

@ccess™

The Power of 6™ Epiphany



Dave Stech



Dave Stech is a real estate and tech angel investor who believes TIMING is the single most important word in investing. And in life.

Dave gets the timing right through research (his unfair competitive advantage), which he's used to successfully get in and out of real estate at the perfect time during each of the last 4 market shifts. He now shares that same research every quarter in the form of his free housing market update webinars.

Dave's second core belief is in the power of ACCESS. In Q3 2020, Dave launched AVF, a private equity venture capital fund for the 99% of investors who lack the one thing they really need as a private equity investor: access to fully-vetted, high-upside deal flow they simply can't get on their own. That fund has quadrupled in value in its first 6 months.

Beyond his own real estate and tech investments, Dave provides private capital to his network of high-volume house flippers, and teaches that same strategy to already-successful people who want to add a zero to their incomes and net worth.

Dave heads up Stech Family Office with his two sons, Josh and Blake. They attracted over \$80 million dollars in 2020 for their own operating companies and investment funds in real estate, private lending, and early stage venture technology. Six billionaires are currently co-investors with them.

BOTTOM LINE:

Dave and the Stech Family Office has cracked the code to make money and not lose it.



Many years ago, I had a Palm Vx PDA (personal digital assistant). One day, the battery went out. I had no idea that when the battery went out on a Palm Vx, the memory went with it. And not just until you got a new battery – the memory was lost forever.

Now wait a minute, you say. How about your laptop as back-up? You regularly synced your PDA with your laptop, didn't you? Well, I thought so but, alas, my back-up didn't back-up. I lost 3,000 names and contact info. I was sick.

Normally, something like this would have eaten me alive for weeks. Instead, my process of coping sparked a Jerry Maguire-type epiphany, one so dramatic and life-changing that I'm now grateful for Palm's shoddy design. In trying to minimize my perceived loss, I applied what I call the "Double Pareto Principle" to the problem and it didn't seem so bad.



The Pareto Principle is the 20-80, or 80-20 rule. Developed by Wilfredo Pareto in 1906, the Pareto Principle is based on his well-known observation that 20% of the population owned 80% of the property in Italy. In 1937, Joseph Juran used the 20-80 rule to help millions of managers separate the “vital few” from the “useful many” in their activities. It’s more commonly known as the rule that 20% of our activities generate 80% of our results.

I had been using what I call the “Double Pareto Principle” (DPP) for years to categorize things, including people. In the case of the 3,000 lost contacts, I realized that I didn’t REALLY know most of them anyway – probably about 80% of them. Maybe I met some of them on an airplane, exchanged contact info or business cards and a promise to keep in touch, but haven’t spoken to them since. You get the picture. If I applied just the Pareto Principle alone, I’d account for 2,400 of the 3,000.

So now I’m left with 20%, or 600. I knew the 600 people at some level, but how many of them did I really know WELL? Naturally, I applied my Double Pareto Principle, and came up with 20% of the 20%, or 4% of the original 3,000 – a total of 120 people. That made me feel much better.




I apply the Double Pareto Principle to everything. It allows me to categorize people and things into three buckets: the 80% bucket, the 16% bucket, and the 4% bucket. The 4% is necessary; the 16% is nice; and the 80% is neither. I encourage you to do likewise in an effort to focus on the vital few, rather than the useful many (or not even useful in most cases).

Now let's get back to the 120. It's one thing to know 120 people well. It's quite another thing to have meaningful relationships with them. You just can't have meaningful relationships with that many people. The truth is, you can only have genuine quality relationships with a handful of people. To be exact, 6 people – at least in my mind.

How did I arrive at 6? Truthfully, it was a complete rectal extraction! I knew I had to give up quantity for quality. I knew it had to be manageable. I knew I had to keep it small in order to give completely of myself to the 6. 6 just felt right. After all, there's the 6 Degrees of Separation philosophy; there's 6 billion people in the world (at the time); there's the three life sabbaticals I've taken that ended up taking 6 months each. Hell, beer comes in 6 packs, so who am I to argue with that? 6 it is. 6 genuine quality relationships – that's plenty. You only need The Power of 6™ to get anything you or they will ever want.

