

Jack HM Wong: [00:07](#) Welcome to another episode of the Cracking the Entrepreneurial Code. We have Lane Kawaoka. Thank you for joining my show. How are you today?

Lane Kawaoka: [00:09](#) I do. I do. And it's your peer group, right? So that person does it. Hopefully each other can pull each other up, right?

Jack HM Wong: [00:30](#) Right, so let me share with you a little bit about Lane because when I read his profile, he's a fantastic and successful investor. Basically what happened is that Lane is a full time civil engineer and a real estate investor from Honolulu. And he is currently into investment in real estates. And he's not just investing one property. He has a multimillion dollar of investment portfolio and he's the Founder of Simple Passive Cashflow. So I would like Lane to share with us more about his journey transitioning from an employee, then become employee and investor and now having a gigantic investment portfolio. Before I start asking Lane questions, I just wanted to double check this. Lane, what is your background, because your last name is Kawaoka. So are you from Japan as it sounds like a Japanese word?

Lane Kawaoka: [01:14](#) Yeah, I am Japanese, but I'm fourth generation Japanese American.

Jack HM Wong: [01:14](#) I see, so it's like Robert Kiyosaki?

Lane Kawaoka: [01:23](#) Yeah, I think he's third generation.

Jack HM Wong: [01:32](#) interesting. So do you speak Japanese by the way?

Lane Kawaoka: [01:37](#) I don't. That's why I did engineering in college because you don't need to seek a foreign language.

Jack HM Wong: [01:43](#) Understand. Can you share with us a bit more about yourself, your background? How do you get started in investing real estates?

Lane Kawaoka: [01:50](#) Yeah. So my story starts out pretty boring. Just like a lot of people, you know, you're told to go to school and study hard, get good grades so you can get into college. In college, I did civil engineering and industrial engineering and I went to work for the man as a construction supervisor and out in the field working long hours. I work one of those jobs where it's 100%travel so I was never home all the time. And for engineers, we like decent amount of money but nothing crazy like a doctor or lawyer. So I was able to save some money and I bought a home to live in pretty shortly after graduating from college and

since I was never home I just rented it out and I was like, wow, like the rents that I was bringing in the income minus expenses was a lot of beer money right there, the difference between the two and I'm just like, I have to do this again and again and again, because at that point that was the freedom, that was the way I was going to get up out of the rat race. I didn't know what I wanted to do at that time, but it was like I didn't like my job. I didn't like working for somebody else and this was the only way out at the time.

Jack HM Wong: [03:13](#)

Right. And there's lots of opportunities, like the classic rat race stories which I have heard at least a thousand times. So I'm totally with you. The question I have is that is it by chance that you stumble upon real estate investing or did you actually plan ahead - like OK, I need to do something and let me just start with real estate.

Lane Kawaoka: [03:28](#)

I think real estate is a very forgiving type of business. It can be an idiot investing in the real estate and doing very well. It's kind of like playing golf. It's like having one of those huge golf clubs are so forgiving, right? It's not like you can really screw it up. You buy something under value. We're buying these apartments under valued or under market rents even higher. The profit does all your dirty work for you. I mean you make the money on the bike and it's pretty hard to screw up so you know real estate is a business, but it's a very simple business. The problem is it's capital intensive. You need money to get started.

Jack HM Wong: [04:07](#)

Yup, that's right. I shared with you before the show that to the people who are investing in the real estates, the No.1 complaint is not about the time, and not about the knowledge. You can have dumb luck to make a lot money anyway. The problem is that it is quite capital intensive for many people. And I will talk about the capital requirement later because sometimes that might be objection to people who want to migrate from the employment to something that they want to do, like talking about a business. So I will ask you that question later. So have you ever like other than investing in real estate, thinking of starting a business or you are very focused in investing in real estate and you don't even think of anything else? Like when I started my journey as an employee, I actually learnt how to invest in the financial market, so my background, some of people in Singapore know that I am a very skilful trader of options because I've been doing this for the last 14 years. So I've decided to make that move to go to the options market. I am not a real estate fellow, although I like to talk to real estate people like you. I'm a very firm believer of real estate because it's never been my cup of tea. I always met people like you who

focused on doing something that you start off and you get success and then you become good at that and you just keep on doing again and again. Before you jumped into real estate, have you ever thought of doing something else other than real estate?

