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Equity



**My friend Mike Shirley in Cancun on Pat Nolan's boat.
Circa 2013. Mike always asks for equity.**

Every job is just a job until you get equity. Always look for equity, overrides, profit sharing, high commissions or something more than just a salary or an hourly wage. Why? For one simple reason there aren't enough hours in a lifetime for most of us to get rich. Giving up all your healthy years from 16-65 for the promise of a great retirement makes zero sense to me. I made sure I'm set for life, but I want to enjoy life each and every day along the way.

My great friend Mike Shirley runs Hawk Security in the Dallas-Fort Worth area. He has run Hawk Security for over 10 years. Hawk has had three owners and none of them have given him equity. In the alarm business, you pay a monthly fee for monitoring and that is called the alarm companies re-occurring revenue. Alarm companies, when they sell, usually get between 30 and 40 times that monthly reoccurring amount.

When Mike took Hawk over it was a revolving door of managers. They had less than \$10K of re-occurring revenue. Last year it sold again with \$1.3M of monthly revenue at a rumored 48Xs. That's a sale price in excess of \$68 million. The guy that built it had no equity; he was paid well, but when all the other people that had equity got big fat checks Mike got zero equity! What if he only had 1%? That's \$680K or half of 1% \$340K. You can pay off a house with half of 1 percent of the deal. I advise you to always ask for equity, override, many times management will consider it because they know you will have the company's best interest in mind because you own a piece of the company.

I took my own advice when I left Honeywell in 1997 to start my Rep Firm that I owned a 100% of. Whenever we rep a publicly traded product line, I always ask for equity in the form of stock options. I often hear no, but this year I'm 1 for 2 with "yeses." Back to Mike, it's just a matter of time before he leaves for a deal with equity. If you are that talented (and he is!) you eventually realize that you need a decent wage, overrides and, most importantly, equity! Think of it this way. If the house payments were exactly the same, which house would you like to own, the one that's worth exactly what you paid for or the home that has equity in it? Use that example with two jobs that have the same

pay. Which job makes more sense? Equity or no equity? I had a friend who said the big chunks of money are the game-changers in life. Sounds obvious, but if it's obvious, why don't people focus more on setting themselves up to get these chunks?

People tend to adjust their lifestyles up or down, based on how much they are paid monthly. But when you get a chunk from selling an investment house, equity in a business, those chunks tend to stick around and really change your life. I can almost guarantee it will be a much longer road to financial success without equity and most of the time the road will never deliver you there without equity. Focus on opportunities with equity. Create Equity opportunities as young as you can, it's a life changer!