

# Scale Your Business by Getting Out of Operations

Gwenn Aspen: On this episode of Bootstrappers, we're going to talk about how to scale your business so you can get out of the weeds. We're going to speak with Cassandra Swanson about how she's been able to do that at her business.

Jeremy Aspen: This is the Bootstrappers Show for property management, powered by Anequim, a podcast where we have real conversations with industry experts that you can apply to your life and business.

Gwenn Aspen: Welcome to the Bootstrappers Show, where we talk about topics that are important to real estate and property management entrepreneurs. I'm your host, Gwen Aspen, and we're here at the Red Rock Casino in Las Vegas at the Property Management Mastermind Conference. And I'm super excited about the show because we're going to talk about how to scale your business so that you can get out of the weeds.

We're here with Cassandra Swanson of Paramount Property Management in Boise, Idaho. She's the CEO there, and she has successfully gotten herself out of the weeds, which was very hard to do in this industry, so you should be super proud of that. Bootstrappers is powered by Anequim. Anequim is the number one virtual assistant company in the property management industry. We have a proven process. We can find the best candidates and we'd love to help you. If you're interested in finding a virtual assistant, set up a discovery call on our website, [anequim.net](http://anequim.net) today.

Hi, Cassandra. How are you?

Cassandra Swanson: Good. That's a good morning.

Gwenn Aspen: Oh, my gosh. Welcome to the show. So excited to have you. So tell us about yourself.

Cassandra Swanson: So I grew up in Boise, Idaho. Is where I was born. I've traveled around a lot, but really fell in love with the area. It's similar to Colorado so I'm sure you can relate.

Gwenn Aspen: Yeah, it's gorgeous

Cassandra Swanson: Yeah it's great and because of that I- you know, you have your community that kind of builds around you and mine was awesome. And so, I had found my way into property management as an accident like everyone does.

Gwenn Aspen: Yes, right. Like no one grew up and thought I'm going to be a property manager one day.

Cassandra Swanson: No one thinks that. Not without needing a counsellor. Most of the stuff I spent time with and my interest growing up were with children and animals and mixing them together, which sounds exhausting, but was really fun for me. So what happened is I had a bucket list in my life of like really cool things that I wanted to happen that were circumstantial. And one of them was I wanted to be as valuable as an employee that someone would hire me like super pregnant, you know, like showing. And that happened. And so I was working at the Department of Labor and a friend that had founded a property management company reached out to me and wanted to know if I wanted to come work for her. And I was like, "Sure, you you've seen me, right?" And she brought me on. Anyway, we did the training third trimester, had the baby, came back to work.

Gwenn Aspen: Oh, my gosh.

Cassandra Swanson: So that's how it happened.

Gwenn Aspen: So that, so you have this bucket list.

Cassandra Swanson: This bizarre bucket list. Yeah.

Gwenn Aspen: Oh, my God. Okay. We're going to on another show, we need to talk more about the bucket list. But that is such a fascinating story.

Cassandra Swanson: Very random things. But it happened and I was not going to have that many more kids. So it's one of those opportunities that, it's now or that's not happening.

Gwenn Aspen: Yes. Oh, my gosh. Wow. And so then you fell into property manager.

Cassandra Swanson: I did, yeah. So I started there working on the properties and working in the marketing because that was my management and marketing was my background in education and experience at the Department of Labor. And eventually what happened is the company was actually founded for her family member that was deployed in Afghanistan. And the idea was when he came home, he'd have the family business and step in and take it over which, great plan. But when he came back, he found going from explosive ordnance division to tenant maintenance had a very big difference on the way I do what I do scale and so he and they ended up selling the company and that's how I came into possession of it.

Gwenn Aspen: Oh, wow.

Cassandra Swanson: And he now works with the FBI and the police department locally, so it worked out.

Gwenn Aspen: Really? Wow. That did work out. Yeah. So what year did you purchase the company?

Cassandra Swanson: So I became owner in 2010.

Gwenn Aspen: 2010? Yeah. Okay. So when you became the owner, well, how many properties do you all manage now?

Cassandra Swanson: So we started.. it's got, we've done quite the range with the experience because we've done vacation homes and commercial and everything else. So we average in a year about 150 because we do tenant placement and

we've gone as far up as 350 and as low as 70 through the years as we tested things and went through 2008.

