but how many properties they *currently* have in their portfolio.
>
> When you have inventory, obtaining guests becomes easy. You take the properties you have, place them on various marketing channels, and

you are good to go. But the hardest part is getting the inventory itself.

Inventory doesn't answer all your VRM problems, but it solves quite a few of them. And the main regret I have of my time as a VRM was not taking inventory seriously sooner. In *Top Five Regrets of the Dying*, Australian nurse Bronny Ware lists the five regrets her dying patients expressed to her shortly before they passed. These regrets included:

- I wish I'd had the courage to live a life true to myself, not the life others expected of me.
- I wish I hadn't worked so hard.
- I wish I'd had the courage to express my feelings.
- I wish I had stayed in touch with my friends.
- I wish that I had let myself be happier.[15]

Everyone has regrets. But if I were to make a "regrets list" of those VRMs who have sold their businesses, the overwhelming regret owners expressed is that they didn't take inventory acquisition more seriously. And if we were to create a book titled *Top Three Regrets of Inventory Acquisition*, these would be the highlights.

## STRATEGY

First, everything starts with strategy. Peter Drucker once said, "There is nothing so useless as doing efficiently that which should not be done at all."

One of the great regrets VRM Terry Whyte expressed was, "… not having a clear owner acquisition strategy." And as a result, he ended up taking on several properties he should have avoided.

Michael Porter said, "Strategy is about setting yourself apart from the competition. It's not a matter of being better at what

15 *Top Five Regrets of the Dying*

you do – it's a matter of being different at what you do. From my observation, VRMs that follow an effective strategy are miles ahead of those who 'wing it.'"

One of the reasons for this is strategy brings clarity. Yes, it outlines what you *should* do, but in the words of Steve Jobs, strategy also involves, "…figuring out what not to do."

When it comes to developing an effective inventory acquisition strategy, our VRMs highlighted three parts. These included being intentional, proper investment, and chasing a specific demographic. So let's look at each of these.

## BE INTENTIONAL

All effective strategy starts with intention. As John Maxwell says, "When you live each day with intentionality, there's almost no limit to what you can do."

David Angotti wasn't consistent at owner marketing. "Our company did a decent job at owner marketing, but consistency was an ongoing issue. I should have created the minimum acceptable standards for both homeowner marketing and our new units funnel along with a well-defined plan to achieve it."

Danna Kittle discourages VRMs on having an "ad hoc system" for owner acquisition. But unfortunately, this is something I see all the time. Most VRM's don't have a strategic plan in place. They lob out a few postcards a year and think this will solve all their inventory challenges. But what they really need is a twelve-month strategic marketing plan to proactively grow their inventory.

When we think about it, believing this approach will yield results is more than a bit naïve. It's like sending one email per year to each of our past guests and expecting to fill up our calendars for each of our properties. I share this example because I've often noted with irony that most VRMs that fail to have a strategic owner acquisition plan typically have a well-laid out guest marketing plan. They're intentional in one area, but not in the other.

One of Valerie Hawkins' regrets was failing "to see Owner Acquisition as strategic and Owner Retention as a correlation to company value." This was a massive revelation and, in the early days of her business, Valerie wrote that she only "acquired properties by referral only and had no channels for distributing essential information to owners."

Along these same lines, Heather Bayer remembers, "… not having a clear business development strategy… meant we missed out on opportunities for growth early in the business. Because of this we took way too long making business decisions which could have been achieved with focused business planning and goal setting."

This is why having an *intentional* strategy is so important. It helps you focus on what you should do and avoid what you shouldn't.

# INVEST PROPERLY

For your inventory to grow, you must invest in owner acquisition. I often point out there is not a better return on your investment than to acquire more inventory.

To this point, Ryan Dame with Casago recommended each VRM invest, "…a [percentage] of [their] income into constant owner acquisition." Eric Thibodeaux agreed, and Christina Thoreson recommended VRMs dedicate, "…a specific budget percentage and communication plan for owner retention and new owner development." Michael Pedenko echoed these words and regretted not dedicating a percentage of his income toward "continuous owner acquisition."

There are many ways to increase investment. One of these is to do as Ginger Harrelson with Beachball Properties recommended and use direct mail for owner acquisition.

Here is what I found especially interesting about Ginger's response. For years, she'd been a direct mail skeptic. In fact, when she initially signed up for Vintory, she told me flat-out that she didn't want to do it. She thought it felt cheesy and archaic.

However, after some insistence on my part, she finally agreed to give it a try. And to her surprise, she soon received a call from a prospective owner who asked Ginger to meet her out at her direct gulf-front property. Ginger agreed and headed over with her husband Hunter to meet this owner. When they arrived, guess what was in this owner's hand? One of Ginger's postcards.

And here is where the story gets even better. Not only did Ginger sign up that property, but she also signed up the property across the street. And combined, these two properties are projected to bring in over $250,000 in gross booking revenue per year. That's a whole lot of profit from a cheap little postcard.

In Chapter 3 of *From 0 to 500 Properties in 5 Years*, I share a helpful formula that goes like this:

> The average lifespan of a vacation rental unit is ten years. Multiply the net value of an average property ($3,600) times ten and you arrive at – $36,000.
>
> This is simple when you think about it. Know your yearly gross booking revenue on a property and you will have a solid estimate for the amount you will make on the lifetime of that same property. Margins times number of years equals lifetime value. As the old saying goes, we overestimate what we can do in a year, but we underestimate what can take place in a decade!

Going back to our example with Ginger, assuming she keeps these properties for ten years, her projected lifetime profits from these properties will be $250,000.

That's not a bad ROI for one postcard campaign!

# CHASE A SPECIFIC DEMOGRAPHIC

This goes back to a point I made earlier that one of the greatest mistakes I made was taking on the wrong properties and not focusing in on just a few key buildings in our market.

When we spread ourselves too thin, we decrease our standards and do not take care of our guests and owners as we should. These mistakes cause operational inefficiencies, low profit margins, and poor guest experiences.

When we lose focus, we do as Simon Lehmann said. We become "too opportunistic with the portfolio growth and [deviate] away from the original positioning of who [you] want to be." But when we know our target demographic, we have clarity. In the words of Aaron Linfoot, "Make sure you are spending money in the right areas. Set it and forget it is a lie."

