

## Episode 308

**Tyler Chesser** Elevate Nation. Welcome back. This is Tyler Chesser. I'm so thankful to have you here and I'm blessed and grateful to be sitting with the great Scott Lewis today. You are going to learn about the best of the best approach to building a sustainable in a fast-growing real estate investment company. You're also going to learn about how the greatest leaders attract other great leaders to implement success. That has left a clue that has been clues left all over the place that you can implement into your business. And if you want to learn about some of the fastest-growing organizations and how they're doing that, you really want to listen closely to today's podcast. Elevate Podcast is all about mindset, mind, expansion, and personal development for high-performing real estate investors. I'm your host, Tyler Chesser, and I'm a professional real estate investor and entrepreneur. It is my job to decode the stories, habits, and multifaceted expertise of world-class investors and other experts to help you elevate your performance and lifestyle. Are you ready to take it to another level? It is time. We are absolutely raising the bar today. I'm telling you that you're going to get so much value from this conversation. I'm so excited for you to dive into this because we're talking about somebody in Scott Lewis who is bringing the best of the best knowledge from some of the world's largest organizations and applying it to his real estate organization that started small, that is growing rapidly, that is getting large, and it's gotten very, very large in many aspects. And he's not slowing down anytime soon. So you definitely want to watch what's going on with their organization, but you want to listen closely because we've got some tremendous gold in today's conversation. So I just want to thank you for this, but I also want to ask you to pay it forward and share this episode with one person. All you have to do is grab that share link in the podcast app and just share it with one person. If you've done that in the past, I want to thank you so much for doing that and I'm going to ask you to do that one more time. The only way that we can grow is if we earn your introduction. So hopefully we've done that and I'm asking you from the bottom of my heart to share this episode. Don't forget to subscribe to the podcast so that you will not miss our continued podcast here as we move forward. So I'm super excited. If it's your first time listening to Elevate, just wait. I mean, just buckle up because today is going to be a tremendous day, But I want to thank you for taking time out of your valuable day to listen to this podcast. Now, while we dive in, I want to introduce you to Scott Lewis, who is the co-founder and CEO of Spartan Investment Group. As a CEO, Scott is responsible for the strategic direction of the company and ensuring it aligns with Spartan Investment Group's mission to improve lives through real estate. Prior to Spartan, Scott held positions as a regional sales manager for a biotech firm. Various positions in strategic and project management for the federal government, culminating at the GS15 level and was on active duty in the U.S. Army as an infantry officer. So I want to thank him for his service to our great country and for continuing to protect our freedoms. But I also want to thank him so

much for bringing tremendous value in today's conversation. So buckle up and enjoy this phenomenal conversation with Scott Lewis.

**Tyler Chesser** Scott Lewis, welcome to Elevate. How are you doing?

**Scott Lewis** I'm doing well, Tyler. Thank you for having me.

**Tyler Chesser** No, it's my pleasure. I'm super excited about our conversation. I really appreciate you making time because obviously, you have a demanding schedule. You've got a growing team, a growing organization that's been recognized in, you know, twice in, you know, 500 company on the Inc List Forbes. So I just want to thank you so much for being a part of this conversation today. While we get you introduced to Elevate Nation, why don't you talk a little bit about your upbringing and your back story so we can connect you with the listeners?

**Scott Lewis** Yeah, I think mine's a little bit different than your traditional real estate private equity dude. I grew up kind of, you know, lower middle class. I wasn't poor, but we weren't rich by any means. And, you know, neither my parents went to college or whatever. My dad had a white-collar sales job. But, you know, my mom was a waitress for most of the time and went to a relatively generic school, Michigan State University, like good school, but just good in state school. When I got out of there, I went and worked for a biotech company selling enzymes. And that's as thrilling as it sounds. It actually it, you know, I say that in jest. It actually was a pretty good gig because wine at 23 years old, I had 14 states to cover and I was 400 miles away from my boss as a regional sales manager. And it was a pretty dynamic job because enzymes are used in a lot of different stuff. So if I had four sales calls that day as an outside rep, I might go to a pharmaceutical company, a bakery, a winery and a nutraceutical company. So I really got to see a lot of different industries and it was a small company, so we could touch on that a little bit about my opinion on small versus big. But you know, they were a pretty small company and they didn't have a lot of assets inside the company. So it was just one of those things that I wanted something I kind of had to do it. So now in addition to learning sales, I had to figure out like some design for business cards and presentations and had a lot of latitude at a small company versus very boxed in at a big company, but kind of an integrity guy. And something happened at the top levels of leadership there that I didn't agree with. So I decided to quit and join the Army. So I went active duty for four years and did that, came out. I went to work for the federal government in D.C., learned a lot of skills there, and strategic planning, risk management and kind of some of the business management skills. But I am not a government employee. It's not that I appreciate. There's plenty of hardworking government employees out there. There's

also plenty of what is perceived as a government employee out there as well, and it just wasn't really my environment. So I had to pull the ripcord and I started Spartan while I was still a federal employee and kind of did the nights and weekends thing. And then at one point you have a saying hungry bellies make bad decisions. So at one point we had sold a couple of our residential deals that we did early on, put a bunch of cash in the bank and no longer a hungry belly. So that's pulled the ripcord. And then Ben was Spartan for been full time and Spartan ever since then. Kind of the rest is history from there. So that's kind of my background. I have degrees in chemistry and marketing. I have a masters in masters of Science and Management, and I've got project management certificates from Georgetown. So a little bit nontraditional for your your real estate private equity CEO, right? So no Wall Street experience, no financial background. So it's just slightly different than what you would normally see.