Gwenn Aspen: Oh my gosh, I know it, right? All the things.

Cassandra Swanson: Yeah.

Gwenn Aspen: So with your organization, you have been able to successfully remove yourself from the day to day operations. Yes. So how did that, was that on your bucket list of goals to accomplish or did that kind of happen organically?

Cassandra Swanson: So what happened is I realized that the burnout time in our industry for employees and for owners was right around four and a half years. And so if they couldn't switch it and they couldn't get everything under control and in a maintainable place to move on with their life, then they would step out of the industry. And so after watching that, the necessity became, okay, we've done the startup, we've got it founded, we've changed the ownership, and the first step in scaling ended up being letting go of the property owners that took more time than we made on them.

Gwenn Aspen: So you really homed in on who the ideal client was that you wanted to work with?

Yes. Yeah.

And so that was probably why maybe you lost some of the properties because you were like-

Cassandra Swanson: It was! So the coolest thing happened as we started cutting those owners, I had set it up so that we could work on less, we had a system, we had things outsourced, everything was there so we could work on less by losing these clients that were problematic or higher maintenance. And what happened is we let them go and we found no difference in our income.

Gwenn Aspen: So your profitability stayed the same even though you had fewer properties?

Cassandra Swanson: Yeah, we cut over 100 doors at that time.

Gwenn Aspen: But you- I love the story because I don't think people do this enough is you decided this is how I word it and maybe you word it differently or you could tell me I'm wrong, but you decided what problems you wanted in your life. Yes. And you said no to the problems that you didn't want?

Cassandra Swanson: Yes. It started with the life choice. And also for my staff, if someone was a person they couldn't work with, you know, someone's making them cry or causing to sleep or stressing then and they're afraid of losing the account. Then we can't keep going.

Gwenn Aspen: Did you talk about this through your core values or how was it discussed with the team on how the process was going to be?

Cassandra Swanson: No, because our core values were important and we were still meeting those. But what we found is just because we offered those core values, it wasn't always reciprocated.

Gwenn Aspen: By the owners.

Cassandra Swanson: Yeah. So we could have integrity and honesty and kindness and really put their best interest at heart. But if they weren't doing that for us and the tenants and they wanted to try and stay profitable and shift it, then it wasn't a good match for us.

Gwenn Aspen: But that is truly like standing firm in your core values because you were saying These are our values and you either work with us and you're match on these or you're not. And if you're not, then we're okay with parting ways, you know, no hurt feelings. Yeah. You know, I'll still say hi to you at the ballpark or whatever.

We're still good, but I'm just not going to work like this. And then you made the same amount of income, so interesting.

Cassandra Swanson: Yeah, And what happened is, without realizing it, you know, we track our time and we do our KPIs, but there are some things that we can't track. Like no one tracks the emotional recovery time, just a deep breath after a phone call, reassessing if you followed all the procedures, if you're in the right place and that takes time, it's a good thing to do, but you can't do it for between every phone call, right? So when we got in a place where we said, no, we're not going to be the fit if you want it this way, even when some of them we did for years and some of them really didn't want to leave.

Gwenn Aspen: Yeah, you're like, No, really, it's like, good, we're good.

Cassandra Swanson: Yeah, a lot of that. But it was so worth it because everyone came to the office happier and they felt backed up. So, you know, if you have an employer that's backing you and wanting you to have a good experience, you're willing to do more for them? Absolutely. Yeah. So the time that it saved just in the recovery and the thought process made it so it was the same amount which floored me. So we didn't have to do any cuts. And so then.

Gwenn Aspen: That's a very courageous decision to make because when you see those doors actually go away, you can get that like (GASP).

Cassandra Swanson: You do, every time. Still to this day, if there's an owner, if you're in this industry, I have owners that have been with the company since 2005. Right. And I love them. I love knowing that we can do something that long term for them and still be a solution. But there's still times where we've done our best and it's still not the right fit. You just want to make sure you're not missing it for them. I always get that clenched moment of "Did we? Is it OK? Where did it fail?"

Gwenn Aspen: Yeah, right. Yeah. Dwell in your decision. Yeah. But then in the end, you trust your gut and trust your core values and your team.