Lane Kawaoka: [05:32](#)

Well, I mean I think to a lot of people and a lot of entrepreneurs, we get this thing called "Shiny Object Syndrome" Just in the real estate world, you can invest in single-family homes. I wanted to fix and flip properties or want to invest in apartments or assisted living facilities or gas stations or shopping malls. Very different things under the umbrella of real estate and from what I see from the successful people, I don't try and recreate the wheel. I just follow other people's methods. This is kind of why we listen to these podcasts is the successful people aren't getting laser focused on one thing and then learning something else or finding the other people to work with the other investments.

Jack HM Wong: [06:15](#)

That's right. So you mentioned a very nice term that my community was talking about this Shiny Object Syndrome. I just want to share with you my experience in Singapore particularly the market about investment, works this way. Suddenly there is an uptrend in the stock market. All people will jump in to buy shares. Now the market is crashing or it's making a downward move, a lot of people say stock market doesn't work. So maybe we should move to the next thing. And perhaps this is the best time to invest in real estate because some people are actually talking about the real estate - no matter what, you're always making money. It is a matter of time. So we moved on to the real estate. But a few years down the road, I don't see the money. Hey, people are lying to me. So I moved on to another thing. Perhaps I should invest the MLM or network marketing because this is what people said "I should make a lot of money" because of that. So I move on to MLM and network marketing and this story goes on and on for decades. So this is my definition of "Shiny Object Syndrome". So Lane was dead on here. When you get laser focus on doing one thing and getting good at that, it becomes a recurring income or what we call the passive income eventually.

Lane Kawaoka: [07:26](#)

Right. And I'll add onto that, but you know the people that kind of started when I started or in different businesses, people who jump around and do shiny object syndrome, they're just like sort of cowards and they don't put their flag in the sand and say, Hey, this is what I'm going to get good at it. I'm not good at it now, but this is what I'm good at. That kind of diversify their

attention and they fail. They can say, well, you're not a hundred percent effort in.

- Jack HM Wong: [07:53](#) So how do you keep yourself laser focus? Do you have any rituals or habits that you can share with our audiences?
- Lane Kawaoka: [08:00](#) I copy a lot of what you hear in podcasts, you know getting the very ritual based morning routine. You try to remove the variability out of your day so that you can have all that creative capital build systems trying to, you know, spend your money on saving time so you can free it up to do your business even if it is in front of a computer screen. That's your highest and best use as an entrepreneur or sometimes.
- Jack HM Wong: [08:29](#) Yeah. So at the very beginning when you started this journey in investing in real estate, because you were also working as an employee. How do you find the time to learn this aspect? Crop of real estate?
- Lane Kawaoka: [08:42](#) I come from the kappa, you know, you shouldn't probably say after just a job as long as you can for a bunch of reasons, you know, like what better place to learn and screw up and try new things and on somebody else's dime. Right? You know, working for a company, it's all about mindset. You know, hey, you're going to try and screw it up and try and use a different program or interact with people in a different way. Maybe it's outside of your comfort zone and you might screw it up. But at least it's not your dime. I think a lot of entrepreneurs make the mistake of jumping in and doing it, you know, quitting cold Turkey and then they're making these bad decisions under duress. It's trying to need to put food on the table. You have to turn that they needed to make good relationships or make negotiations and they just having the levers at that point.
- Jack HM Wong: [09:27](#) That's right. And this is because from my experience, entrepreneurs have been conditioned from the traditional education system in order to sell something, I need to invest and produce some widgets first before I can sell. Well as in the world of entrepreneurship, like you said properly, a lot of times that things do not go by the book. Just two episodes ago I was talking to one guest and the guest shared with me that you meet that hey, you can actually do some market research first and then you see whether the product actually can sell or have a market for you before you invest heavily to create the product.. That is the safe way of doing things. But a lot of people just get the idea and so excited, and jump on the plane and you know what? Just create tens of thousands of products and wanting one day that they all can be sold. And you know,

the story at the end - nothing got to be sold. And they lost money and they wonder why. So this is like a classic example of real education that we have in the real world versus the traditional education, which has taught us many things that do not work in the real world.