**Tyler Chesser** And thank you for sharing all of that because, you know, it's a very unique path, but I think it helps the listeners, you know, make sense about connecting their own dots because maybe they're in a nontraditional background and maybe they're looking to do something. They haven't seen a reference point, but you're showing what has been possible for you based on some of these decisions that you made now as you continue to grow. And I do want to talk about that small versus big thought process. But before we do that, I mean, as you were working for the federal government, you mentioned I'm not a government employee, and all I can say is say no more. I already know really what you're talking about there. And I think many of the listeners do as well. In terms of the bureaucracy, I can only imagine living that life. It could be very, very challenging, especially for folks like yourself, who kind of have that entrepreneurial type of mindset, that creative endeavors where you're looking to grow, you're looking to push, you're looking to expand. You know, talk to me about the move to start this kind of side hustle or this, you know, nights and weekends Spartan Investment Group. I mean, what was the thought process behind going into that business? And now obviously you've built it into a big organization. But talk to me about the move initially to create the company.

**Scott Lewis** You know, I'm not an entrepreneur. I kind of buy by spirit. Of course I am right, because I started a business. So by definition, yes. But I don't want to start millions of companies. I don't I'm not an Elon Musk I don't like. That's just not my thing. I was fine with trying to climb the ladder and I got very senior in the government. I was a GS 15 and I pulled the record. And that's the very top level before you get into the senior executive service. And I got there at 32 years old. So I was relatively successful at being a federal employee. It just it wasn't very fulfilling. And I saw a bunch of other stuff in the private sector, too. At the first company I worked for, that was also stupid and not fulfilling. And I don't like stupid shit. It's also why I got active duty. I love the military. I'm still an active reservist 16 years in. So a lot of stupid shit on active duty. And

I was just like, I don't want to do any of this. And the only way I can guarantee that I don't have to do a bunch of stupid stuff is to start my own company. And I, you know, I didn't have this grand idea or this great product or anything. What I had a vision for was a place where people could come and grow personally and professionally. Because I do appreciate that from the military, they really take the whole self into that. And, and, and I'm not out to change the world. I actually have a very, very narrow view of what I want to improve, and it's within my locus of control. So that's why, you know, when you look at the mission, it's improved for Spartan, it's improve improving lives through our values. And, you know, we always talk to our team about like little increment improvements and don't don't go out and try to change the world. There's been some very, very great evals in history from people that have been thinking that they were changing the world. Right? And so that's not really us. We want to help the people that we are around and that's really the genesis of it. I'm not driven by money. It is a byproduct of setting up a really solid organization. Of course, that's a that that's a thing that if you if you build a really good company, that it's very hard to not have money. So that that's a byproduct. But my first and foremost is to really adhere to our mission and vision, and that's why I started it. Now, if you talk to band and you talk to Ryan, they're a little bit more entrepreneurial than I am in their in their previous endeavors prior to getting here.

**Tyler Chesser** I love that. So in terms of, you know, getting into this type of business, right, and real estate investments, what background did you have in real estate at the time or did you just dive right in and say, Look, I've heard great things about real estate, now let's build a business in that way and really, you know, think about the hyper focus like you just described or what was the thought process behind particularly choosing this industry.

**Scott Lewis** So when I was in high school, in college, I had built homes as a framer and residential kind of for my money. That's what I did, summer jobs and whatever, built homes. So I really enjoyed the ideology of going from a hole in the ground to, you know, I was in Michigan, it was like 600 square feet, 600 square feet, 2,500 square feet home in six days, this thing being ruffed in. And now there's a home there. So I really kind of dug that. And my personal home in D.C., I've gone through the permitting process to do a full renovation there and was actually pretty good at navigating the just the now shut down DCRA because of corruption. Like having to get my building permits. So that was just kind of a natural saying like, hey, let's do something in real estate. And our initial business plan was based on residential. We realized that really wasn't the best place for us, so we pivoted away from that into the now commercial and more specifically, self-storage. But that's probably why my tie back to my high school and college years of being a framer.

**Tyler Chesser** Thank you for that. And one of the things that you mentioned, you know, based on your experience, you know, coming up as a professional prior to getting into the military, you worked for a small company and this modeled sort of your frame of the world to say small versus big. There's a big difference and there's a big benefit perhaps, and I'm reading between the lines, looking at the organization that you've built and are continuing to build. It seems like you have a strong preference for big. So talk to me about that.

**Scott Lewis** Yeah. So there's a way for a big organization to be small, if you like. At a certain point it gets much, much harder. If you're into the thousands of employees, it's much harder in the hundreds, which is where we are. And with a one in front of that hundreds, it's a lot easier to do that. You know, kind of going back to my to my background, I did not have a background in real estate, and I knew that. And I think a key point for the listener and I'll tie this all together is really understanding what you're good at and what you're not and being very, very true to yourself. Anybody that thinks that they don't have weaknesses is just lying to themselves. All of us are dumpster fires and something, right? The one thing I'm not is I built a skill sets for business management, not necessarily like real estate, but given the leadership, given the sales and marketing, given the degrees, given the skill sets I learned in the federal government, it doesn't matter what business I step into. I'm more of a generalist than a specialist. So when we think about kind of all of that and tying it back to a smaller company, I think you get a more wider range of exposure to different things inside of a smaller company than you would inside of a larger company. Now you could make the argument that my second and third place is that I was employed or we're fairly large organizations. If you look at the United States military and the US federal government. Right. Big a couple of different things. The couple nuances there, right? If you are very, very motivated and you want to lean into things, for the most part, those two organizations are very supportive of really generating range as far as a skill set goes. So as and when I joined the military, I specifically did it because I had a hypothesis which is proving to be correct. If you read the news that the world is lacking in true leaders that are willing to stand for something, even if it's not the mainstream, right? Like we're really kind of getting off where, you know, if you look at the greatest generation in the sixties and seventies and yeah, they had their issues, but they had people that were really willing to lead and be connected to their teams. That's why that was one of the reasons, in addition to serving my country and having some college loans that I knew would be paid off. Why I joined the military because I specifically joined not only did I join the Army, but I joined the infantry as an officer and chose a bunch of hard stuff, some of which I was good at and some of which I wasn't too to kind of go through that because I wanted that leadership, that planning, that that tactical like on the ground experience that the Army infantry would provide me. And when I got off of there, I went to the federal government. So yes, I was in very big organizations