Cassandra Swanson: Yeah. We do, and part of our core values too, is we're doing what we think is right, but we're not robots part of what we do as humans, so there are mistakes and we have to accept that.

Gwenn Aspen: Okay. So that's where a lot of people can't give up control. So back to our discussion is how to get out of the weeds of your business. So I think when I talk to other company owners, they're obsessed with not making mistakes, which I totally get because it's your baby, it's your company, it's a representation of who you are as a person. And then when people fall short, it takes an emotional toll. How did you get over that typical hump of allowing like, here's the process and procedures. Now I'm going to let you try it. You may fall short.

Cassandra Swanson: Yeah. So we know in the industry, when you're good at something, you automatically project that everybody else is just as good as it because. Comes easier to you. I've had plenty of friends that are artists that say, Oh, I can draw. So obviously anybody can draw. I can't draw. And they're like, No, with practice you could with practice, my cat is still going to look like a giraffe on paper, like it's not going to turn out. So knowing that up front and going through the interview and personality to see if they're a fit company culture wise. So you hire really slow. And then I believe that if you're going to terminate someone, they should have had every opportunity to correct an action if they're really trained to do well at the job. Otherwise, the management is overlooking staff needs. So our training process is we try and hold off those decisions to have the employees gradually making them on their own. So they're talking to the owner and they have to put you on hold and say, hold on, let's see, what can we do? How do we address this, over time when they come and say, How do you want to handle this? We stop answering that and say, Well, what would you do?

Gwenn Aspen: So you use a Socrates method in order to coach your people up, to take those to make those decisions on their own.

Cassandra Swanson: Yeah. And so based on what they say on the decisions, then I can see where it fits with our core values and what problems may come from it because we've been doing it a while. So as we-

Gwenn Aspen: And you can see what their competency is like, they're going to get.

Cassandra Swanson: It. And you really see the ethics.

Gwenn Aspen: Yeah.

Cassandra Swanson: So, you know, it's.

Gwenn Aspen: Kind of a test.

Cassandra Swanson: It is. You're seeing are they going to make the choice for the tenant or the owner or the money or for what's easier on them? And so when they say what they would do and we explain what we typically do after a while, the employees are really valuable. Their decisions are aligned with your company values, but you stop worrying about what they're going to decide.

Gwenn Aspen: Because you've trained them.

Cassandra Swanson: You've learned how they think. Yeah, you didn't even have to build it into them. You already knew who they are and you trust that they understand why a company does what it does and can make those decisions.

Gwenn Aspen: So because you can't, as you know. Right, property management, you're like, well, that's a new one every day industry for 16 years. And I didn't know I'd find human fecal matter in the washing machine. But here we.

Cassandra Swanson: And it gets weirder and weirder, right?

Gwenn Aspen: Yeah. So you can't anticipate or train on each and every thing that's going to happen. You can only train on a philosophy of doing business and then you kind of have to let, give up control and then maybe you have like a dollar amount where you have to get approval at a certain point. But so, you've really focused on your core values and the people component of your business and training on

culture and business philosophy. And then then there's the nitty gritty of the processes and procedures, right? So did you write those down initially when you first became the-

Cassandra Swanson: No, that was the messy part. So when I first came into it and purchased it, I purchased it with a partner and we ran it out of our head.

Gwenn Aspen: Which as like everybody.

Cassandra Swanson: Right? So when you run out of your head, you're like, That's great. I know everyone. I know all the doors and all the dogs. I know where the light sockets are on in every house, but then you can't leave it like you're sleeping with your laptop under your bed and your cell phone under your pillow.

Gwenn Aspen: And that's that burnout you were talking about.

Cassandra Swanson: Because if you really, really care about your clients, when 5:00 hits, you still think about them. Yes. And it's a burden on your family and your health. Yeah, well, it's nice to live.

Gwenn Aspen: It is nice. Yeah.

Cassandra Swanson: Yeah. And so it really is a burden. And so it became a matter of we cut the doors to be less busy and to not have the negative influence and time.

Gwenn Aspen: You wanted light and love in your life instead of life and negativity.

Cassandra Swanson: We're there to solve problems, but we don't want to solve problems and then argue over the, you know, \$25 fee that caused the problems to be solved. If you save someone 200, they don't like the 25. There's a problem.

Gwenn Aspen: Yeah, exactly. I get you.