Andy Meddick said one of his greatest challenges was "Brand Positioning and Strategy for Owner and Portfolio Curation Acquisition Plan." He went on to say this caused him to struggle with, "…not having a clear idea as to how our "why" would be matched to ideal clients, ideal product mix, and service lines early enough. This led us to take the wrong client types and skewed inventory in the earlier years."

Debbie Lipscomb emphasized, "Quantity versus Quality." She goes on to say, "When we were first starting out, we were eager for properties and took virtually anything. As our business evolved, we developed standards and even turned down properties that we did not perceive as being of the quality our guests expected."

In a world of distractions and shiny objects, it's easy to chase the latest and greatest opportunities. But if you want to effectively acquire more inventory, you need to chase a specific demographic.

# HIRING AND TEAM

This brings us back to the importance of hiring. We already talked about this point under the section on team, but it bears repeating. It's critical to hire individuals who are dedicated to inventory acquisition.

According to Jen Mucha, one of her regrets was "…not hiring team members for owner acquisition soon enough, and not often enough, through stages of growth. The team needs time and focus on keeping owner relationships strong AND acquisition, however you structure that." Koen Roelens agreed, regretting, "…not sooner having hired a business development employee, a personal assistant and owner relations employee." Travis Wilburn mentions, "Waiting too long to implement a system/technique to hire the right people (Better Talent)."

On one hand, I sympathize with VRMs that don't have the bandwidth to focus exclusively on owner acquisition. It's easy to view inventory as *important*, but not *urgent*. Most VRM's are wearing multiple hats. And hiring a full-time business development representative is expensive. They can't afford a base salary of say $80,000 plus commissions on top.

But allow me a moment of a shameless plug. If there is one area Vintory can help you in your growth as a VRM, this is it. With our launch of a fractional business development unit, I like to think we've created a SEAL Team Six of business development representatives. We've done a regression analysis, determined the most successful psychometric personality assessment profiles, and hired an entire team of BD reps with those profiles and experience in closing management contracts.

The best part? It is a fraction of the cost of a full-time rep with virtually all the same benefits.

# SOFTWARE

Along with this, VRMs wished they'd leveraged Customer Relationship Management (CRM) software sooner to increase inventory acquisition.

In the words of Jen Mucha, her challenge was "…not jumping into a CRM for owner acquisition soon enough. Tried everything else first because it all 'sort of' worked. So much wasted time!"

Michael Pedenko regretted "…not using a CRM for owner acquisition – this is absolute must in today's competitive environment." And Heather Bayer agreed, saying, "Not having a structured owner acquisition plan meant we failed to follow-up on leads that didn't respond to receiving our owner package. We lost a lot of potential owners by not adding them to an email list and staying connected with them." Ginger Harrelson agreed, regretting "…not using a CRM to keep up with lead generation for owner acquisition."

Obviously, it's fair to say we know a thing or two about CRMs for inventory acquisition at Vintory. In fact, I feel we've built the absolute best tool on the planet that is designed to solve this problem. However, there are lots of other great general CRMs on the market that are less expensive.

With that said, I don't care if you use our tool or not. But please, use something other than post-it notes and yellow legal pads!

# CONCLUSION

One of my personal regrets when I ran Vantage was not understanding the lifetime value of new inventory and how valuable it was to the bottom line and business valuation.

Inventory acquisition is the greatest lever you can pull to increase top line revenue, bottom line profits, and build net worth. In fact, we've done studies to show it has four-to-six times the impact of any marketing or revenue management lever.

Additionally, I wish I truly understood the holy grail of all inventory metrics: Lifetime Value to Customer Acquisition Cost (LTV:CAC) (for more on this, please read Chapter 3 in *From 0 to 500 Properties in 5 Years*).

In the words of Dennis Goedheid, “Owners are the key to growth in our business.” And as Lino Maldonado said, “Remember without the owner’s asset, you’re not in business.” So take inventory acquisition seriously.

# 8. TAKING ON THE WRONG OWNERS

## "THE ABILITY TO OFFER QUALITY SERVICE THAT YOU CAN BE PROUD OF WILL ALWAYS BE BLIGHTED BY AN OWNER THAT ISN'T ALIGNED WITH YOUR VISION."

– Steve Schwab

While inventory is what makes your VRM business run, it critical to get the right owners in your portfolio.

Nothing will sink your business faster than picking up a high percentage of disgruntled owners. They will drain your energy, distract your focus, and discourage your team. This is why I encourage all VRMs to prune wisely.

A few years into my time at Vantage, we had around a hundred properties when I decided it was time to prune. I created a green, yellow, red assessment of owners based on three factors – revenue, maintenance trouble tickets, and PITA (pain in the ass). If any owner scored red (bottom 10%) in all three areas, we did not renew our contract with them the following year.

My decision-making process wasn't rocket science. It was made on the basic observation that 5% of our properties constituted 95% of the stress on our team. And that wasn't a ratio I was willing to accept.

While it seems counterintuitive to decrease your inventory count, doing so can often expedite your overall growth. Toxic owners steal ten times the energy from your team and getting rid of them will help your bottom line. So don't hesitate to fire them. The burnout to your team isn't worth it. Instead, prune annually for a healthier, more productive team.

But how do you decide which properties to prune? Here are a few ideas.

# CHOOSE WISELY

First, be wise in the owners you choose.

As I referenced earlier, it's easy to take on wrong owners. You get excited that you're expanding and think you can work with *everyone*. And so instead of focusing on just a few key buildings or communities in your market, you branch out too quickly. But as you do, your standards for property owners drops. And as you've probably already experienced, these mistakes can drive operational inefficiencies, low profit margins, and poor guest experiences.

The VRMs I surveyed had a *lot* to say about this.

Here were a few of their key regrets:

- Sarah Bradford | "Taking on properties that were not a good fit, and even worse, taking on owners that had red flags all over them before they even signed on."
- Jennifer Mucha | "Taking on owners/properties that we shouldn't. Don't say yes to everyone."
- Steve Trover | "Taking on properties and owners that were not profitable. This is a common mistake in this industry and one I corrected later in the game than I should have."
- Simon Lehmann | "Being too opportunistic with the portfolio growth and deviating away from the original positioning of who they want to be."