- Lane Kawaoka: [10:32](#) I didn't jump in and I bought like one property on Birmingham and they watched it and I was like. This worked. Let me go buy one in Atlanta. That worked. Let me go for more. It's the same concept. You know, you build a prototype. You watched it. You approved the concept. Then you kind of go all in.
- Jack HM Wong: [10:52](#) Yeah. So you started small first to have a taste and then success breeds success and then you can scale it or you can create a portfolio like what you have right now.
- Lane Kawaoka: [10:52](#) Exactly!
- Jack HM Wong: [11:14](#) So, if I were to ask you Lane, if someone want to get started in the investment world ... like what Robert Kiyosaki talked about the cashflow quadrants. I'm not going to dive into the four quadrants today. I just want to talk about the left hand side and the right-hand side. Like for you, you have migrated to the right hand side of the cashflow quadrant. What does it take for one to absolutely be sure to be successful in the right hand side of the cashflow quadrant?
- Lane Kawaoka: [11:35](#) I think on the investor's side, all it takes is to work with the right people and part of it is self awareness. Like you know for a lot of your folks, your business is your highest invest use. That's where they're going to kick butt and make a lot of money, but as we all know it's not passive, so you're always trying to move money from one side of the quadrant, to the B and I quadrants. And that's where real estate comes in. Like I said, it's a very forgiving asset that you're trying to hook up with people who are very knowledgeable because it may not be your area of expertise. You may not know the rental value ratios to look for. You may not know that the neighborhoods, but you trying to work with the right people in your life partnerships in terms of, you know, allying equity so that both sides are working together for the same cause, which is to make money.
- Jack HM Wong: [12:19](#) So this is very important to the audiences to understand. You do not necessarily need to start a business and you can move straight to the I because Kiyosaki talks about the beautiful thing of moving into the right hand side. However you can choose to start with the B quadrant and then move to the I quadrant or you can just jump into the I quadrant straight away because

whether it is B or I, it's still better than the rat race. Lane, how old are you?

Lane Kawaoka: [12:19](#)

I'm 32 years old.

Jack HM Wong: [12:57](#)

See! A 32 year-old guy started doing this thing. And imagine that he keeps on doing this again and again for the rest of his years, how much passive cashflow he can generate? So this is fantastic. Lane, good job. I wish I could start like you at early age because when I was 32, Lane can you guess where I was?

Lane Kawaoka: [12:57](#)

I don't know.

Jack HM Wong: [13:16](#)

You don't know. I was still having my job. I left the corporate world at the age of 42. So how I wish I could start like you at such a young age.? So, from your experience in creating passive cashflow on real estate, what are some of the interesting stories or struggles or challenges you have in building your empire?

Lane Kawaoka: [13:38](#)

Yeah, actually just posted an article or a recent podcast on how I lost \$40,000 in one of my earlier deals. I invested as a limited partner. I didn't know anything. That was way back in 2012 when I did this. I didn't really know as much as I do now. I was not well connected and I just invested my money and what people I didn't know and today, but the lesson learned is don't work with anybody you don't know, like, or trust or have one degree of separation with hundred. I get hooked up with this one guy, you know, somebody referred them to me to know who that guy was who referred me? No.

Jack HM Wong: [14:17](#)

OK.

Lane Kawaoka: [14:19](#)

But yeah, that's the lesson I learned. I only work with people I know and I can trust who I meet in real life and we never do a deal in the first time meeting or the second or third, but we create a relationship and that's the cool part is like you work with people you like and at some point were already doing with somebody. I mean most of us pretty much financially.

Jack HM Wong: [14:38](#)

I see. Yeah. So you always talk about like when you work with somebody is like don't pitch me first without building the relationship and then trust . Otherwise it's just like you're selling me something. I'm not sure whether I should have these deals because my story is pretty much the same. I work with people at the very beginning of my journey because I was desperate of getting jobs or projects or consulting assignments. I would just say yes without knowing the consequences of say yes and that

often I lost money. Fortunately in my case I didn't lose that much. But you've imagined that you'd just like a quarter of \$40,000. Is that painful? Well it is. It is the lesson I learned. So to me right now, I'm also very selective in choosing who I would like to work with. I'm not going to say yes right upfront and in fact, very often I will say No first. I will see how the person responded because if the person responded or expected a yes, I want to see the body language and how he or she reacts. So I'm very careful in selecting who I'd like to work with in this process. When you say no to someone, would you feel bad or would you feel any guilt of saying no to other people?