Cassandra Swanson: Yeah. And so with that, it went great. And then we started selecting the type of clients we wanted. So for us, we don't mind if it's an A, B, C property and what it rents for and the quality of it. What we're really interested in is how the investor feels about tenants and how they're trusted. So if they don't feel like they can give up control and trust, it will be a problem. And if they feel like the tenants they're to take advantage of them, it's- they're not ready.

Gwenn Aspen: So you screen anyone who comes in asking for service.

Cassandra Swanson: We do, yeah. Part of our call where we capture the information on our leads is determining how they look at it and what their emotional attachment is to a property

Gwenn Aspen: 100%. Like I've told my parents, like you're not allowed to have rental properties. It's too emotional for you. It's going to ruin your life. It's going to ruin your marriage. It's too personal. Is not a financial decision.

Cassandra Swanson: No, no. And investment properties are so different than properties that you bring your firstborn from the hospital to.

Gwenn Aspen: Well, they can. It depends on the person.

Cassandra Swanson: If they can let go and say, I want someone else to have a life in this property. Right. But we're talking the owners that if they walk back into it, they're like, well, why would they put the couch there? That doesn't look good. That's not going to work.

Gwenn Aspen: I 100% agree. Yes. So you proactively choose your owners, you've taught everybody. And then how did you end up starting to write all those processes that were in your head down?

Cassandra Swanson: So we really, really practiced it through Narpam (?), right? That was what all of the others that started doing.

Gwenn Aspen: Did you use a software or is there a specific software?

Cassandra Swanson: We used so many.

Gwenn Aspen: What did you land on?

Cassandra Swanson: So we ended up doing lead simple. Okay. And part of it too is the people you work with. So my husband and my son are programmers.

Gwenn Aspen: Well, that's a helpful attribute.

Cassandra Swanson: Yeah. Unless you want them doing the emotional part of tenants or owners, then don't set them down that road. But they're great with the programming part. And so I really enjoyed working with that team in the processes because I have a crew that's ready to jump on and help automate things as in, you know, we know how to send out a management contract, but we can now push a button and send it out. So it's those little time savers.

Gwenn Aspen: So while you're writing your processes and procedures, you also, you didn't just write down what you were doing. You thought very intentionally...

Cassandra Swanson: Every step.

Gwenn Aspen: ...about how anything could be automated or done in a more efficient way.

Cassandra Swanson: Yeah. So, you know, the old trick that they use talking business and grammar and teaching people how to write is like, think of a peanut butter jelly sandwich and how you put it together and have someone act it out. And if they act it out and the sandwich isn't a sandwich, then you're missing parts in your head. So we did that. Then we take it to the staff that was actually doing those duties and they told us what was absolutely wrong with it. And then we fix it. And then as time progresses, we never stop changing them. They still get fine tuned.

Gwenn Aspen: Do you have a person who's in charge of that? Do you have like a point person. You're like, part of your role as managing these processes.

Cassandra Swanson: Yeah. So we have a person that's programming them from the start. And so and the people actively doing the role give us their list at this point. So in the beginning it was me, right? Because I had to get it out of my head and realize that I wasn't following processes the same way each time it was based on how I knew things. So it's yes, no, if and making up that flowchart. And then I passed that flowchart over to a programmer to do the automation. And then we go back to the person that performs it and says, Is this your flow? And that's how we adjust it.

Gwenn Aspen: Very intentional. Yeah. So is that natural to you or was that that process natural to you? Did it take your energy away? Because I think people are so like, I'm going to hate this so much. I don't even want to get started.

Cassandra Swanson: There's no way to get away from the time consuming aspect of writing out your process.

Gwenn Aspen: How long did it take you?

Cassandra Swanson: It takes hours. Like I would say, when you start, your first process is going to be at least 4 hours for something like if you most people start with like a move out, like how do we do a move out process? And you think you can write it down 15 minutes and then when you really get into how you select the vendors and what you're looking at in the inspection and what day it happens, it's a four hour thought process. The first time you do it, all the others after that is like, get smaller and smaller.