- Audrey Leeds Miller | "Bringing owners into our program that didn't have our same values."
- Eric Thibodeaux | "Bringing in owners who don't meet our standards and still want to do it their way."
- Thor Thoreson | "Allowing properties that really did not fit our standards to enter the program."
- Elaine Stitcher | "Owners – again, follow your gut. It's a bit like dating – if you don't get warm fuzzies from the beginning, it's probably not a great match… If it doesn't feel like a good match – you may have to let them walk."

So why do these regrets happen? How do you get stuck with the wrong owner? There are many reasons, but Robin Craigen says one of them is, "Ignoring the warning signs and accepting a home into our portfolio that we really wanted, without being fully aligned with the owner." Jed Stevens said his problem was, "Being overeager to get our first properties and taking on owners that weren't a good fit for our program."

I resonate with these responses because they were the same mistakes I made at Vantage. It's hard to get yourself out of "take any property" mindset. According to Justin Ford, "It took several years to define a bottom line ($5000) for profitability as a listing. After that, if a property didn't meet that profitability minimum, I wouldn't list it or it got dropped."

But as Paul Becker points out, VRMs should only take on inventory that has "a grading system based [on] revenue, location, amenities, condition, homeowner's appetite to invest in the home, monthly time spent dealing with a homeowner, and regularly applying these metrics to know when to drop a home."

There are various red flags that should grab our attention. Valerie Hawkins says, "Beware of partial-year rentals, heavy owner use, and owners who don't give you control of revenue management. Ask them the right questions during initial interview and just say 'NO.'"

A key choice VRMs need to make, according to Michael Pedenko, is "choosing quality units over quantity." Debbie

Lipscomb seconded this piece of advice and said, "When we were first starting out, we were eager for properties and took virtually anything. As our business evolved, we developed standards and even turned down properties that we did not perceive as being of the quality our guests expected."

When we bring on properties too soon, we do as Lauren Madewell said and compromise "the integrity of our brand." "Not every owner," according to Lino Maldonado, "is a good fit for your company even if their property is."

In short, as Steve Schwab acknowledged, taking on the wrong owners is a shortcut that will hurt us in the end. "Owners are partners that must be consulted on decisions about the product we offer and customer recovery decisions," he said. "The ability to offer quality service that you can be proud of will always be blighted by an owner that isn't aligned with your vision."

Good owners are a joy, and poor owners are a curse. So choose wisely.

## PRUNE QUICKLY

Because toxic owners steal energy from our teams, it's best to prune them as quickly as possible. As Andrew Pokrzywinski said, "The term 'fire quickly' applies to owners as well."

One of CJ's regrets was, "Allowing toxic owners to steal energy from my employees." And Heather Bayer said her mistake was, "Failing to realize that hanging on to high performing properties didn't make sense if the owners were a drain on resources, and a cause of stress to the team. We let our highest performing property go because the owners were horrible to deal with. Happily, were able to replace it with some great owners with even better properties."

Again, the whole idea of pruning, rather than adding properties feels like we're taking a step backward. And Jason Sprenkle admitted it was tough for him and his team to be comfortable with this concept. In his words, "We were too afraid to go backward. When we finally got the courage to start doing it every year, it turned out to be the best move we ever made. Some customers are just not worth the impact to your business, your branding, your bottom line, and most of all, the impact on your employees."

But there comes a time when enough is enough. For Cheryl Lantz, her line in the sand is "clients who make demands more than once." She goes on to say, "Although there will always be challenges, most owners are willing to have a conversation. Those who aren't prove costly to the bottom line and to team morale. Sometimes sending away a high-demand owner with love is exactly what saves the bottom line and builds your team's loyalty."

As Jodi Taylor Refosco said, "Do not wait too long to fire an owner. If you are feeling frustrated with them, so are your employees. If anyone is badgering your staff and has unrealistic expectations, cut them loose. You are better off, and they may be too."

## COMMUNICATE CLEARLY

Sometimes "bad owners" are "bad people." But other times our "bad owners" are the result of poor communication.

Perhaps we oversold our services, and in the words of Paul Becker, we did not "fully [discuss] the potentially ugly part of short-term renting their home with a homeowner, just to get a new listing." Every VRM has slipped up in this area at some point. But the key is to fix the problem. If we have failed to communicate well, we need to apologize and establish clear expectations. When this happens, it might be that some of our "bad owners" aren't so bad after all.

As Paul Becker says, it's important to insist on brand and inventory standards up front with homeowners to provide a consistent guest experience across our inventory and for ease of replacement."

Jason Sprenkle sums it up best when he said, "Owner communication – you can never have enough owner communication! You build trust and relationships with open, honest, transparent, and frequent communications. There is very little that can't be cured with great owner communication."

As Elaine Stitcher says "…always maintain excellent communication with your Owners – as you are a Team, and we want to grow together."

Great communication takes time. According to Brian Tracy, "Communication is a skill that you can learn. It's like riding a bicycle or typing. If you're willing to work at it, you can rapidly improve the quality of every part of your life."

# OWNER GATHERINGS

This brings us to a final point that can strengthen the relationships you have with homeowners. Once a year, you should host an event where your homeowners can be in the same room and meet one another.

While the idea of bringing multiple homeowners together into one location might feel intimidating, it turns out this is one of the best steps you can take. I never did this personally as I was fearful they would gang-up against me. But in retrospect, as I've listened to more VRMs, I've realized I made a mistake.

One of Justin Ford's regrets was, "Waiting ten years before I hosted a property owner gathering/party. Don't be afraid for your owners to gather together with you. It was not only a great retention tool, it helped with future property acquisition as well."

And Sarah Bradford added that she wished she hadn't avoided homeowner gatherings.

## Mountain Laurel Chalets Homeowner Gatherings

> When I assumed leadership of our family-owned company in 2012, I received one of the greatest gifts imaginable – a 40-year history of strong relationships with owners. This was established over the years when my in-laws created a culture of hosting owners for a meal every year – every owner was invited to come to this annual Homeowners Dinner.
>
> We are fortunate in that on every last Saturday in April,

the neighborhood association where the vast majority of our homes are located hosts their annual meeting. With so many owners in town, my in-laws Dot and Ralph Egli did what came natural to them – they invited the owners to dinner. This evolved into hosting 80-100 people every last Friday in April (the night before the association meeting). They used this time to update owners on trends and policies as well as other concerns they might have. Many years were spent sharing the same updates and information, but what happened over the years was a sense of family and community that was established with the owners that only led to trust and confidence in our management company.

