

**Introduction for Glenn Sanford:**

Glenn Sanford is chairman and CEO of eXp World Holdings. eXp World Holdings is a real estate brokerage company that he founded in 2008 based in Bellingham, Washington. It went public to the Nasdaq in February 2018 and its revenue grew 84% to \$1.8 billion in 2020. Prior, he worked at the executive level with a number of internet startups in the 1990s. He's closed 60 billion dollars worth of real estate deals and he is disrupting companies like REMAX.

**On getting in the game:**

"I actually ran real estate teams prior to launching Exp Realty. Brian Cole Hain had I been working together since 2005. I had a previous company called Buyer Tours Realty. And after the downturn in 2008, we ended up having to close three of our four offices, and went to a skeleton crew on the fourth. And we actually got together in April of 2009. And one of our agents actually asked the question, 'When do we get our offices back?' And I'm like. 'the market kind of sucks right now and we can't afford offices.' So we need to figure out a way to build a business model that does not depend on brick and mortar. So that's what we started with those 25 agents and now we're 48,000 plus agents in 13 countries."

**Technology to disrupt real estate:**

"I'd come out of technology, I launched an internet e-commerce logistics company just before the dot com collapse. And so I refer to myself as a dot bomber. From that exercise I'd actually worked for AOL at one time. I built my own online service, and actually built an online community long before Facebook and so this was even pre-web. And so I was really this technology entrepreneur that when I got into real estate while I was looking for our next deal. It just turned out that real estate was pretty antiquated. And so all these technology skills that I had developed in the '90s were super applicable to internet lead generation and working with clients online. And and so it ended up that real estate ended up being the next deal. And so why real estate? Why not insurance? Why not financial services,... because I didn't get hired into those. I was 35."

**Don't get comfortable with what you've got:**

**"[I got my real estate license and a] \$60 an hour job almost kept from building a \$10 billion business. That is a freakin' wack idea. That's an expensive job there to keep."**

"So basically I told the gentleman that brought me in [to real estate that] I'm going to build the do the online thing. I'm going to generate the leads online, work with clients and not going to go where a realtor can at the grocery store. I'm not going to be accosting my friends and family. I'm going to build this online and if it works great. If it doesn't I'm going to go do something else because I'm really technology oriented. And so he said fine. And then that's how [in 2002] I sold 17 properties just to clients. I've been online Rookie of the Year...sold \$7 million worth of real estate in 2003 in Bellingham, Washington"

**Keep your pipeline full:**

"I was really good on though. I was really good on the lead generation side and it was always about inbound. So I was not the prospecting to person. I didn't like going and knocking on doors and talking to people that I didn't have a relationship with, but if I could create a funnel where people are calling me, I'm like, those are my peeps. And so the salesperson that kept the funnel full, kept the top of the funnel full, rather than the guy that's going to be the closer and handling objections. I kept the funnel full because of the way that I lead generated. I was doing like probably 10 websites locally. All branding me. When people came in they wanted to work with me, so it wasn't as much selling but we're just being of service."

[Interviewer] "Like you have no offices, where Keller, REMAX, the big players...Coldwell Banker, Century 21, Compass, do."

**A business that owns you instead of one you own:**

"I started just recognize that for a real estate professional, it's really tough to get off the hamster wheel when real estate's pretty good. You can make good income, but there's no way to sort of get off of that in a traditional model. **And so I just kept on looking at the fact that I didn't really have a business that I owned. I had a business that owned me,** and I was like, 'How do I retool this thing so that I can actually have something of value for myself, my family?' And so that was really fundamentally what we were trying to do is to solve: the pain points of helping agents actually own a business without having to go through the brain damage of actually starting a business."