Homeland Security, NIH National Institutes of Health, and then finally VA. But what I was able to do is leaning in and being able and being willing to work a lot. I was able to take a lot of different trainings in strategic planning and everything else like that. So I got exposure to a lot of stuff because I volunteered for stuff to be able to do in the federal government wafor all the all the bad things that people talk about. There's a lot of opportunity there to really kind of broaden your skill set and do a lot of things. If you want to lean into it.

**Tyler Chesser** Feels like you almost had this this understanding that you knew what you were getting from those experiences, you knew what the purpose of those experiences were. Maybe it was conscious, maybe it was subconscious, but you were looking to, you know, draft through these big organizations to learn how to be a better manager, to be a better leader, to really hyperfocus on a mission that, you know, that you can sort of wrap your arms around rather than change the world, so to speak. Is that fair to say?

**Scott Lewis** Yeah, it is. I don't do a damn thing that I haven't thought through and planned out. Know, it's interesting. I've got a counselor that I see all the time because I think everybody should have one. And it was interesting. My wife and I sat down and talking with her. We were looking at risk aversion and it was I had this I had this perception of myself. And this is why counseling is so important is I had this perception of counseling, coaching, whatever the hell you want to call it. I had this perception of myself that I was a risky person and my wife was like, No, you're not. And I'm like, Well, what are you talking about? I jumped out of airplanes. I went to war, I mountain bike, I skied out of helicopters. Like, what are you talking about? Like, hmm. But it was really it was interesting because the counselor was like, well, do you do anything that you are that you don't have a plan and you aren't really well trained for my. No, that's stupid. Who would do that? And she's like a lot of people. And it was really kind of a wakeup call for me to be like, Oh, wow, actually, man, now that you say it that way, I kind of take my risky self. Everything I do, for the most part, has a plan. So when I went into active duty in the military, I went in for a specific reason. I wanted to get leadership skills and planning and operations. I knew I would need those things when I went to the federal government. I looked kind of across the board as to what I could do to really broaden my range for general management. I didn't know that I was going towards starting a company, but I knew I was going towards leading a group of individuals. And to do that at an an executive level, you need range. So that's what I did for the first call it 12 years. I mean, I still do it today, but for the first 12 years of my work experience from the time that I was call at 22, So I was about 34 when we started starting. I was building range by going through and being very deliberate in what I did for these different experiences to really get all of these other skills that when I go talk to other CEOs, they just look at me like I'm crazy because I have I have this range now. I don't have the depth of

knowledge that they might have in underwriting or real estate specifically, but my range is pretty far.

**Tyler Chesser** So in terms of that plan now, thinking about Spartan Investment Group, now what it is today versus what you initially set out to do, how does it how does it compare? Is it pretty similar to the plan or is it expanded beyond that? I mean, tell me a little bit about how today compares with the initial plan with Spartan Investment Group.

**Scott Lewis** Yeah. When you look when you look at any organization, if you combine kind of a civilian ideology with some army doctrine, there's three levels to every organization. There's a strategic and operational and tactical where a lot of civilian organizations promise is they don't differentiate that operational. You hear all the time people talking about strategy and tactics. Well, there's a disconnect there. There's an operational level that needs to be there in order to connect the strategy to the tactics, which is basically that operational level is your middle management level to align resources to vision. That's what that level is really about. And when you miss that or you don't talk about that or you don't understand that there there can be a disconnect between the pie in the sky strategy or your so-called 30,000, 50,000 or whatever thousand foot view and the day to day tactics that are executed to achieve whatever you're trying to achieve. So when you think about the strategic view of Spartan, when it first started and you look at our mission, vision and values, has it as it shifted? Yes, of course. As the country, as the company has matured from a startup to a mid-market business, when you look at the tactics, they've completely shifted, right? Because we were focused on residential at first and now we have no part of residential. That's part of any company's kind of maturation as it goes to that, that quintessential growth S-curve, as it's moving through that and it's sunsetting products or ideas that are kind of at the top of that curve or a new piece of information is come in that causes a paradigm shift in thinking that you have to revisit potentially the operations and the stress and the tactics. We've also revisited the overall strategy, but the foundation, the culture of the business hasn't changed that much. Even if even as we've pivoted, even at the strategic level away from residential to commercial asset classes.

**Tyler Chesser** It's a very helpful framework for folks to think through because, you know, at the end of the day, anything that you're doing in the business or anything that's happening in your business has to relate to the overall mission. And if it's not, then you're out of alignment and you're wasting your time. Perhaps you're making a mistake. And so I appreciate you sharing that. Strategic, operational, and tactical, the way that those things combine so that you can be moving in the direction that you want to move. Now, when I think about the operational aspect of things, you know, as I was preparing for our conversation today, what I learned about your organization is that you are

operationally institutional in your standards. And that's one of the things that you guys are very, I think, proud of is what I can tell. So could you talk to me a little bit about what that looks like and how that differs from, you know, a non-institutional approach?

