The Sales Mastery Series for Real Estate Professionals

with Mike Ferry

The Decision

How many deals do you want to do per month, this year, next year, and the year after?

How much money do you want to earn?

How big a producer do you want to become?

How long do you want to stay in the business?

1. Help you learn the skills required to become a very productive real estate person. What skills do we have to know and learn to make ourselves achieve the goals we’ve set ... based on the decisions that we’re making?

2. Help you make enough money to make this business worthwhile ... then make a lot of money.
Everything about our business of real estate revolves around money:

Sellers sell their home for money, to take cash out, and make money.

Buyers buy homes with money.

Your mortgage company is lending money.

Your broker is in business to make a profit, which is money.

You’re in the business of earning money.

What does a person have to do to increase their earnings and/or their income?

The money you earn is a direct reflection of the service you offer other people ... so, the higher the quality of service extended, the more money you get back in return.

1. Have you learn the skills of top producers.

2. Will you make the decision to learn the skills required so you can earn the money you want?

3. Enjoy the experience.
How do you plan to build your business?

How do you plan to find the business you’re going to have?

How do you plan to acquire business so you can become a successful real estate person?

3 Ways to Get Business

1. Buy the business

2. Wait for the business to find you

3. Go out and earn it

1. Buying business
   a. Do you want your ego satisfied?
   b. Do you want to have a higher profit margin for yourself, your family, and your future?

2. Wait for business to find you
   a. The industry teaches us how to WAIT, because they don’t want to teach us what we have to do to earn business

3. Go out and earn the business
   a. Should I buy business?
   b. Should I wait for business to find me?
   c. Am I going to aggressively go out every day and find people who want to buy and sell?
ARE YOU A SALESPERSON?

Going out to find business – earning it – is the hard decision to make.

It requires you to learn how to prospect;

Learn scripts and dialogues and you practice them;

You talk to people you don’t know and you get rejected all the time;

Business always comes to you at a very minimal cost.

1. Am I going to buy it, wait for it, or earn business?

2. What goal do you have for the next 12 months in terms of business?

If you’re in the business less than 6 months, set a 12-month goal of 20-25 transactions for anybody else ... ADD 20-25 transactions.

How many transactions are you going to do in the next 12 months?
The Decision

Determining your motivation for being in this business.

For working every day;

For saying, “I’m a real estate salesperson.”

Determine the motivation that you have, if you have the motivation.

How do you determine an agent’s motivation in terms of what they have to sell?

Determining motivation is a critical process.

Motivation is not difficult to figure out.
The Greatest Motivators of Mankind:

1. Recognition
2. Security
3. Money

If your motivation is recognition:

Learn how to sell, do the deals, create the reputation, and learn the skills to make the money, so you can get the recognition you want.

If your motivation is security:

Develop a long-term business relationship with thousands of people, so you can have long-term security in this business.

If your motivation is money:

Breaking even is not going to motivate anybody to make a lot of money – but a lot of money is what you can do beyond what it takes to live.

When you determine the motivation, then you’ll determine how much money you want to make.
Do you want to become a high-volume agent ...

   As a listing agent?

   As a showing agent?

   Working with a big team?

   Working with a small team?

Become good at listing property and control your income and your net profit.

How do you want to keep track of your business?

The number of deals you do is a fair measurement of your business.

Do you want to be recognized for ...

   Gross volume?

   Gross income?

   Number of transactions you do?

To become highly profitable, you have to base it on the number of deals that you do.

   Do you want to have money that you earn and keep or satisfy your ego?
The PPC Process

P: Prospect

P: Present

C: Close

The stronger I present to any prospect, the more apt I am to close them to buy a home or to sell their home.

How well do you present yourself?

Knowledge = Confidence
Ignorance = Fear

When you become a master of the presentation, you have the confidence to prospect all day long because you can’t wait to tell your story.
An objection is a question in the mind of a customer or a prospect that remains unanswered.

A condition is a statement of fact that I can’t do anything about.

A question in the mind of the customer that remains unanswered—that’s the objection.

Usually, an objection comes from a person who wants to do something with you.

Remember ...

an objection usually comes from someone who wants to work with you but has a couple of simple questions that need to be answered.

This thought should get you excited about responding and proceeding!
Handling Objections
Page 3

Learn to recognize that, at times, the prospect will simply bring an objection to create conversation.

Often, objections are used by the customer simply to slow the process down.

If you pre-qualify, and you’re strong on your presentation, you’ll eliminate most objections before you even get them.

There are a limited number of objections a seller is going to give you.