Gwenn Aspen: But then once you do it, then everything. Well, this is how you have the life you want. So you knew you had to put the time in on the front end. You knew you had to do it the slow way. It's like it's like the tortoise wins the race, right? I'm going to do this the hard way. I'm going to talk through the automation. Then we'll get approval by the person who's doing it. And we're going to take this long time to write this out. But once it's done, it's going to be good and I'm going to work

myself out of the job. So did you always keep your intention of working yourself out of the weeds in mind as you were going through that very tedious process?

Cassandra Swanson: In a way, yeah. So I didn't- I love doing the job, but I didn't like the exhaustion from it. And so what I ended up doing is picking the things I didn't like first. Yeah. So the things that I don't have passion for and I don't like, I got those off my plate first and process those first.

Gwenn Aspen: So once those were off your plate, did it kind of motivate you to keep going?

Cassandra Swanson: Yeah, it makes it a much different environment because everyone that's founding a business starts with a service. Very few people are like, "I'm good at businesses, so here's my business". Like they're good at what they're providing, but they don't know that they don't have to do all of it. And so, giving up the stuff you don't like is probably the easiest way.

Gwenn Aspen: And the most rewarding to keep doing the hard work that you're describing right now.

Cassandra Swanson: And you get to do what you enjoy. And then that's how you find out what your company is good at and what is different as it comes back to what the owner really values and enjoys doing.

Gwenn Aspen: And as you're writing that down, getting rid of the tasks that you don't enjoy doing, you have more energy to keep going on these processes and procedures because people will start them. They'll stop them. They won't. I mean, it's such a challenging process that you really have to keep the end in mind and see the rewards kind of slowly come in and it keeps going.

Cassandra Swanson: And it's slow, like, you know, three months as you get used to the new process and the new way of doing things before you can really say, okay, that worked the first day it's out. It doesn't feel like it's going to make that big a difference. You really have to write it out.

Gwenn Aspen: So when you wrote that out, you handed everything off to the end user. Are you managing a manager now? Is there?-

Cassandra Swanson: So the goal is because my theory in leadership is ultimately you want leadership to be a service role where you are training someone to do essentially what you can do and think with your core values and make those decisions so that they can continually move up, right? So even in a small company, it doesn't need to be a dead end. So essentially it goes in tiers so that someone that I've trained to do a job should be able to then turn around and train someone else and keep the company culture and everyone keep rising up as it grows.

Gwenn Aspen: So that's the goal. Did it work out in reality? That way that you envisioned?

Cassandra Swanson: So it sounds so happy and good and perfect and in reality, like, it always changes because you, the bumps of it are that you can't control people like managing people is the hard part and they can be a perfect fit when you hire them and their life can change, their motivation

Gwenn Aspen: Or you can grow the business out of their competency

Cassandra Swanson: Yeah, yeah, out of their competency. Or they can be fantastic in a good fit and get an offer or have to move, or you know, we all have our stories of being betrayed by and you know, there's a perception a lot of times that owners know when that they pay their employees first and they take care of their people first and they stay quiet if they're not cutting themselves a paycheck or if ends don't quite come together and employees don't know that, so sometimes they perceive it as working so someone can live off of everything that they've done so with those things that happen no matter what every company it-

Gwenn Aspen: And you can't know that in an interview if they're going to perceive I mean.

Cassandra Swanson: You can know someone for years and not know if their internal motivation is going a different way from your company culture.

Gwenn Aspen: So those things have, did it derail you? I mean, here, there.

Cassandra Swanson: Yeah. People management part is probably the most discouraging thing in the industry because it is a hard industry. You're going to have people mad and happy on both sides of it on any given day. Any given day, yeah. And you'll never know which one it's going to be. And so you form like this trusted family in a team atmosphere. And so if you discover someone's not actually a part of the team, you have to protect your other employees. And it's not fair to be the employer. That's like, let's give them another shot. We'll just keep trying

Gwenn Aspen: Right, yeah. Well, especially if you're so values oriented. So I'm sure there are points where you kind of worked yourself out of a job, but then you had to get back in because something didn't work out, which is a normal process. So that's what people should expect. Like, you're not going to get yourself out of the job and then, like, set and forget forever.

Cassandra Swanson: No. And I think as it grows and grows and grows and gets bigger and bigger, the hard part for a lot of founders who are going from small to midsize is you can have an owner you've never met, a tenant you've never met in a property, never set foot in. And that's okay.

Gwenn Aspen: Yes, it totally is okay.