Lane Kawaoka: [15:51](#)

Yeah. I never want to say no. Sure. Yeah. But yeah, yeah, just say. But if this was the case, you know, I never want to shoot someone down the first time, but you know, no, but right.

Jack HM Wong: [16:03](#)

That's true. Like learn how to say no is actually a very big lesson for me after a few years of making mistakes because I used to be known as a yes man. And more often than not right now I learned to say no more than yes. This is how we become selective in that sense. For you to build this investment portfolio, are there any success stories that you can share with us?

Lane Kawaoka: [16:37](#)

Yeah, the biggest success is to buy the first property. it's always just starts with that first project, right? Like it's amazing how like it is to exponentially grow so they're to bigger and better stuff and you know, now we're closing on a 52 unit and a 253 unit next week and it's like know it's not a big deal, you know, it's just another one, right? Yeah, I think I get more excited over, you know, I haven't free invest their calls with people. Like they listened to my podcast and getting contacted with me and then after like six months they email me and they say, hey, you know, I bought my first rental and thanks for the chat we had a long time ago. You probably don't remember me, but you know, now my wife, it doesn't have to go to work anymore or she's going to quit our job next year probably. That's the cool part.

Jack HM Wong: [17:26](#)

So for you, it's like the success comes in when your listeners to your podcast shows are successful. Am I right?

Lane Kawaoka: [17:34](#)

Right. Yeah. I mean it's not like the thing that makes any money right at the podcast or on the blog and stuff like that.

Jack HM Wong: [17:38](#)

Sometimes like whether you are an investor or an entrepreneur, one thing that I learn is that if you are focusing on "Money", like things may not go well, but you're looking at the agenda, that bigger vision, it is a matter of fact that the

money will just come in very easily and you may not really understand why that happens, but it just happens that way. So the message to audiences is that, well, if you have great information to share with people, do it like what Lane has done. He has a successful show called "Simple Passive Cashflow" Podcast show. I'd like to just let you share with us what this shows is about in case some of the audiences might be interested in knowing a bit more about your podcast.

- Lane Kawaoka: [18:27](#) Yeah, sure. I had 10 single family homes a couple years ago and all my buddies were asking me, well how do I do? And I just got kind of tired of answering the same questions and again and again, so I decided to make this blogging and podcasts and they don't write English very well being an engineer. Podcast would be better.
- Jack HM Wong: [18:27](#) You speak well.
- Lane Kawaoka: [18:44](#) I speak better than I write but I just kind of told what I was investing in and then the different people I would meet along the way. I've interviewed them and it kind of became a little bit of like a Korean drama because like half around episode 40, episode 50, I kind of abandoned single family homes and they went into apartment buildings and then all my fans are like, oh no, the stories are changing all the time, you know, like, and they were kind of wondering where it's going to be. But it's been pretty cool. And I think I'm just a normal guy, right? Like there's not something really special about me.
- Jack HM Wong: [19:19](#) What you have said is that well, I'm just a normal person. I'm not exceptional or extraordinary in that sense, but one of the quotes I love from a mentor is that, well, I'm just an ordinary person creating extraordinary results. So if you'd think that successful entrepreneurs are all extraordinary people, I bet when we interview hundreds of them all will say, well, I'm just another person. It's just that I do what I love and I'm able to stay focused. That's how you create extraordinary results. If you have laser focus, you will make it happen. I mean, this is what mindset is about. Do you have any favorite books that can help you to feed your mind so that you keep your laser focus?
- Lane Kawaoka: [20:01](#) You know I'm not a really big book person, but I think a lot of people read too many of those books. Go and do it right. Go on and analyse 400 properties. If you're a real estate investor, go out and write a blog or make a podcast because I think a lot of people are getting into this thing called "shelf help" where all the help is on the books on the shelf.

Jack HM Wong: [20:24](#) Yeah, that's right. I love to read books. I like to write books. But one thing I learned is the interesting story about the law of attraction is like there was a very big thing about 12 or 13 years ago. And then the problem of law of attraction is that this is also a lot of inaction. You can visualise but if you do not take any action, it means nothing.

Lane Kawaoka: [20:55](#) There are people that consume content and there are people who create it. And there's also people that sign the back of the checks and somebody sign the front of the check. So you got to decide which of those sides you are?

Jack HM Wong: [21:08](#) Yes. So, you know, pretty well which side you are.