**Scott Lewis** Yeah, I think it's really going back to building systems and processes first. You know, it's interesting. We started the business I don't know the incorporation documents say 2014, but we did our first we sold our first residential flip in 2015. So call it, I don't know what eight years when you think about kind of where we where we've started, we've done kind of the hard road we've built for business, for operating businesses. Right now we have the investment company, which is Spartan, but underneath that there's Free Up storage, which is a property management company that manages all of our self-storage properties. They're Spartan Capital Advisors, which is a capital markets advisory firm that goes out. It's very small. It's just standing up right now to help people get debt. And then we have Spartan Construction Management, which is our construction company that's a fully licensed GC inside that. So we've basically built four different companies in the span of eight years under the same umbrella, and we've done that through systems and processes. We get told all the time, especially from folks coming in with bigger companies that for a company of our size, we have more systems and processes in place, especially when it comes to decision making, when it comes to problem identification, when it comes to onboarding and everything else. Like every not. I would say probably 90% of everything we do has a process behind it that's been documented. A lot of folks have processes, but it's not written down. And that's if you don't write it down, then you're really at a risk because that means it's in somebody's brain. And if that brain goes away, for whatever reason, you're metaphorical hit by a bus. If that happens, we had a we had a plans review or hit by a bus on one of our project, and it delayed it forever right with legitimately hit by a bus. So we that that's there's some risk there. But I think that's kind of where we come at that and we don't always get it right. Nobody does, but we at least have the process to fall back on when it's there.

**Tyler Chesser** So talk to me about best practices around application of systems and processes. You know, thinking about 90% of the processes or more in your business are documented. You know, one of the things that I wonder about for an organization your size that continues to grow is best practices for application. Is it just a part of the culture? It's just a part of the expectation you follow the process or is there anything else that you would add to that discipline?

**Scott Lewis** Right. It's the willingness to cause pain, I'll say, and team members by forcing them to follow the process, because generally people want to subvert the process because generally processes are developed not necessarily in a bureaucratic



way, but they are developed to make sure that each step is hit so that you reduce risk. That's why people have processes. You can reduce risk and increase speed if you have something that's documented inside of a process. Right? There's an entire discipline of Lean Six Sigma, which looks at building processes to eliminate waste and increase quality, the lean versus the Six Sigma side of that. That's all what that is about. If you go back to the 80s, I think it was the 80s with the total quality management and some of the Kaizen ideology that Toyota developed to really improve their processes and their quality of their manufacturing side of the house. It's painful, especially because every time you go through a growth spurt, somebody's going to jack up your process. That's just it and you got to bring it back on. You got to constantly be communicating it. But I think that's where the discipline that it takes to be like, No, you're going to follow this process. I don't care if you work through the weekend. I just really don't. And I don't care if you can sleep when you're dead. That kind of comes from the army mentality, right? Like if you go to bed at midnight tomorrow because you got to, like, do the process to make sure that we mitigate risk. Oh, well, man, sorry. Like, you can go a couple of days without sleep. Trust me, I did it. So that's kind of just the ideologies. I have not an ounce of hesitation in causing like discomfort, pain in the team to actually adhere and mitigate those risk and get the job done.

**Tyler Chesser** In terms of, you know, as you continue to grow, you know, from my perspective, those systems have got to continue to evolve as well. So what is the overall philosophy and process or thought process behind the evolution of systems and processes?

**Scott Lewis** Yeah, so they're all going to involve. Right, Because what you can do is a small team of five founders or whatever is not what you can do at 126 or whatever we are right now. So it shifts from. More tactical application of your processes into an operational mindset that you have to have a process for everything. And especially if you're building a team with younger, younger team members, you got to build that capacity and that you've got to build that capacity and that's safety to make mistakes because they're going to and to teach people that a process that you write down on a napkin with a crayon is better than something that you don't do at all. Many, many people get stuck in trying to develop the perfect process and they don't understand how to build a process. So if you don't have anybody on the team that has a basic awareness of a process building and process mapping or, you know, some some basic lean Six Sigma stuff that can really hinder you because the ideology to be able to build that process and improve it, there's a way to do that. And when you do it by doctrine, by whatever method you use, you can get the 60-70% solution on time versus just standing there staring at the wall, hoping 100% solution shows up. And you know, in the military, a lot of times the 80% solution on time is better than 100% solution. Late when we were in combat, it was a 60% solution on time and roll out of the damn gate and go help your

buddies versus sitting there trying to come up with this great plan and all your buddies are dead. So we've brought that ideology into Spartan and there are times when we're not okay with the 80%, but a lot of times we are okay with the 80% because it'll get you mostly there. And if we have to make a quick decision, like, as I said, there are times where it's like, no, no, no, no. We need to make sure that we are really buttoned up and that we need to get to 100%. So put in the extra time. But it's about having the infrastructure to be able to know when that's okay. And the last thing I'll say is it's got to be muscle memory. So once a quarter we stand down the entire company. We just did it last week and due process improvement days. So I kicked that off with a one-hour training on hey this is what process improvement is this. Here are a bunch of tools that we have developed to go in there and remember, the objective of today is you guys, you guys look at a process and whatever it is, it does not matter. Success is that that process is better at 5:00 today than it was at 8 a.m.

**Tyler Chesser** Can even be 1% better, right?

**Scott Lewis** No matter what it is, it's completely real, right? Like 1%, the whole 1%. Every day you do 1% every day. It's a lot at the end of the year, right?

**Tyler Chesser** Absolutely. So your role as a CEO is to really set the vision to say, look, you know, at minimum, we've built in a part of the process or a part of our fabric and the culture of the company, that we're always improving our operations. We're always improving our systems, our processes. And you're setting the sort of the big vision to say, look, today, here's how to improve a process. Now within your function, let's look at those processes and let's move forward. Is that is that correct?