"My dad and I actually, in the late '80s early '90s, took about fifteen different companies public through a process called a reverse merger where you'd actually find a public shell and then you take that company and you roll it into it into the shell so they could do something with the equity. When we started eXp, we wanted all of our agents to be shareholders. But there were rules, especially back in 2009, around the number of non-accredited shareholders you could have in a company which was limited to 35. And most real estate agents aren't accredited. So in 2013, we actually bought a public company, reversed ourselves into that public company so we can then distribute equity to our agents because a public vehicle removes that limitation of 35 shareholders. So in 2014, we started this, distributed equity to our agents because, quite frankly, I wasn't offered equity. When I was at the firms that I was with, even though I was the biggest single agent team in the offices that I was involved with, I said, 'Hey, can I get some equity?' and [the owner says,] 'No,' that kind of blows. And so I ended up moving to another brokerage, and I actually got offered 1% of the market center. And that was all they wanted to actually sell me. And then I read this document that went along with it and all the stuff I had agreed to. **Nobody in the right mind should give up their whole future for this 1%.** So I backed away from any of that equity and then when we started eXp, it was like, 'How do we actually create meaningful amounts of equity for our agents and brokers?'"

**Solving pain points can lead to opportunity:**

"I'm feeling this pain, and I'm recognizing that this is actually blocking me from where I want to go, then there's probably a whole bunch of other people that have that exact same pain. **So if I can solve it for me, then I can solve it for everybody else at the same time, and that kind of created its own marketplace because that is the biggest challenge.** If you're an agent and you're not with Exp, there's no opportunity to earn. This is what we built. We pioneered this model we now have...there's some copycats but we innovated around agent compensation as being the differentiator in the marketplace."

**Why most real estate agents fail?**

[Interviewer]: "You know most real estate agents are not that effective and they don't know the market. I know when I moved to Miami, I knew more about the market in Miami from Google searches and Zillow and Trulia. Then an agent wanted to show

me how and so I'm like, 'No, I want this particular view.' And she's like, 'let me show you this house. It doesn't have that view.' 'Like why would you want to show me that house? It doesn't have the view, right.'

"Yeah, I think the reality is most people that get into residential real estate came from another career that wasn't a sales based career. And so you know, you're a school teacher, you're an engineer, you're this and you're that and so you've got this whole new skill set that you have to develop around your lead generation database, follow up all you know and all the stuff that you coach and train. You know that those are new skill sets. For most people it takes a while to kind of get that and then, in addition, the person who's coaching them, a lot of times, doesn't actually teach them the right things as well. So you've got agents who don't know the inventory because somebody said well if somebody calls you just send them the MLS info and then if they want to actually see the property then you can go see it together.

"Well, that's kind of a waste of time. We'd actually preview like 10 homes a day taking photos on behalf of buyers. And so we knew the inventory better than anybody else. And it's so easy to do that but most agents aren't coached to actually go and truly preview...really, truly understand the inventory. And so they're learning about the houses at the same time the customer is."

**eXp model is like network marketing for real estate:**

"So you can think about it, kind of like network marketing, but for real estate. And then the second part of it, is that as you do your first transaction as you if you pay a full cap and our model is \$16,000, so as you attract another agent, as you do different milestones, you can actually earn equity along the way. And so we've created more millionaires in the residential real estate industry than pretty much any other real estate brokerage in existence."

**Community and collaboration without an office:**

"So one of the things that we were trying to solve in 2009 was how do you build collaboration and community if you don't have a physical office? And so we actually decided in 2009 to go work in a virtual world for business. So you can think about, you know, Minecraft, or Roblox, or a virtual world where you're literally walking in as an avatar into boardrooms and training centers, and we've got 60-100 hours of training going on. For agents and

brokers all across the world. So next thing I know, I'm in this 3d environment. Little avatars [say], 'Hey, Glenn, how you doing this morning?' 'Oh, I'm good.' And they're talking to each other. And then he goes into a conference room and like that is the trick. Because you actually feel like you're getting in a training rather have somebody just come at you but with a flat video. Yeah, it's all about serendipitous, meaningful collisions.

**Having serendipitous, meaningful collisions:**

**"Tony Shieh actually talked about that, in his book, Delivering Happiness. And the way that he designed the Zappos office was to create [meaningful] collisions...That's why offices are really valuable.** So I don't want to diss offices, but because they actually create a place where you can actually run into people and have watercooler conversations and then brainstorm on whatever this next idea is, and then you go and do that. And so that's what a physical office represents. And we wanted to create that in a virtual sense, which literally is what happens. We literally run into people, bounce ideas, and go, 'Hey let's pull a few people together,' and we'll set up a new idea or concept in a couple few days just because of people that were in our proximity in a virtual world."