In 2012, I began to add elements to the Homeowners meeting. In addition to great catering, we added awards for best social media presence and for renovation and improvements. As my in-laws passed away in 2012 and 2016, we began the Ralph and Dot Egli Memorial Award that is given to the person or family that best represents the core values of our company, which were passed down from the founders. This memorial award has been presented to owners (and even a contractor) since 2016. It is a coveted award, to say the least.

I began to invite prospective owners to the annual meeting so they could hear about our company and interact with our owners. This had a slow trickle of three or four prospects every year who were curious enough to come and enjoy our meeting and a nice dinner. This past April we decided to take this event up a notch and I invited some local and national experts to share what they have learned about our market and the industry. We did not promote Mountain Laurel Chalets (MLC) but saw this as an opportunity to the experts providing content that the curious prospects would find valuable.

We had 40 homeowners on our program attend this year as well as 40 prospects who were curious about MLC. They heard from David Angotti on trends, Travis Wilburn with The 100 Collection, and Trey Barton with Xplori. We also had the local CEO of the newly renovated and newly owned Ober Mountain come and share updates. We had a greeting from Gatlinburg Mayor Mike Werner and entertainment from Dollywood, as well as comedian Kenn Kington to end the evening. Our special guests and MLC owners had dinner with prospective owners and everyone on our team came including our maintenance team and contracted cleaners. All in one room, hearing the same content, enjoying a great meal and conversation as well as entertainment.

Every owner left with a sketch drawing of their home as well as some fun merchandise and local prizes from partners and stores in the community valued at over $2,000. It was a total blast We didn't promote MLC or our company and there were no sales pitches.

The next day Tim and Donna with three homes began the process to move their homes to our program. We have gained ten very interested contacts and signed two homes yesterday from an owner who had come to previous owner meetings. Sometimes the sales cycle has a really long runway and other times the results come immediately. I would say the investment of $3,000 for this event was well worth the results with our current owners and well as the prospects.

We are already planning for next April.

Tom Goodwin

# CONCLUSION

In summary, inventory is what drives your business. You're nothing without your owners and it's important to remember this.

But the key is to find the right owners, communicate well, develop strong relationships, and fire the ones that make your life more difficult.

Every VRM has their share of wrong inventory choices. But the key is to recognize when you've misjudged someone. And if you bring the wrong owner on board, be intentional to let them go. Prune quickly. Don't let them be a drain on your time, resources, and team.

# 9. TECHNOLOGY

## "BUILD OUT YOUR TECH FOR THE COMPANY YOU WANT TO BE, NOT THE COMPANY YOU ARE AT THE TIME."

– Andrew Pokrzywinski

Out of all the mistakes VRMs mentioned, this one made me chuckle the most. The reason for this is that it feels a bit counterintuitive to the vision of Vintory – a company that is all about leveraging technology to help VRMs grow their inventory.

I've always been keen to embrace technology. While many fear modern artificial intelligence (AI) advancements, I embrace them and leverage them as part of my business. When it comes to the future of AI, there is a lot that could be said:

> The future of AI is an exciting and transformative journey. As technology advances, AI is set to become an integral part of our everyday lives. From autonomous vehicles revolutionizing transportation to personalized healthcare through intelligent algorithms, the possibilities are endless. AI will continue to enhance productivity across industries, streamlining processes and freeing up human potential for creativity and innovation. However, ethical considerations will play a crucial role in shaping the future of AI, ensuring fairness, transparency, and accountability. As we embrace this technological revolution, collaboration between

> humans and machines will foster a new era of progress, where AI augments our capabilities and empowers us to tackle complex challenges on a global scale.

Oh, and just in case you were wondering, I had ChatGPT write the entire last paragraph.

I fully expect AI to completely transform our industry. This is why I currently ask every member on my team to set aside one hour per week to play around with this new technology. Even though we are in the proverbial "first batter of the first inning," this is still a technology that can be unbelievably helpful in everyday interactions.

At our bi-weekly "All Hands" meetings, I ask our team how they've used AI in their daily tasks to make them more efficient. Advancements in technology happen so fast. Even as I'm writing this section, I already feel like I'm going to be embarrassed by this in the near future by it and I'll end up looking like Katie Couric and Bryant Gumbel in their "What is internet?" exchange in the 1990s.[16]

While I'll never be on the cutting edge of tech development, I am committed to staying in the game. Remaining up to speed on technological trends is important, provided you do it in the right way.

## TAKE IT SLOW

So how do you do this? First, take it slow and be methodical. Honestly evaluate if this new technology is just a shiny object, or something that will distract you.

As Mike Harrington admitted, his challenge was "being too 'tech' focused with a team that wasn't 'techie.'" He went on to say, "Most of the time your team is not as excited about that new tech you want to rollout. In fact they secretly hate it!"

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16 https://www.today.com/video/-what-is-internet-katie-couric-bryant-gumbel-are-puzzled-62308421624

Lance Stitcher with Seaside Vacation Rentals and Sales confirms Mike's point. "The technology rabbit hole. We onboarded the latest and greatest guest app and it had a ton of shiny new features, and the sales team was amazing. We didn't have the human capital to make it work."

Much as I hate to admit it, he is right. It's easy to do as Jen Mucha warned about getting, "swept up in the latest trends (both micro/macro)." As she noted, "Our industry is always changing and often those things are only trends and not fully vetted."

Another challenge is cost. Steve Taggert regretted "…getting excited about new tech, without thinking of the REAL use and cost. Only invest in technology if it saves you money or improves your business operations."

And then there is the peer pressure factor. One of Justin Ford's mistakes was, "…following others in tech. Don't sign on with a software platform just because others are. Deep dive into all of them and find the one that works for you."