So, who are these 6? They are people that meet 6 critical, non-negotiable criteria.



Your 6 must be equal to or better than you are at what you do, and/or have complementary and synergistic skill sets to yours and are great at what they do.

If your goal is continuous improvement – and it must be – it makes absolutely no sense to create a power-team of people that are less capable than you are. And, over time, this team will become more powerful, both individually and as a team. More on that in a minute.

Here's a very simple example. If you have children that play sports, you and they need to decide at some point if they are going to specialize in one sport and then play on a traveling team. Why? The quality of your skills grows in proportion to your commitment and competition. As my sons grew up, they played on countless teams in just about every sport, but their true love was basketball. They loved it so much that I came to love it too, and to help them play their best, I became their devoted, fanatical coach. We traveled to tournaments as a family an average of 50 weekends a year for 10 years. One team went on to be the 14-and-under national championship team, and on its roster we had the absolute best 14-and-under boys in San Diego, including my shooting-guard son. He could NEVER have risen to this level without commitment and higher-level competition.

Oh, and we had one girl on the team, Candice Wiggins. If you follow basketball, you may have heard of her; she was the All-American starting point guard for Stanford, and one of three finalists for the 2008 National Player of the Year Award. She went #3 overall in the WNBA draft. Why do I think she's been so successful? Well, quite simply, it's because she played ball with the boys. By surrounding herself with players who were bigger, stronger, faster, and more athletic, she was forced to elevate her game to a level that could compete with such players. Now she faces competitors who have only ever played against other girls, so she is in a class by herself. Don't get me wrong, Candice certainly has a natural gift for the game, but she would NEVER have come to dominate the field the way she does without higher-level competition.

Increased competition is good, IF you are committed to win. Commitment and competition are not just nice, they are necessary.



Your 6 must meet your 6 “value” filters:

- **They don’t have uncontrolled egos**
- **They don’t have uncontrolled greed**
- **They can be implicitly trusted**
- **They are great at what they do**
- **They are committed – to you and to win, no excuses
– just as you are committed to them and to win**
- **You like them**

When I share these 6 filters with people, the typical response is a question: How many people actually meet all 6 filters? My answer is simple – not many – but you don’t need many! You only need 6. You’ll see why soon.



Your 6 must be givers, not takers.

I find that people are generally either givers or takers. Don't ask me why but I find few people in the middle. Givers find joy in helping others. Givers don't take, they receive, for they know that receiving with gratitude is a gift to the giver. By not receiving, you are robbing givers of the joy of giving. Your Power of 6™ must all be givers.

Even one taker will be like dragging a boat anchor, dragging down not only your efforts, but the efforts of the rest of your Power of 6™ as well. Your Power of 6™ must be givers that can change the world in their own small way. Oh, by the way, they'll help you, too.



You must teach your 6 to find their 6; they must be willing to commit to getting the best 6; and to teaching their 6 to find their 6.


Teaching your 6 to find their 6 is where the true Power of 6™ grows exponentially. Think about it. If your 6 are equal to or better than you are, by definition, their 6 are better than you, too. Your 6, plus their 6 (or 36), means that you now have 42 committed people that are better than you at what you do – and all givers – that are all committed – to help you, simply because one of your 6 has committed to helping them. Now that's power. The true Power of 6™ is the power of your 6 and their 6.

That said, it's only powerful if everyone is absolutely committed to each other. Why must it be absolute? Simple; commitment is the promise that the conscious mind makes to the soul. Serious commitment comes with no excuses. You can have results or excuses but you can't have both.

We're only talking about your finding 6 people, and helping them find their 6. That's doable! You now have a Power of 6™ team composed of 42 difference-makers committed to each other. I can tell you from experience – you can get anything you ever want in life with your Power of 6™. Trust me – I've seen it happen. I've experienced it personally, and I want my sons to embrace it too (which they now have).