**Scott Lewis** As a CEO, you've got you have a relatively easy job and most people get what you're getting. Three things. If you do three things really well, you probably be successful. You need to craft and articulate the vision. Don't run out of money and build leaders. If you do those three things now, of course, doing those three things is where the complication gets in because like setting the vision and then articulating the vision to where we would say like the dumbest Joe at the bar, at the base level of your organization can communicate that vision. That is difficult, right? I'm not running out of money. Again, the task of that, if you're bootstrapping a business, can be difficult and building leaders. I have an unfair advantage because I went through action. I don't know. I'm then in the military for 16 years as an officer and I've I've probably spent more time as of any of my compadres in any of the branches of the military have spent more time in leadership development in a 20 year career than a normal civilian will get in four careers for the most part. And so so having that understanding of the leadership side of

the House and I've done some things inside of of the military to really enforce that with going and being an officer candidate, school platoon trainer, where my job was to assess officer candidates to determine whether they had the competencies and attributes necessary to be an Army leader. And then even now, as a as an instructor in the Command and General Staff College teaching the leadership walk. That's my goal. When we get them on two weeks a year thing, I've I've specifically set myself up to continuously build my leadership development chops by using my part time job in the military to be able to get additional training on that and learning new concepts as they're coming out through the schoolhouse, as we would say, and then having to teach those to other officers. I get to bring a lot of that material back here into Spartan.

**Tyler Chesser** Let's get tactical on that because, you know, as I was getting prepared for the conversation, by the way, I'm really enjoying this and this is this is fantastic. So I want to thank you again. You know, when I start to look at what you guys are doing, you've described the team in terms of this aspect, internal intelligence team providing real insights into market conditions, giving them constant situational awareness, which I can see comes from that military background. But I want to talk about some of the, you know, the thought process and the approach in terms of building leaders when it comes to attracting, retaining, developing, you know, in securing them and growing them into a higher capacity type of, you know, individual and a set of individuals who can lead their own integration. Because you've got a vertically integrated organization that has multiple different businesses within it. So talk to me a little bit about the concepts that are most important to, you know, building those leaders first, attracting them, retaining them, and developing them.

**Scott Lewis** Yeah. So you get you got to start with good stock, right? So when you think about any leadership development program and much of what I'm going to talk about is adapted from ADP 6 to 22. So for my other AMI listeners out there, they will know that that's kind of the Army's leadership doctrinal series in which I pull a lot of the stuff from because it's it's really good. And the Navy guys and the Marine guys in the Air Force guys, they'll have some of their own doctrinal things that I pull from. But one of the key things that the Army doctrine sets out is it differentiates between competencies and attributes. So when you think of a competency is that that's knowledge and skills. Attributes are things like character presence. It's kind of who you are as a person. I am more old school in my thought that if you don't have the right attributes, if you're not a person of a character, you don't have high integrity, it's going to be very hard to develop that. I don't know that I've ever met somebody that I've perceived as low integrity and like they went away to a training course and they suddenly came back with high integrity. I don't know that I believe that if you don't have those things that that you can get, then there's going to be people that will argue that statement and good on them. Both viewpoints are probably right. So for us, when they're going through the

onboarding process, we're really looking at competence or attributes of coming through. We hire for fit first and then competencies for later. Like that's the secondary thing because you can get somebody that's super competent but is lacking the attributes that are necessary to perform at Spartan as a leader. And you're going to misfire, period, versus if you get the right attributes and they fit in or good culture fit, you can build a lot of those competencies. And if people are willing to work hard, you can build them relatively fast. So when you think about that, that's where you start. You have to start with like you got to start with that block that Michelangelo started, but it's got to be the right material for what you're trying to achieve. And what makes sense is Spartan may not make sense. Other places. So that base material is going to be different based on your values. So you have to hire for your values because if you don't, you're going to be starting with Clay, where he needed granite, right? So once you get that, then you got to like bring people in. You guys are working out all right because everybody's going to come in and they're either young and they don't have those skills or they're older and maybe they have some bad habits, maybe some good habits. So inside Spartan. For, I'm trying to build it for all layers, but right now we have it for two different layers. We have an emerging leaders layer and we have an operational leaders layer. There are one year development programs that that folks start and it takes about 5 to 10 hours a month of reading writings, watching different YouTube videos, different projects inside the organization, teamwork inside the inside, the cohorts. We started once a year in January, and there's cohorts to go that run 12 months. And, you know, it's interesting, I read a statistic that the average American reads three books per year. The average CEO reads 12. The most junior Spartan leaders read 16 books a year. And these are these are the most junior Spartans that we have. As it goes up, it ratchets up. So when you think about that, that's how that's how you do it. You tie everything back to your values, but you have to be very deliberate about it. And again, when people are, they're going to complain, I don't want to write this paper or whatever. I don't care. Then I will reject you from the leadership program and you will not get promoted. If you don't finish these these you will not get promoted into the leadership. We have other tracks for individual contributors that don't want to be leaders, but you will not be promoted in the leadership, kind of in a leadership step up if you don't finish these programs, if you don't like it, appreciate your opinion. Sayonara.

**Tyler Chesser** I love it. And I love the thought of building in this concept of personal professional development within the fabric and the culture of the organization. Thinking about this these one year development programs, I'm now I'm just curious what types of books are included, What types of videos? I mean, are these tactical? I mean, maybe it's a range. I mean, give me a sense of, you know, what type of books and videos are folks engaging in here?

**Scott Lewis** It's range, right? Some of them are leadership topics, some are in psychology, some are at the tactical level. Some of the TED talks are on different topics where it might be like there's case studies that folks read on on, on HR stuff, on process improvement stuff, on operational stuff. I've tried to build it in to where it's built some pretty good range on the books. I've tried to build stuff in that really challenges the way people think. I put some stuff that's pretty controversial in there just to get people thinking because as a leader you have to have that range to be able to deal with some weird shit that just comes in on your plate, right? So that's it's there is no one theme to that. That's not it. It's really about like developing kind of a diversity in thought. And really I don't want that to be tied in with the DIY movement that's out there. That's not what this is. This is diversity of thought and really having an understanding of a lot of different stuff that's going on.