The most damaging aspect of technology is when it hurts your customer services. According to Steve Schwab, "We started to lose our humanity with our guests and owners. Casago's formula is to make sure that the human touch, love of our homeowners, and genuine hospitality for our guests are the key ingredients in the recipe."

By jumping onboard the technology train too soon, Simon Lehmann said he made "tech stack decisions too fast" and was forced to change them later. Sometimes it's not always best to be an early adopter. As Kirsten King's notes, "Sure you might be the 'cool' kid and have the latest in the industry, but this came with a lot of pain when it came to implementation – for example, data migration issues, integration issues, challenges with functionality, etc."

## ACT FAST

This takes us to the next point, which might seem like it contradicts the previous one, but just as there is a price to pay for embracing technology too quickly, there is a price to pay for staying too far behind the curve.

As Leslie Anne Morris said, one of her challenges was, “Not creating shared tools for team members fast enough. Frequently communicating through text messages has its perks – quick and easy – but when we would try to refer back to these previous conversations the communication was quickly lost.”

James Mannings added that one of his regrets was, “Not investing in truly scalable technology from the beginning. It’s important to invest more at the start to build a solid foundation.” And Maureen Regan added, “Not getting technology as soon as we should have. Once we had a good reservation and operating system, it was a game changer for us internally and set us apart in our area.”

The rise of technology in our industry has made profound changes. But in the words of Steve Schwab, “Technology should make us bionic, not robotic.”

## DUE DILIGENCE

When it comes to choosing the right technology for your vacation rental business, it’s important to do due diligence. One of CJ’s regrets was, “Believing what a sales person told me and going with the flow on select technology decisions without thorough due diligence or reference checking.” And Adam Norris added, “Trusting technology products before testing their actual functionality in the field.”

Heather Bayer had a similar problem. After getting caught up in “the bells, whistles and promises of a property management software company,” she finally realized she’d made a huge mistake. “It took up six months of our time, thousands of dollars, and a huge amount of stress, to ultimately roll it back when we realized it was not compatible with our Canadian tax system.”

According to Steve Trover, his challenge was “…trusting data to third parties. No matter how strong your relationship is with your software or service provider, it is critical that you have access to your financial and reservation data in a usable format at all times.”

So how should VRMs do this well? Andrew Pokrzywinski recommends you, “…build out your tech for the company you want to be not the company you are at the time. What tech you choose amplifies your growth, and is no fun changing PMS’s at 140+ properties.”

And a helpful suggestion Lauren Madewell adds is to take advantage of free demo offers. “If you know me,” she says, “you know our tech stack is SMALL, but… these demos have given me MANY good ideas for our own operations. I get to keep my finger on the pulse of what’s out there and at what cost, and I get to know the very people I run into at conferences. Maybe I’m crazy, but I’ve never regretted a demo.”

## CONCLUSION

Choosing when and how to embrace technology can be complicated.

When it comes to technology in vacation rental management, finding the right balance is key. For older VRMs, focus on providing basic tools and training. For those eager to embrace every new tech innovation, encourage drawing a line to maintain a personal touch. Prioritize efficient operations while preserving the human connection that makes the experience special. Striking this balance allows VRMs to leverage technology while delivering exceptional, personalized guest experiences.

At least, this is what ChatGPT told me to write.

# 10. NETWORKING,CONFERENCES, COMMUNITY, AND LOCAL COMPETITION

## "YOUR NETWORK IS YOUR NET WORTH."

– Alex Husner

This was one of the most popular responses I saw with 22 VRMs saying how important networking, conferences, community, and local competition were to the success of their business.

However, before we delve into some of these mistakes, I just need to point out I can't imagine an industry better than the vacation rental community. I've never been part of a group where people lock arms together and help each other out as they do in this one.

I write this as someone who has had some great relationships over the years. For example, every spring I get together with some of my high school buddies to watch March Madness. We rent a vacation home (of course) and pretend like we're in high school again. We've done this for over twenty years and we're a tight-knit group. But I only see them once a year.

In the vacation rental community, we get together *six to eight times* a year, spend time together, call each other, and support one another. When I walk into any one of these gatherings, I feel like I'm surrounded with friends. This is night and day different than when I was in the mortgage industry where everything was formal, and leaders walked around in suits.

Great relationships are critical. As Alex Husner reminded me, "You are the sum of five people you're around the most." And so it's important to select these individuals wisely. One of the greatest regrets Maureen Regan (the former President of the VRMA) expressed was, "Not reaching out to others in the vacation rental community more often for advice when it was needed."

Reflecting back on his greatest mistakes, Jed Stevens said, "I wish I'd learned earlier how to recognize when we had a deficiency in some part of the business and that there are so many resources in this community to help fix those issues – tools, programs, products, etc." He went on to say, "I spent a lot of time trying to build custom-made solutions to problems that were already solved; I just didn't know how to find them. I do now, though!"

# NETWORKING

In my experience, most great relationships in this industry have come through networking. According to Alex Husner, "Your network is your net worth."

Networking helps us understand there are others who share our struggles and can provide us with invaluable support. Through networking we're able to share our strengths with others and allow them to help us in our areas of weakness.

As Jed Stevens said, he regretted, "Not investing in my professional Network earlier. The doors that have opened because of the relationships that I have made have been transformative and would not have been possible if I had not made this a priority." Steve Taggert only wished he'd sought out "advice from mentors and professional networks."

Justin Ford agreed, stating his challenge was, "Not networking sooner. I waited 12 years to join the VRMA, I should have joined on day one. It wasn't until I started learning from others that I started to grow." Travis Wilburn added to this by saying he wished he'd networked faster among his peers.

And James Mannings contributed to this conversation, saying he wished he'd invested "enough time in networking and building relationships with other professionals in the industry."

Networking is critical.

## CONFERENCES

And one of the best ways to network is at conferences.

Now, if you're an introvert or budget conscious, on the surface, conferences can seem like a colossal waste of time. Afterall, why spend a weekend with a random group of strangers? But as so many VRMs noted, conferences are worth their weight in gold.

Ginger Harrelson said she waited "too long to go to summits/conferences." And according to Tony Cappaert, his regret was, "Investing too little in conferences and networking." But as he later discovered, "The relationships I build going to conferences almost ALWAYS generate so much more value than the cost of the ticket & travel. It's a big investment & time suck, but always worth it."