Instead of being afraid of them, learn the answers.
Handling Objections
Page 4

Finding the Answer to an Objection

You have to, at some point, learn the answers. How you do that is:

Take one objection per week, write an answer that makes sense, and spend the next couple of days practicing and role-playing until you’re comfortable with it.

Always agree, always smile, always nod your head, and never argue when they give you an objection.

NOT ARGUING is critical because it puts the client on the defensive ... and closes the possibility of getting a contract signed.
4 Basic Premises for Living a Great Life:

1. Always show up
2. Always pay attention
3. Always tell the truth
4. Never be attached to the outcome

Closing is nothing more than a natural ending to a GREAT presentation!

If you follow the listing presentation verbatim and you’re sitting in front of a pre-qualified, motivated seller … the close is simple.

Always assure that they’re going to sign the contract at the end of the presentation. You can make this assumption by following the scripts, by nodding and smiling, and staying on track.

Almost every agent considers themselves to be a strong closer and negotiator … but, most are not because they don’t have good sales skills.
Being good at closing and negotiating is so much more about the presentation,

your attitude,

your enthusiasm,

your confidence,

your belief in what you’re doing ... than it is strong words.

When you’re negotiating and closing, look carefully at both sides of the transaction.

Emotions are almost always the area that gets agents in trouble when they’re closing and negotiating.

Controlled emotions are an asset.

Uncontrolled emotions are a liability.
If you want to close effectively, if you want to negotiate better ... think about the buyers’ and seller’s’ motivation, what they are trying to do, instead of your own.

The biggest challenge in this process of closing and negotiating is always the word:

EGO

Don’t be attached to the outcome.

Strengthen that presentation and all negotiations take care of themselves.
1. Every buyer has to be qualified by a lender if there is any kind of financing involved ... NO EXCEPTIONS

2. YOU HAVE TO pre-qualify them in terms of their motivation and the kind of home they want to buy.

3. Types of buyers to work with: Past clients and/or centers of influence who are highly motivated, highly qualified, who want to buy

   a. May I tell you __________ how I run my business?

   b. My lender __________ will call you today and answer all your questions ... and pre-qualify you 100% on the financial side of this business.

   c. Once the lender has talked to you and answered all your questions ... then you and I are going to meet either again, on the phone, or in person ... and I have a series of questions I would like to ask you regarding the type of home you want to buy.

   d. Because I preview homes continually, I’m going to select the 3 or 4 best homes that meet your needs and I’m going to show them to you.
e. I’ll then ask you to buy one of those 3 or 4 homes at the list price or at fair market value and we’ll write a contract on the property at that time.

f. Once we’ve done that, I’ll then present the offer to the seller and, if accepted, you and I will work together to get this thing closed.

g. We’re going to use the affiliate services that I choose who will give you the best service.

h. Do you still want me to find you a home or would you prefer that I find you another agent?

The more time that passes as you work with a client, the less confidence they have in you.
The Real Estate Test

The 16 Skills you need:

1. Managing Your Time
2. Prospecting for Sellers and Buyers
3. Working Past Clients and Centers of Influence
4. Pre-Qualifying
5. Lead Follow-Up
6. The Listing Presentation
7. Pricing Property
8. Handling Objections
9. Closing and Negotiating
10. Working with Buyers
11. Tracking Your Numbers
12. Practicing Scripts and Developing Skills
13. Business Planning
14. Customer Service
15. Mindset
16. Money Management and Profitability
Score yourself on each skill: 1 – 10 (1 = worst; 10 = best).

If you score:

0 – 75: Study all the programs 1 hour per day, 5 days per week, for 6 months.

76 – 115: Focus on the skills you cored lowest on for the next 90 days.

If you’re doing a good volume of business, pick out 2 or 3 skills that, if you mastered them, you could really propel your business to a much higher level.
The number one problem among agents is time management and it’s a problem because:

- We’re independent contractors
- There is not enough accountability in our business
- Time Management is not taught in this business

To manage your time more effectively...

You have to learn to treat what you are doing as if you had a real job.
The 6 Points of Effective Scheduling

1. Treat what you do as a real job; create a schedule that makes sense.

2. Identify what the priorities are that you need to have to make you accomplish the goals you’ve set.

3. Never let anybody or anything take you off your schedule.

4. A lack of personal motivation always creates a time management problem.

5. Key point: Either I control my time and my schedule, or somebody else does.

6. Keep your schedule in a place where everybody can see it.

Accountability is critical.
The 3 Parts of the Real Estate Day

1. Morning Routine: What you do from the time you get up until around noon.

2. Early Afternoon Routine: What you do from 12 o’clock until 3 p.m.

3. Presentation Time: What you do from 3 o’clock until you go home.
Make New Habits—Set Clear Goals

1. Setting a schedule is creating a new habit. New habits do not come easily ...

2. If you aren’t real clear as to what your goals are and what your motivation is ... and what you want to accomplish ... if you aren’t real clear as to what you want to have happen ...

