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Business Lessons for Agents: Zero to Billionaire in 22 Years

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(Information for this article was obtained from multiple sources. All items in quotes have been excerpted from the book “How to Be a Billionaire” by Martin S. Fridson)

Wayne Huizenga, who is the former owner of the Miami Dolphins, achieved billionaire status in just 22 years. He started out in 1962, borrowing \$5,000 from his father-in-law. He used the borrowed funds to buy a used garbage truck and a list of 20 customers. He would haul waste from 2 a.m. until noon, and then he would get cleaned up and go door-knocking to get new customers. Five years later, he had 40 garbage trucks in service.

He then decided to build the largest waste-hauling business in the world. He set a goal to buy 100 other waste-hauling companies within two years. This sounds like massive action to me. In order to accomplish this goal, he borrowed aggressively. “According to the son of one of his early competitors, it was his willingness to utilize debt, in addition to his tireless work, that enabled him to surpass other operators.”

By 1984, when he retired from Waste Management, the company was worth an estimated \$3 billion.

Next, he began investing into Blockbuster Video and ultimately acquired a majority ownership position. The company’s recurring revenues from movie

rentals appealed to him. Wayne has been quoted as saying, “If I rent something, basically I’m selling the same thing over and over again.”

Wayne went on to build Blockbuster from a value of \$32 million in 1987 to \$8.4 billion in 1994. This is an increase of more than \$8.3 billion in just seven years. He achieved this growth by acquiring other video rental stores.

“Wayne learned ... how to leverage money, how to use income from one operation to buy another operation. He lived very simply, and every cent he made he would pour back into the business.”

Let’s stop here for a minute.

He focused on building a waste-hauling business with profitable dumpster rentals. He used the recurring rental income to acquire additional waste-hauling companies. He then sold the business and used the wealth created to invest into a movie rental business. Guess what he did then? He used the recurring movie rental income to acquire additional movie rental stores. He then sold this business and repeated the process again in the auto industry.

**He focused his attention on buying assets that provided monthly income.
He used the monthly income to acquire more assets.**

Here is a snapshot of a few of Mr. Huizenga’s investments:

Waste Management — Weekly Dumpster Rentals

Blockbuster Video — Daily Video Rentals

Security Alarms — Monthly Rentals

Alamo — Car Rentals

Hyatt & Radisson Hotel — Room Rentals

Sports Franchises — Seat Rentals

He became very disciplined at selecting opportunities that matched his basic business strategy of recurring rentals.

Wayne Huizenga is extremely hard-working. When asked about it, he replied: “We operate under the philosophy that we’re no smarter than our competitor. To accomplish twice as much, you have to work twice as hard, and we have a lot of hardworking people who don’t mind making a sacrifice to see the company grow.”

He was known to spend Sunday evening to Friday evening on the road working. His idea of cutting back on work, following the sale of Blockbuster, was to arrive at his office at 6:45 a.m. instead of 4:30 a.m. One time, a business associate pointed out that he had scheduled a business trip for to England over the Fourth of July weekend (a holiday in the States). Huizenga replied that he saw no problem, because the British did not celebrate the holiday.

Here are 5 Empire-Building Lessons from Wayne Huizenga:

1. Focus time, energy and money on building businesses that provide recurring revenue.
2. Take massive action on your goals. During his career, Wayne Huizenga acquired 1,000 companies. Unfortunately, most people don’t set big enough goals.
3. Use the income generated from one business to acquire additional businesses.
4. Utilize debt to leverage income opportunities.
5. Work harder than your competition. Do twice as much as everyone else. In building his waste-hauling business, he consistently worked 20 hours a day.

Rob Minton, who reinvented his real estate sales business to sell 269 homes to a limited number of clients in one year, has written a very practical book on how real estate agents can sell more homes. For a limited time, you can download this book for free by visiting www.freerenegadebook.com