For Tom Goodwin, he didn't attend conferences during his first eight years of running his company. But as he shared, "In February 2020, I attended VRM Intel because it was local, and it was a game changer."

A few others VRMs expressed similar regrets:

- Debbie Lipscomb | "Not attending conferences. You can learn from other property managers even if they have a different product from you, and it really helps to have some friends in the business!"
- Paul Becker | "Not attending industry events. Again, I thought I was 'too busy' to learn more about my industry and make connections with others to learn about best practices and ways to improve."

- Matt Durrette | “Not networking enough or speaking enough at conferences.”

Without a network, you feel isolated. For example, one of Cheryl Lantz’s regrets was, “Believing my team and I were in it alone. After attending my first conference year four, I never looked back. Despite the unavoidable gut punch of ticket prices, the support of fellow VRMs is absolutely priceless.”

# MASTERMINDS

One of the most meaningful ways I interact with other VRMs is through the mastermind groups I lead.

When I first started at LiveRez, our COO Tina Upson asked me to oversee our Advisory Boards, telling me they needed some serious help. She said that most people wouldn’t show up and if they did, their cameras were off, and they weren’t engaged.

So I decided to take a page out of a playbook from my experiences with Young Presidents Organization (YPO) and Entrepreneurs’ Organization (EO). These organizations have Forums with six-to-ten individuals that are similar to you. They are business leaders that become your Advisory Board. Everything is completely confidential, and they become a safe place where you can go over any business issues, challenges, or opportunities that you’re facing.

And so I decided to create a version of these groups for LiveRez. We launched the first one and did a retreat to Park City. We rented two five-bedroom townhomes and shacked up for three days together. Within hours, it was apparent this circle of new friends had a group they could count on. And we stayed up late into the night talking about the challenges of managing vacation homes.

We laughed, we cried, and we bonded. This was the launch of what would become the first of many Masterminds. For the next five years, this group got together religiously every single month via Zoom and helped each other out. We shared experiences and we listened.

It's often said it's lonely at the top, and this is especially true when it comes to VRM. It's nice to have other people in the same position as you with whom you can share your ideas and concerns.

Building out these Masterminds became one of the foundational elements when I launched Vintory. Initially, I ran every one of these Masterminds myself. And in the process, I learned so much from them. I learned about the pain points of what our partners were going through. I learned about industry trends. And I learned about how the markets were behaving. It was fantastic.

However, once we grew north of five or six Masterminds, I realized I couldn't continue to run them and run the day-to-day growth of the business. And so we brought on industry veteran Tristan Webb to oversee these and he's done a fantastic job. Today we have ten Masterminds, that every Vintory Partner is eligible to join for free.

To this point, when asked to list his regrets, Koen Roelens put "not joining a mastermind group."

Through being part of a strong mastermind group, you have access to mentors. And these mentors can help you avoid a lot of pitfalls. According to Valerie Gangas, she wishes she'd have gotten a "mentor right out of the gate."

Valerie Hawkins, who was part of the first LiveRez Mastermind group I mentioned above, regretted the fact that she didn't "jump into the VR community until invited to join an Advisory Board composed of eight industry leaders. What a game changer! Collaborating with really smart people to share ideas and information is essential to growth and mental health! Attending the best conferences and small retreats is also essential."

## LOCAL COMMUNITY

While connecting with others within the vacation rental community is important, it is also critical to have a strong presence in your local community.

Mike Harrington's regret was that he was, "…not visible enough in the community. A lot of the most successful managers I know are very active and visible within the communities they serve. If I had to do it over, I'd participate more on the local level boards, non-profits, and organizations. A lot of trust and goodwill is built this way with local stakeholders."

Lauren Madewell offered a similar statement when she regretted, "Not involving myself within the community sooner. Chamber events and involvement, meet & greets, randomly popping in to meet local mom & pop shop owners, forging relationships with local companies to offer our guests and owners discounts, etc. It is so rewarding to have all these new local relationships, and everyone benefits from it."

There are many ways to do this. For Tom Goodwin, "I wish I had engaged with the local Chamber of Commerce sooner. Being a platinum sponsor is worth every dollar!" Paul Becker added that his issue was that he was too busy. But in his word, "Once I participated, I was looked upon more favorably and started get referrals and had my finger on the pulse of potential legislation."

Another way is to understand how your local community network operates. As Maureen Regan shared, she regretted, "Not initially being involved with the whole tourism community in our area. When you refer people to other area businesses, they refer people to you. Overall, getting people to come to Maine helps our companies and all of our area businesses."

## LOCAL COMPETITORS ARE YOUR FRIENDS, NOT YOUR FOES

It's hard to think of competitors as anything but competitors. But as I read the mistakes VRMs shared, this was one of the ones that surprised and challenged me. In the words of Sarah Bradford, competitors are our friends, not our foes.

When asked to list his regrets, Steve Schwab said:

> Not building deep friendships with my competitors early on. As a young man in the business at 28 years old, I didn't understand the long-term value of building a community with my competitors. My strongest growth has come through my current and past competitors as I have built trust and cared about their personal well-being. This isn't to say that I am not going to compete at the highest levels with them. It is to say that I will not bad-mouth them, I will give them honest advice when they ask, I am going to cheer for their successes.

According to Justin Ford, "It wasn't until I built alliances with my competitors, that we all started to succeed together. Your competitors aren't your enemy. There are plenty of properties for everyone to manage."

Kirsten King's regret was, "Not asking for help from my colleagues in the industry when I really could have used their expertise and advice." And in Tom Goodwin's words, "I didn't used to collaborate with like-minded business owners. Our industry often makes competition out to be the enemy, and it's easy to operate as an island. However, it's not wise."

Rather than being competitor focused, it's much better to work with your competitors and offer a stronger service to customers. According to Jeff Bezos, "If you're competitor-focused, you have to wait until there is a competitor doing something. Being customer-focused allows you to be more pioneering."

Further confirming all of these points, David Angotti said, "I should have befriended competition sooner. Instead of fearing the local competition, I wish I had made the effort to grab lunch or drinks more often. These meetings could have been helpful opportunities to discuss technology, city regulations, and work on advocacy together."