Now, let's have some fun. What if the 36 found their 6? The group would now be 258 people equal to or better than you. You could do some serious damage with that group! How much damage could you do with 55,986 people equal to or better than you? Enough said. No need to go there.

6
36
216
1296
7776
46,656
55,986



Your 6 must commit to consistently strive to perform at a higher level, and be willing to replace the worst performer in their Power Of 6™ every year.

I know, I know. Why would I go through all the effort of giving to one of my 6 all year long, train them to find their 6, and then replace them? The answer is simple: it's the path to a higher-performing Power of 6™ every year. If all 6 perform to their commitment, they stay. If not, they make way for someone that will. So how would it work?

In December of every year, you will sit down and evaluate your Power of 6™. You'll rank them 1 through 6, with 1 being the best. You'll be calling #1, recognizing and thanking him/her personally, and then recognizing him/her in the presence of your Power of 6™, and then in the presence of their PO6. You'll recognize #2 through #5 again, and also recognize them with their 6. Why all this recognition? Recognition is more powerful than money. Recognition feeds the soul. It's one thing to be successful; it's quite another to be recognized as successful. Plus, it's the right thing to do.

Now it gets even more exciting. You'll also have an annual planning meeting with #1 through #5. You decide if it's a one-on-one or a group session. Personally, I like to do both. Remember, this is your Power of 6™ – the most important people in your life other than your family – you can afford the time. In fact, you can't afford NOT to make the time! You'll be inspired to be with them, celebrating and recognizing. It serves as the foundation for jointly formulating a bigger and better plan for the next calendar year – one-on-one and then as a group – compounding on the success you've all enjoyed in the current year.

That leaves #6. You'll replace them. Through no fault of yours, they haven't lived up to the promise they made to you, and probably not to their 6 either. That doesn't make them a bad person. That doesn't mean they can't be your friend. They may have had personal or professional setbacks. If so, and if the setbacks are truly behind them, and if they genuinely recommit to themselves, to you and to their Power of 6™, you may elect to keep them in your 6. It's your call.


If you do decide to replace them, you can still help them get back on track, but they still need to be replaced, and here's why. Even if you didn't personally want to replace them, you HAVE to, because you owe it to everyone else in the Power of 6 that have committed and have performed. Other performers should not be penalized because someone else isn't. Again, it's the right thing to do.

What always bothered me about corporate America was that political correctness was rewarded more than performance. Non-performers had a level of protection by staying in the middle of the herd and not making waves. Contrast that with self-employed and entrepreneurial people – they don't eat if they don't perform.

Don't forget, you began developing your Power of 6™ by selecting people that were equal to or better than you. As one member's game goes down, or yours goes up, you owe it to yourself and your Power of 6™ to continuously improve and become a more competitive Power of 6™ team as a whole. You should be excited as you recruit your new Power of 6™ team member! You've personally performed and improved over the past year, so imagine how powerful your new team member will be because they will be equal to or better than you!

Replacing the weakest performer annually may seem harsh – even mercenary – but replacing #6 is a sure way to help deserving performers get to where they are going quicker, while ensuring that The Power of 6™ gets more powerful year after year.





**I have a sixth critical, non-negotiable criterion,
but I'd rather ask YOU to suggest an idea that
may be better.**

What's YOUR 6th non-negotiable criteria?
I'd love to hear from you!

P.S. I'm dead serious when I tell you that The Power Of 6™ massively changed my life for the better... forever. It's a legacy that my sons have embraced and it's massively changed their lives too, so much so that they've committed to teaching their children. It's the gift keeps on giving, and will long after I'm gone.

Because it's a gift, I'm sharing the gift with you – a gift to share – for free. I truly hope you see the wisdom of The Power of 6™. I hope you embrace it. If you do, it will put you on a better trajectory.

Our family mantra:

**Do Fewer Bigger Things, with Fewer Better People,
through Fewer Deeper Relationships.**

That's The Power Of 6™.