**Tyler Chesser** Yeah, it's it's supporting the mental dexterity and the bandwidth of, you know, the growth of the way that you're understanding your own psychology, the way that you're growing as a leader within the own, your own function in the organization, understanding further the economics, all of these different aspects. And so that's great stuff. What we're talking about now is, is really developing those leaders, right? It's growing their capacity to expand, but bringing those folks in the door, as you were talking about earlier, terms of hiring based on values and if there's a competency fit, you know, fit first and then competencies later, we can build on that. And that's kind of what we're talking about. But bringing those folks in the door, I mean, from what I can see, it sounds like really the core value for your organization is really focused around the acronym GRIT. Is that correct?

**Scott Lewis** Yeah. So growth, respect, integrity, tenacity, and transparency. And that's kind of the mnemonic is grit, because it's kind of just kind of defines what it means to be a Spartan. Like we will fight on to the Spartan objective, like regardless of what happens, right? You got to work all weekend, you work all weekend, you got to not go to bed. Don't go to bed. If you got to miss dinner, trust me, you don't eat that much. Everybody could use like losing some elbows. And and really, that's what it's about. It's about kind of freedom and responsibility inside of our values, of how to create the kind of defines what it means to be a Spartan. And it's we're not we're not tyrannical and kind of in how we work. You know, people have a lot of flexibility where even prior to the pandemic, we were in the office for three days and home for two days, that that was just kind of the ideology that we wanted. We don't have start times and end times. We don't have vacation. Like people can do what they want. They can kind of come and go as they please. And so we give a lot of freedom and responsibility with that. We have, you know, 25 year olds that are assessing kind of \$10,000 contracts that we're signing for data. We're letting them make a decision versus it all coming up to me inside of that freedom and responsibility. Very, very Netflix in its ideology. In fact, one of the books we

make everybody read is No Rules, Rules. It's the Netflix book that kind of talks about their culture. We've tried to adapt a lot of the things that they do with that freedom and responsibility comes. A lot of the a lot of intolerance for deviations away from our values and our creed.

**Tyler Chesser** So you just talked about adapting a lot of the culture from Netflix. I'm actually just curious. I mean, you know, because one of my big philosophies and I think many who, you know, share the thought process of what we've been talking about today is that success leaves clues. You don't have to recreate, reinvent the wheel. And a lot of what you've been doing is you've been applying stuff that you've learned from the military and all of these other amazing experiences that you've had in your life. What are some other mentors or models? Maybe it's other businesses, maybe other individuals, leaders that you've really modeled yourself after and the company?

**Scott Lewis** It doesn't. So so this is this is I think there's two kind of ideologies that kind of govern what I do. You lead people, you manage assets, period. Right. So I don't like managing people. So I have to manage someone. I fire them because I want to manage you. I want to be able to give you task, purpose and intent. And you go do what I need you to do, otherwise you're not smart enough to work for me. So that's kind of my thing. And I don't I don't suffer fools. And I'm quick to eliminate team members that don't match. But secondly, you know, everybody's mom and their parents tell them you're special. I got news for you. You're not like you're just not special. Like, there's a couple people that are special. But for the most part, most of us are not special. So don't try to be special. Like, take what other people have done that's been successful and do that. And that's really what I've done and what Ryan has done, what Ben has done. We read we probably read three. I bet you I would make this statement and I would feel free to defend it against almost anybody out there. I bet you the senior leaders of this company read 3 to 4 times more than the average folks, the average leaders of other companies out there. Somebody just asked me, how many books have I read today in between hardcover or like tactile books and audiobooks. To date, as of June 1st, I will have finished 22 books in 2023. So when you think about that, I'm saying that not as like, Oh, look at me, but like as to, hey, the material is out there. Everything you need to be successful to drive your business to the next level. Somebody has written about it. Now, if you have some great ideas on how to connect them together, that could be some special sauce. And I think that maybe that's what's here in Spartan is that our culture is this amalgamation of all these different ideas that that we've brought together in a way that we've connected them to a set of values and a creed that defines who we are and what it means to be a Spartan in a way that's enabled us to be. It's probably going to be four times on the INC 500 list at this point because we just submitted it and I'm guessing it it'll be selected again. I don't know. But that's four times on the 500. There's other companies that are that are nine x 5000 and they've done that. They've done a very

similar thing out there. So that's kind of my little rant on being special and how to put all this stuff together.

**Tyler Chesser** I love that. Well, it makes me think of, you know, Warren Buffett. I mean, he did say that, look, 8 hours a day he's spending reading and learning and investing in his mind and finding new ideas, finding new connections, finding new parallels, opening his mind to a new way of doing things and or solidifying or improving, you know, things that he's already doing. So walk me through kind of the day in the life for you as the CEO of Spartan Investment Group. I mean, how much of it is spent on learning, exploring? How much of it is spent on leading and optimizing sort of systems and all the things that we've been talking about? What does it actually look like on a daily basis? And I know every day is different.