This was an area I messed up. When I first started Vantage, I was so focused on building my company that I did not extend an olive branch to local competitors and build out a local network. I still regret this mistake to this day.

The truth is that other competitors share our same concerns. As Mike Harrington discovered, “I learned most of the time they are just trying to keep up with the day-to-day demands just like you. There’s enough business out there for everyone.”

Elaine Stitcher agrees with Mike. “I second Mike Harrington on this one – worrying too much about what your competitor is doing. Unless we become complacent, they’ll never catch us.”

According to Steve Schwab, “Today’s competitor is key to your growth tomorrow.”

## CONCLUSION

Building strong connections in your community and with other vacation rental managers is foundational to your success. As Heather Bayer shared, “Once we formed this, we realized what we had been missing. Great networking, sharing of best practices, support in difficult times (through the pandemic), togetherness in battling regulatory issues, and enduring friendships.”

It’s tempting to let busyness be the death of connection. We grow so consumed with all we must do and feel like reaching out to others will only add to our load.

But as I’ve often discovered at conferences, some of my greatest learning experiences are not the speakers who present on a stage, but they take place around 10 p.m. at the bar over beers with other VRMs. While I didn’t start off doing this well, I’ve now come to value the importance of building strong alliances with competitors. Every time I network with others at a conference, I come away with a $2,500 or greater takeaway I can apply to my business.

# CONCLUSION

# CONCLUSION: TAKE CARE OF YOURSELF

Underpinning many of the comments VRMs made was this simple truth that life in the vacation rental industry is hard. And in an age of burnout, depression, and anxiety, the need for proper self-care is at an all-time high.

Ironically, we who are in the vacation rental industry often find it hardest to take a true vacation. As Travis Wilburn said, he "went five years with no vacation."

When I worked at Vantage, I think of those nights I received a 2 a.m. phone call from an irate guest who was livid about their accommodations. I recall delivering linens at midnight, getting yelled at like I was scum. And I remember the time an angry guest walked into my office and nearly punched me in the face.

Thankfully, these instances were few and far between, but they still took a toll. They kept me in this constant state of "high alert." And as I found out the hard way, it's tough to be on all the time.

Some of the stress we have as VRMs is simply a numbers game. Think about it. If we have a hundred units and an average of five people staying in each location. This means on any given night we have 500 people staying at our properties in different locations. And if just 2% of our guests have a problem, this need is still significant. It's not as if we can just send a cleaning person or maintenance worker up to the twelfth floor to resolve the problem in ten minutes.

Soon after I left Vantage, I happened to be vacationing in a vacation rental in Orlando on July 4th. As I sat by the pool, soaking up the sun, I turned to my wife and said, "You know what's weird? We've been here for hours, and my phone hasn't even rung once!"

When I was a VRM, holidays were anything but a vacation for me. This is one of the reasons I'm so compassionate whenever I travel and have a bad experience. I can put up with a dusty closet or lack of towels because I remember what it was like to be the one responsible for these issues.

# CREATE PROPER BOUNDARIES

When you're a new VRM and start to gain traction, it's easy to think you must be a superhuman and stretch yourself too thin. As Sarah Bradford expressed, one of her temptations was, "Thinking I had to do it all at first – be a mom to twin baby boys, print the owner checks (so many screaming moments!), answer the phones, answer every email within an hour, and head up every initiative."

David Angotti neglected his own health and happiness by not putting boundaries in place. "I had a mantra of 'Treat each owner like they are the only owner' and I lived by it. That came at a personal cost as I gave up exercise, date nights, and would let owners interrupt critical time with my wife and children. Boundaries are a must."

As a new VRM, Steve Trover admitted that he stretched himself too thin by being on numerous boards and committees. And as he shared, "At one point I was on a total of 14 at one time. Giving back is great, but not to the detriment of your company. I also have what I call 'entrepreneurial ADHD' (perhaps due to my actual ADHD) and started far too many companies. You don't wear a cape. Focus!"

According to Jed Stevens, "I wish I had started with better boundaries for personal life – the tools are available now (like an after-hours overnight call answering service,) which can allow you to disengage from work and engage in your personal/family life. I wish I had done this sooner instead of living with the phone in my pocket for eight years straight."

Setting proper boundaries is difficult. As Mike Harrington shared, it's easy to be, "too available as an owner/manager. This is a tough one as it is ultimately your reputation and business on the line. But, if you really want to build a sustainable organization for the long haul, letting your team perform and work through issues on their own is a must."

It's hard to have boundaries with owners. You build relationships with them. You're managing their assets. And you feel terrible when something goes wrong. But as Maureen Regan admitted, "I'm not Superwoman."

Instead, it's imperative to do as Brian Olson indicated and learn to say no. Right at the top of Leslie Anne Morris' list of regrets was, "Saying yes to every single traveler's demand. The customer is always right! Or are they? When a traveler books our cabins through Airbnb or Vrbo, they sometimes seek a discount. We find that the travelers whose stays we discounted nit-picked other details in the hopes for more discounts."

One of the simple ways to create strong boundaries is to do as Jed Stevens recommended and adopt an overnight service. In his words, "I spent way too many nights with the phone by my bed and could have been resting more soundly if I'd just ponied up for a quality service to handle overnight emergencies sooner. Rest is important."

In addition to this option, there are so many technological tools to use. These include call centers that answer 80% of the questions guests will have. The goal is to create filters so everything doesn't run through you.

## TAKE CARE OF YOURSELF

Along with creating proper boundaries, it's critical to take care of yourself. This was a theme repeated by several VRMs including Brian Olson who regretted, "Not taking care of my own health to make sure I am there for our team." In Brian's case, I remember being with him at a conference when he was rushed to the Emergency Room via an ambulance. I have no doubt that moment was a turning point in his life. It certainly was for me because it reminded me of what was most important.