**On building a culture**

"I think everybody's going through this thing right now. How do I build a culture and I can't even see people? I want an office, I want physical, I want to touch people. I want to see him. I want to see what they're driving...how their life is going. So, if we're going to truly go without offices and I don't think we will. Most of the world won't because you'd still want connection...the serendipitous, meaningful collision."

**Handling the lows:**

"There's been big disappointments. We literally had to borrow money to actually get into 2009 because the housing market crashed. I've had to fight off some different stuff. I've had to fight off a hostile takeover in my own company at one point, and there's been a lot of stress in growing businesses. We've never had a month where we have fewer agents than we had the month before. We've never had a quarter where we did less than we did previously. So we've been growing all the way through. But in 2016 and 2017, the wheels were almost coming off because we're growing so fast. For us. Maybe we'll have to deal with that problem again."

### The importance of scaling:

"[How important is it for people in the room to scale?] **It's absolutely critical that you scale. I mean, the reality is that you know if you're not growing, you're rotting.** And that's kind of the reality is you're either stepping into figuring out new, exciting challenges. I've played with the idea that once you start to coast is the first stage of pain, and so you know, you always got to be figuring out the next thing you're going to do and the next way you're going to retool the next [thing]. It's not easy to do that. The muscle memory that you developed is something that can never be taken away from you once you've done it. **And it's one of the cool things about having scaled is once you've done it, you're set because you've already got now this mindset, you've got this thing, that nobody can take away from you.** But you have to think about scale, you got to think about growing your revenue, you got to think about growing your database. You got to figure out ways to do that very quickly, and engineer whatever you need to ensure to make that happen. Because generally speaking, people do have to do 10 times as much as they expect to get the results that they originally thought were possible. And then eventually, you get to the point where you know, you're grown and then exponentially at some point beyond that."

### The problem with staying small:

"[Now is it easier to go big or to stay small?] I think it is harder to actually go big. I think there's definitely a lot of things you're gonna have to break even when they're not broken to get the next level. So that's, you know, **if it's not broke, break. It is sort of one of my mantras, because if you're not breaking stuff, then you know, you're [broke] and that takes work.** I mean, you're going to be aggravating your team, you're going to be having to invest in new systems of processes. But you know, there is more work in scale. **Like, how many of you suffer a lot because you're trying to stay small? You're spinning the plates.** I don't want to use debt. I don't want to use my money. I want to save money for retirement. I want to grow my business, but I want to do all these other things? I want to grow but I don't want to spend? How do you balance that out?"

**"You're going to spend the same number of hours a day doing work. So why not do work that actually takes you somewhere.** Why not go for it? What's the worst that can happen? And I just embrace that that's a possibility on it, and go

for it anyway. And there's like, lots of times I just go for it anyway. And it generally works out because people follow people with big visions. **If you're trying to build a business, hav[e] a big vision that you can clearly articulate to people, [and] you won't have a hiring problem because people will want to be on your team. You're not going to have a revenue problem because people are going to want to be a customer of yours. And so people follow people with big visions and so a lot of the a lot of stuff gets easier when you go big."**

**Quality over quantity?**

**"[So when Tyrese Gibson said yesterday I'm going for quality over quantity, do you agree with that?] There's a lot of people that's that sort of use quality as a way not to do stuff. And so I think there's always got to be a way to increase quality over time. But quality shouldn't be the first goal. You got to get into the game with people and in business. Anything worth doing is worth doing badly at first."**

**What does 10X mean?**

**"I mean, the reality is that just adding that extra zero. If you want to figure out what's blocking you and your business, and you're having a hard time identifying it, you just add a zero to your goal to solve that and you'll figure out everything that's stopping you from getting your current goal. So for me, it's like 10X is just a way to solve problems. It is a way to solve problems 100%."**

**Leveling up:**

**"I think what I what I got out of this route and what I think the takeaway is that there's so many ways to level up and so many people to network with. Obviously you've got the people on the stage but then you've got all the people that are sitting to your left here, right in front of you, behind you, and all those serendipitous meaningful collisions. I mean, **if you're not walking out of here, building a bigger business and a bigger empire from people you've met here, you've missed a huge opportunity. Because there's so many really amazing people in this room."****