**Scott Lewis** Yeah, it's interesting. So I am I'm an early to bed, early to rise, dude. So I go to bed like I probably be in bed at 8:30 and I read for about a half an hour and generally right before bed I read just some bullshit fiction book to shut the old brain off. I generally fall asleep around nine, drives my wife nuts. I'm like, I close my eyes and I'm out. But then I get up at 4:30, so I get up at 4:30. I'm basically like for an hour. I read the Wall Street Journal. I read I kind of set my day up, kind of like really try to digest a bunch of different stuff that's going out there, not only in the news, but kind of in what's going on in the world. So then I go to the gym for an hour and 20 minutes. I do an hour and then I do 20 minutes in a sauna, get ready to go to work. And I like my days. Now we are at a point where I have a number of senior leaders that now enable me to be much more strategic. We just about three months ago, it's actually 90 days. Like next week I'm hired a president for a property management company. At one point I was running gold. So I was straddling the strategic and very much the operational and tactical being in the property management business. But now I have a lot more time to pull back and really focus on developing leaders. So I spend, you know, a decent amount of time in one on ones. I spend a decent amount of time just sitting down with all the all layers of the organization to really talking about leadership development and a process of grooming all the time. So a day in the life kind of moves all over the place of whether I'm meeting with investors. I do a lot of stuff with YPO that that both myself and Ryan are a part of and do a lot there to just to meet other peoples, hear other business owners hear these other ideas to really kind of bring them back into the organization. So I do a ton of reading. And yeah, that's kind of it.

**Tyler Chesser** What role does mindset play for you? Because, you know, a lot of times people would ask, you know, or maybe they would not ask that question of someone like yourself who is very focused on tactics and strategies and implementation. And a lot of people think, well, that's the answer, right? But I'd love to know from you. I mean,

what role does mindset play in your continued growth, your continued expansion, your continued success?

**Scott Lewis** It's everything right? Like did do like the like your mind is the foundation of everything that you do. Right. And if you're and if you have the wrong mindset, then you're never going to hit success. You know, it's funny. A lot of a lot of leisure, a lot of a lot of leaders suffer from ego and all of us have that right. But I think if you start to shift your mindset. Right. So as a senior leader. My definition of the pinnacle of success as a senior leader is when everybody around you thinks that everything that they're doing is their ideas, that you're basically a role. Right? That's kind of the gist. If you can communicate the vision and get people that really buy in and own everything that they're doing, especially if they're generating those ideas themselves, that's really powerful. However, a lot of leaders struggle with that because that's no longer the measure, right? So when you think about mindset, from my mindset, I hear people I will say something in a meeting or a month later, people are like, Oh, hey, what about this? Never do I like, Hey, I said that a month ago. Why don't care? My ego is my ego gets inflated when Spartan as a whole does does better. I don't care that I have like that. I get credit for it. Guess what? The way that leadership works is if your team does great things like the outside world and your superiors think that you did it right, it doesn't matter. You don't get a choice. Even if you walk in there and even if I'm out here on podcast and just being there's nothing. I didn't do anything. I just take naps all day. It's all my keep everybody believes, everybody thinks is that's a bunch of bullshit. He's just being blah, blah, blah. Right? So you don't really get a choice to not have when you when you're successful, you don't really as a leader, you don't really get a choice to have credit given to you. Now, you should always give credit to your team, especially where it's due. Right. But at the same time, if you think about it from a mindset perspective that I get, I get mine through the growth of the company. I get mine through the growth of the people inside my company. It's very, very, very easy to not get in that ego trap.

**Tyler Chesser** Yeah, you have to fight against that because the ego wants everyone to look at me, look at what I've done, look at how smart I am, look at all these things. But, you know, that's something you've got to continually fight against. And when you think about just the right and the wrong mindset, you mentioned the wrong mindset does not equal success. What else would you say about that beyond the ego side of things? And how would you suggest that you are continually investing in creating the right mindset that is getting you closer to the outcomes that you are focused on?

**Scott Lewis** You got it. The biggest thing about the leader developing that mindset is you got to create the mindset for inside the organization. And I think there's a couple of



things that you've got to be okay with. You've got to be okay with failure because guess what? You're going to fail. Who cares? Learn from it. Try not to make catastrophic mistakes that permanently damage the business, but who cares? You're going to make mistakes. You do not get a choice. And I'm not saying who cares to be. Flip it about it. I'm saying who cares if you like this? Indeed. Or do that, you don't get a choice. You are going to jack something up. No, that put the processes in place to deal with it when it happens and set the environment that it's safe for employees to bring up like issues that they have and that team members can be very vocal and honest about mistakes that they're making. So they don't come big, right, but just have that mindset that that's going to happen. Somebody just said to me and this was this was like a really good way to look at it. So often we really reflect on failure and I'm sorry. We like we really reflect on success and we kind of put failure. We don't we get emotionally tied to failure. You've got that backwards. You should really reflect on failure and be emotionally tied to success. But people, people really ruminate on failure and like inside I'm a failure, blah, blah, blah. Guess what? You're not like, Well, some people are, but for the most part, if you're probably listening to this podcast, you're not a failure. You will have failures. But that failure is not who you are. It's something that happened. So it's something to study and reflect on and understand why it happened. The success. Be emotional about that. Celebrate with your team. Celebrate with your wife. Go buy a Ferrari. Do whatever the hell it is you want to do. Contribute to your like to your charity. Like don't. Don't hide your feelings from success. A lot of people do that and don't run from the end. Don't tie failures to who you are. That's a key mindset for a leader. Because man, if I was emotionally tied to my failures and that was one thing the Army taught me because I was in the army breaks you of that pretty fast because it puts you in situations that you're failing all the time and if you're emotional mess, you just won't make it. You'll break in the mind. So you have to disconnect your emotions from failure. Just know that everybody is failing all the time. Everybody is a dumpster fire in some way, shape or form. All of us don't pay attention to social media or none of that crap. It's people out there like putting their best out. They're not putting it out there when they've absolutely jacked something up. Right. So that I think is probably the key thing for mindset there is just to really kind of set yourself apart from kind of the masses and mindset is everything.