As Tony Cappaert noted, "Life's too short to constantly grind. And the funny thing is, I think the business is often better off when I do." To this point, one of the myths Simon Lehmann discovered was, "Thinking that the business won't run without the founder/owner and therefore not being able to take a break or a holiday. One needs to delegate to keep the head clear." I loved this raw statement from Kevin Jones:

> I had bad days. I do not have much of a poker face, so if I received bad news, or was having a hard day, the team would often be impacted by my mood. I learned that I couldn't let that happen. Simply stated, the CEO can't have a bad day, so be sure to take care of yourself. You are the face of the company. Your mood and attitude impacts everyone whether or not you know it. Your attitude – your 'vibe' as my daughter would say – can't, and won't, be perfect every day, but being aware of your non-verbal impact on the company environment is huge. Figure out a healthy way to deal with stress or the bad news of the day and do so privately, so that you have a positive impact on the team. Go workout. Go on a hike. Take a ten-minute walk (without your phone). Take care of yourself so that you can lead the way forward.

When we run ourselves ragged, our lives get all out of whack. As Valerie Gangas noted, "Not taking some time off regularly/working seven days a week for years on end doesn't contribute to a balanced life or perspective."

According to Matt Durrette, "You can't run your business effectively unless you take care of yourself physically and mentally. Working 80 hour weeks only sets you personally up for failure long term as it sets a false standard for your team, employees, and your owners. That kind of lifestyle will burn you out and will make everyone think you're available 24/7. You will also end up neglecting your time with family and friends."

One of Steve Schwab's regrets was, "Not taking care of my health because I was too busy running the business was a terrible mistake. Just as with all parts of the business, pride of ownership and care of equipment is key to long-term success." And as Steve continues to say, "Self-care is a mission critical to the health of your business."

While the vacation rental industry feels like a 24/7, 365 business, it's critical to create some margin. Tony Cappaert warned against, "Failing to take time off during the week/month for me. Life's too short to constantly grind. And the funny thing is, I think the business is often better off when I do."

## DON'T TAKE IT PERSONALLY

One of the reasons it's tough to take care of yourself is because you take your business seriously. You feel the weight of each decision and find it difficult to separate your work and home life.

Sarah Bradford is not alone when she regretted, "Letting each issue get to me emotionally and carrying it with me to the dinner table and beyond. Learn 'this too shall pass' and don't sweat the small stuff. Leave work at work." Along these same lines, Valerie Hawkins regretted, "Taking criticism personally (as in an owner complaint or notice to cancel contract) rather using experience as feedback and problem-solving."

Andrew Pokrzywinski struggled with the whole business and family dynamic, and in his words, "Not taking owner decisions/actions personally. At the end of the day their decisions are best for their family." Kirsten King had a hard time, "Getting so caught in the daily frustrations or challenges that I lost sight of the great things we were doing and accomplishing. Taking things too personally."

Taking it personally is often our default response. But as Lino Maldonado rightly expressed, "Don't take yourself too seriously, you're selling vacations for heaven's sake!"

# CELEBRATE THE WINS!

At the end of the day, I believe we are in the best industry in the world. So, in the words of Tony Cappaert, take "the time to celebrate the wins. Have fun!"

Don't fall into the trap Dustin Abney warned against and lose sight of why you got into this business in the first place. "Constantly find joy in what you do. Have fun while doing it. Celebrate the wins!"

As Leslie Anne Morris noted:

> Not everything is negative, even some positive things can be mistakes. Not taking the time to celebrate your wins and shout them from the rooftops is a huge missed opportunity for you to let everyone know what you're doing so that they can cheer you along. This is your journey to building an amazing company and brand, so share the wins frequently and often.

Everyone makes a lot more than ten mistakes in life.

There will always be areas for improvement.

But the key is to stay in the game and keep moving forward.

Deal with hard times and celebrate your wins.

# ABOUT THE AUTHOR


Brooke Pfautz is one of the industry's foremost experts in helping property management companies grow their inventory of vacation rental homes. It's a problem he's been laser focused on for the past 15 years.

His meteoric rise in the short-term rental industry started in 2007, when he co-founded a vacation rental company in Ocean City, MD and grew it to more than 500 properties under management in just five years.

Following a successful exit from that company (Vantage Resort Realty), Brooke's passion for advancing the industry led him to take on a pivotal role as Chief Business Development Officer for one of the world's top vacation rental brands. During this time, he spearheaded growth initiatives across various destinations throughout the United States.

In 2019, Brooke's passion to try and help as many companies as possible led to the inception of Vintory, a revolutionary and novel concept at the time. By strategically combining target data, software tools, sales and marketing services into an "all-in-one" platform, he literally invented the category of inventory acquisition and proved its efficacy as the most successful lever for boosting top-line revenues, bottom line profits, and building net worth.

As the CEO of Vintory, Brooke assembled a dynamic team of over 50 growth experts, all sharing his unwavering dedication to helping property managers grow their businesses. And, in just 4 years, Vintory has helped more than 600 companies achieve remarkable results and elevate their bottom line. No other entity has helped more companies grow their inventory than Vintory.

In addition to his industry leadership and role as CEO, Brooke remains a devoted family man, having been happily married to his beloved wife, Suzanne, for close to 25 years. Together, they are blessed with two wonderful daughters, Mason and Riley.

Brooke's commitment to fostering growth extends beyond his professional endeavors, as evidenced by his involvement in organizations like Young Presidents' Organization (YPO) and Entrepreneurs' Organization (EO), where he serves as a valued board member of the Baltimore Chapter.

An accomplished author, Brooke literally wrote the book on inventory growth. His first book, "From 0 to 500 Properties in 5 Years," stands as a three-category Amazon bestseller and is hailed as the definitive guide to inventory growth for short-term vacation rental managers.

In his latest literary endeavor, "Vacation Rental Secrets: The Short-Term Vacation Rental Industry's Top Experts Disclose their Biggest Mistakes and share their Hard-Earned Wisdom," Brooke brings together 50 leading industry figures to share their insights, crafting an invaluable resource described by many as Jim Collins' "Good to Great" for the vacation rental industry. This empowering book equips both aspiring and seasoned professionals with the knowledge needed to make informed decisions and embrace the potential for growth and prosperity within the dynamic world of short-term vacation rentals.

Brooke Pfautz's unwavering dedication to the short-term vacation rental industry, his trailblazing spirit, and his genuine passion for empowering others to succeed have left an indelible mark on the landscape of vacation rentals. Through his remarkable journey and his invaluable contributions, he continues to inspire countless professionals to embark on their own paths to grow and prosper in this exciting realm of short-term vacation rentals.