Cassandra Swanson: Knowing that that didn't happen and someone else has it, it's completely okay.

Gwenn Aspen: But it is you do have to grow as a business owner to also say, like to the point where you were talking about the employees. Like, it's almost selfish to keep control because you're not growing them to their full.

Cassandra Swanson: Yeah, well.

Gwenn Aspen: They're, they're full ability.

Cassandra Swanson: Right. Well and you hire them and you're like, they're smart and they have this potential and they can do this for the industry and for me in the company. And then you bring them in and you go, "But I don't want to give that to you yet". It's disheartening for them. And yeah, no one will stay in that environment, right?.

Gwenn Aspen: Yeah, so what is your week look like now? How many meetings do you go to? Do you also? We'll start there. How many how much work are you doing in the business now?

Cassandra Swanson: So it really varies. So the aspect that I realized that I wanted to keep for me was the marketing aspect.

Gwenn Aspen: Because you enjoy it.

Cassandra Swanson: Love marketing.

Gwenn Aspen: It fuels you and it makes you happy.

Cassandra Swanson: Yeah, I love it so much. It's almost like a business psychology for me. Really love the marketing and I like the relationship management with the owners. So, so many times property owners, they get a call because there's an emergency but nothing else. So they love answering the phone when we call because they're panicked. A call from us means several thousand is needed. Right. And so my role becomes calling to check on their goals, make sure everything's good in their life and to keep that relationship developed. And a lot of the operations are off my plate.

Gwenn Aspen: Okay. So taking all the operations off, do you still get involved in hiring and firing? Yes.

Cassandra Swanson: Yeah.

Gwenn Aspen: So you haven't given that to your managers yet?

Cassandra Swanson: Nope. Because it's such an emotional decision. At the end of the day, my signature is on the checks. I haven't given that part up yet, but we're still in a size where our culture develops through experience instead of like, this is how our corporation works and this is your manager will show you. We're still in that aspect of it. So eventually that would-

Gwenn Aspen: So it's your goal to grow the business substantially?

Cassandra Swanson: Yeah. So I want it to be an organization that can grow on its own and support itself and have its own way of being a part of the community that it's founded in because, you know, each community kind of has its own way of thinking. So I really enjoy that aspect of it and I don't mind growing within that. But we tend to value it organically, so that we know who we're bringing on is going to work.

Gwenn Aspen: So the key things that I think separates you from the average property manager is how intentional you are at the front end. Did you write all the intentions down or did you just imagine them in your head?

Cassandra Swanson: So we could say that I did it because I'm so insightful and so brilliant, but when it really comes down to it, there's so many education courses I took that were, you know, in getting a master's program, I had it. And so when they needed sample items done, I always used my company. So I was able to use that to find those outlines and really force myself to do it.

Gwenn Aspen: But you do have that discipline of like, okay, so in order to get to this level, I'm going to have to do these things that I may not like, that may not fuel me or give me joy.

Cassandra Swanson: Oh, absolutely.

Gwenn Aspen: My end goal is more important than my immediate joy. So, you're very good at delayed gratification.

Cassandra Swanson: We are. Delayed gratification is the only way. We don't do instant at all.

Gwenn Aspen: I love it. I love it. That's such a good story to tell, because also when you're intentional, you kind of have to go quiet and still for a minute separate yourself from the chaos that's around you and say, what's a true priority right now for me to meet my goals? And that's a hard thing for a small business to do.

Cassandra Swanson: And they shift. And the painful part of it is as a business owner or even a manager, you're constantly looking inward and saying, is the way we're doing it, the way we should be doing it and re-evaluating it.

Gwenn Aspen: So that reflective process is part of your process. Yes.

Cassandra Swanson: Yep.

Gwenn Aspen: Oh, my gosh. Well, I just got so much out of this. I love chatting with you, Cassandra.

Cassandra Swanson: Oh, it's so fun.

Gwenn Aspen: And I really think you have some insightful things that can support other people and their growth as business owners. So thank you so much for being on the show.

Cassandra Swanson: Thank you!

Gwen Aspen: So that's a wrap. We'll see you in two weeks on the Bootstrappers show.

Jeremy Aspen: This is the Bootstrappers show for property management, powered by Anequim, a podcast where we have real conversations with industry experts that you can apply to your life and business.