**Tyler Chesser** Scott this conversation has been absolutely gold, just packed with value. So I just want to thank you so much for being a part of this discussion. Before I let you go, I want to transition to the Rapid Fire section of the podcast. It's called the Rare Air Questionnaire. And you know what? It's all about being uncommon because most of what we've talked about, this is not the easy path, right? But it's the path that's worthwhile where you can create something worth doing. You're creating tremendous legacy. So I just want to ask you a few questions before I let you go. Being a big reader that you've described, I'd love to know the past few years. What are two or three of the most impactful books that you've read and why?

**Scott Lewis** "Principles" by Ray Dalio Just kind of helps you understand some summer certain guidelines for inside the business. "No Rules Rules". I read that like maybe three years ago. So that's really kind of a culture side, "The Great Game of Business" to really understand, kind of creating the right metrics and maybe four disciplines of execution. So again, kind of different levels of the business from the strategic to the operational down to the tactical.

**Tyler Chesser** I love that. Thank you for that. We'll put links in the show notes where the listeners can find those books and you definitely want to check those out. Aside from our discussion today, Scott, what's the biggest way that you elevate your life on a daily basis?

**Scott Lewis** Grow readers, period. Like really help our team achieve their personal and professional goals. There is no greater calling my take, right? There's no greater calling out there in the world than being a leader that can grow the people around you. And if you focus on growing those people, the amount of influence you can have throughout the world by building leaders is like unlimited.

**Tyler Chesser** It's always so telling to me when I ask someone like yourself the biggest, whether you're elevating your life and it's about doing something for someone else or so many other people. I just think that's amazing. And there's there's obviously a huge pattern to observe there. But my last question for you before we wrap is what's the biggest way that you elevate others around you? And it may be a bit paradoxical in compared to how you answered the prior question.

**Scott Lewis** Believing in them, period. Empower your team. Set the conditions where they can make mistakes and be okay when they make mistakes and empower them to go out there and learn and grow. I'll give it to second example. We had a construction project where we didn't. It was a relatively simple self-storage build and we didn't have anybody to cover down on it. And we were we were wargaming in a meeting in the construction company was like, yeah, we're going to try to hire us guys. We can. I said, No, you're not like, We're not going to do that. You're going to make a mistake. I said, Take your intern. They're like, What? Take the intern. He's now he's now a full time team member. But I'm like, Take the intern, put it down there. And they're like, Well, what are you what are you, an intern? Is it better than zero? What? Yeah. You guys really liked his attorney. Believe in him, right? Yeah. Put him down there. Okay. And it was fantastic. Kid. Did a great job again. He's now a full time member of the team, But it

was just like, take, like, taking somebody that was an intern still in college. Is they all right? Go manage that. Multi-million wasn't a multi-millions like million and a half dollar expansion for storage so it was within the realm and we provided scaffolding for him by having a project manager go down there every other week to support him and making sure that the headquarters had it. But we still had somebody on site down there and it was an intern. It was just a different way of thinking. And it's very much the military like, Hey, private, everyone else is dead. You're it.

**Tyler Chesser** Man. That is great stuff. And I just think about, you know, the only way to develop leaders and only way to grow leaders is to believe in them and to give them the opportunity to go out there and fail. And, you know, I think that I just, you know, big picture is I want to acknowledge you because I can only imagine what it's like to work with you for someone who believes in people so much that you're willing to push them to the ends of the earth so that they can find every sort of piece of talent and grit within them. I just think that, man, you're setting such an amazing example. I just want to acknowledge you for the company that you've built, the impact that you're making for investors in the community with, you know, with everything that you guys are doing. So this is just been a tremendous conversation. I want to thank you again. Are there any parting thoughts or words of wisdom that you'd like to share with all of the nation today?

**Scott Lewis** I don't think so. I think the kind of the when you talk about kind of building the business, the ideology inside is part of one team, one fighter. There are no egos. The team put the team in front of individuals and, you know, you'll build a successful culture.

**Tyler Chesser** Absolutely. And the listeners can learn more about you at Spartan dash investors dot com. Where else can they find you?

**Scott Lewis** That's the main place.

**Tyler Chesser** Outstanding. Well, Scott, until next time my friend thank you again for being on Elevate podcast. I really, really appreciate it.

**Scott Lewis** Appreciate it. Tyler Thank you.

**Tyler Chesser** Elevate Nation with a phenomenal discussion with Scott Lewis of Spartan Investment Group. And I don't know about you, but I've got pages and pages of notes of application material for building a sustainable business long term. And you've got to treat this like a business. At the end of the day, if you're treating it like a hobby, if it's a side gig, then that's what it's going to be. And so if you really want to compete with the best of the best, you've got to really listen to this conversation. You've got to really engage in this conversation and ask yourself some powerful questions about what is now possible for me as I consider application. Again, success leaves clues. We're talking about one of the most successful real estate investment companies in the United States and one of the most successful companies, period, one of the fastest growing companies. And so this is one of the main reasons why is the individual that we just spoke to. So I just want to you know, I want to thank you for, first of all, for listening. I want to encourage you to really listen to this show, because, again, there's tremendous amount of value in everything that Scott shared with us today. So I would encourage you to listen to the show. I also want encourage you to have a discussion with other people, whether it's on your team, your leadership team, perhaps other potential partners that you're looking at bringing in to your organization. Have a discussion with them about what was it that you learned from this episode? Is it something to do with implementing some of the thought process behind, you know, an institutional level standards around your operations, your systems or processes? Is that application of a quarterly process improvement type of endeavor? I mean, there's just so many things that Scott shared with us today. So what was it for you that really stood out? What are your top one, two or three distinctions that you want to make sure that you applied today to ensure that your time invested in engaging in this conversation is a lasting impact in terms of your future. So I want to thank you so much for listening to today's podcast. It's been my pleasure to bring this conversation to you. Until next time, Elevate Nation, I just want to thank you so much for listening and we will see you next time.