Lane Kawaoka: [21:08](#) Yeah. I would prefer to sign at the back of the checks.

Jack HM Wong: [21:17](#) That's good to know. You know exactly what you do and you have very focused. So I love the energy. I love the way you phrase that. It sounds like investment in real estate is very simple. If you have already mastered the skill, it is simple. But later, I'm sure that you have learned a lot in this journey. You have actually learn the craft and it's not as simple as it was, is that right? You're still learning along the way.

Lane Kawaoka: [21:46](#) Yeah, there are four stages of learning, right? When you become really good, it becomes unconscious. But for the first two stages, you don't know what's what. It's very difficult. But you have to push through like that for those first two stages.

Jack HM Wong: [21:58](#) OK. So after creating this podcast show where you share your wisdom and your knowledge about real estate investing, what's next for you?

Lane Kawaoka: [22:09](#) Yeah, I started off like on the investor side, right? It's passive, but then I realised what kind of popularity of the podcast is getting it and I realised that it should be the business side and now I had an investor club and I'm bringing investors in and I do all the due diligence and find the deals and I invest my own money and then I just tell people what I'm investing in and if they want to come on along and they can come along too,

Jack HM Wong: [22:43](#) This is what we call leadership. Leaders are not created. Leaders actually emerge because the followers find somebody who can drive the movement and now, Lane becomes all out of sudden the leader. That's what leadership is all about. Interesting. So it is a always a ritual in my podcast so that I ask my guest to give me one of his most favorite quotes and this

one Lane has shared with me a very simple and short quote, and I just want to make sure it's correct. Lane said to me, "Don't be an ask-hole". So I just wanted to make sure it is "ask-hole" and not "ass-hole". So I don't know what is "ask-hole" so can you enlighten us what exactly it is about?

Lane Kawaoka:

[23:43](#)

Yeah. So you're always told to add value to people or find a mentor or you're listening to a podcast like this, but if you find one of those people who shoot Jack an email saying all these questions, you know, what the hell is Jack to answer your email for, right? Like you're just an ass. You're just taking, taking, taking and taking. There's a good book out there, "Givers vs. Takers: The Surprising Truth about Who Gets Ahead". It's a good read. If you find yourself like that, a lot of are just unaware of their blind spots and a lot of people have this blind spots and they just take all the time and that's probably why your business isn't going because they lack the social capital space. .

Jack HM Wong:

[24:17](#)

So don't be an ask-hole. Interesting. I love that quote because it's very rare for people like my club actually said, "I got to ask questions. I'll ask question and we have lots of people who love to give advices." And I have to say "stop all these things" because you do not know whether the advice is relating to you properly because you may get advice from the wrong person It's like if I want to invest in real estate, I will not ask my son or my daughter because they are not investors in the first place. They are not even into real estate. If I know Lane is a real estate investor, then I'll probably ask him because he has done that. He has already created success for himself and for his followers, so you got to know who are your teachers or mentors, but most importantly, don't just keep on asking questions and gather a bunch of knowledge and you do nothing about. It is like what you said "getting a whole bunch of knowledge by reading books, but you do nothing about it." It does not work as well. So, Lane, thank you for spending your valuable time with me and my audiences. Sharing your interesting journey of how to transition from the left hand side to the right hand side of the cashflow quadrant and show us your step. Lane, is there a place for us to check you out to help us understand more about what you do and your podcast show?

Lane Kawaoka:

[26:06](#)

Simple Passive Cashflow is on Google Play, Stitcher or iTunes. I got a YouTube channel also. My URL is www.simplepassivecashflow.com. Check me out there. My email is lane@simplepassivecashflow.com. Listen to a few podcasts first. That would probably be a little more time efficient for everybody.

Jack HM Wong:

[26:21](#)

I love the fact that you mentioned the reason why you created a podcast show is because many people ask you similar questions, so you just do it once and for all. Check Lane's podcast show out please and don't just go to ask Lane questions. You might have found the answer by listening to his podcast shows or watching his videos and thank you for creating all these fantastic contents for people. I appreciate that. That's is it for this episode of Cracking the Entrepreneur Code podcast show. Next week, I will bring another successful entrepreneur on my show who will share with you his wisdom, intelligence and experience to help you take your business to the next level. Until next week, this is Jack Wong and I am signing off now. Bye!