It’s probably NOT going to happen!

Remember ... the schedule you set has to be designed around you, your life, and your goals.

KEEP YOUR SCHEDULE SIMPLE AND WORKABLE
Prospecting

Make a list:

Every LISTING you took

Every SALE that you had

Predictable “Duplicatable”

If you can’t duplicate the results and the response of an activity, don’t repeat this activity!

If you source your business, you can determine if you can predict and duplicate your business activity.

Challenges to Prospecting

1. We have not been taught how to prospect.

2. We don’t know what to say.

Never ask a question that doesn’t start with who, what, when, where, why, or how.
Hi, my name is Mike.

When do you plan on moving?

How long have you lived at this address?

Where did you folks move from?

How did you happen to pick this area?

If you were to move, where would you go next?

When would that be?

Not knowing how to prospect is an issue.

Not knowing what to say is an issue.

3. We have poor work habits.

4. We can’t handle rejection, acceptance, or embarrassment.

   Rejection

   Acceptance

   Embarrassment

5. We don’t track our numbers.
Methods of Prospecting

Past Clients
Centers of Influence
For Sale by Owners
Expired Listings
Just Listed and Just Sold Phone Calls
Just Listed and Just Sold Cold Doors
Agent-to-Agent Referrals
Sign Calls or Ad Calls
Cold Calls by Phone or Cold Doors
Current Client Referrals
800 Call Capture System
Affiliate Referrals
Direct Mail
Open Houses
Floor Time
Relocation Services
Farming

Scheduling and prospecting become the critical factors in making your business work.

To make the process of prospecting easier, call a past client or center of influence first.

Remove distractions to your prospecting effort.
The key to prospecting is to master:

REPETITIOUS BOREDOM.

Practice scripts and dialogue daily.

“I can’t let somebody else’s response,

while I am doing my job,

determine my future.”
The 10% Rule

Centers of Influence

Neighbors, friends, family, Christmas card list, personal phone directory, people you do business with on a regular basis, people you’ve known through your children, your schooling, education, job, your former jobs, your spouse and their jobs, social situations, clubs, Chamber of Commerce, church groups, golf clubs.

The Centers of Influence—10% Rule

If you work with these people over a given period of time, and you work with them with a great sense of accomplishment, and a sense of appreciation, and a sense of service, and a sense of value in what you talk to them about.

“10% of that group”

on your list will give you business every year, either from themselves or people they know.
Take every transaction you have ever done, and put their name, address, and phone number in a file.

Take everybody that you know, everybody that you have met, and accumulate the largest list possible.

**The key to start is to:**

**BUILD THE LIST**

Set a goal to have between 250 and 500 names in your file within one year to 18 months.

Divide the names in your list into three categories:

A. Those people who will give you business on a regular basis if you ask.

B. Those people who would give you business if you asked.

C. Those people on the list who you don’t like and probably don’t like you ... Get rid of them!
We must define in detail the services we provide if we want them to feel comfortable giving us referrals long-term.

If you’re going to work your past clients and centers of influence, you can’t be afraid to take charge and be in control.

That’s what people want and that’s what they will pay for and they will refer people to you if you will take charge and take control.

**Always Tell Them the Truth!**

You have to prove that you are willing to outwork the competition.

You have to talk to everybody on your list four (4) times a year and mail them four (4) times a year.

Scheduling and prospecting become the critical factors in making your business work.
To make the process of prospecting easier, call a past client or center of influence first.

Re-establish the relationship with the ones you haven’t talked to in a while.

You need to be very specific when you ask for referrals.

Determine which people are most likely going to give you referrals based upon the service you offer and the relationship you have.
The Pre-Qualifying Process

1. Pre-qualifying 100% of your prospects before you go on a presentation ... no exceptions!

2. Use 100% of the pre-qualifying questions ... no exceptions!

Why do agents have to pre-qualify all of their prospects before going on a presentation?

A. Pre-qualifying allows you to set some standards for those you want as customers.

B. It gives you control and shows your level of professionalism.

C. Pre-qualifying eliminates unmotivated people or people that want too much for their property.

D. Pre-qualifying identifies the objections you get before you go on the presentation.

E. Pre-qualifying saves you time on your presentation.
What happens to agents that don’t pre-qualify?

If you don’t pre-qualify, you spend a lot of time frustrated with yourself.

Agents that don’t pre-qualify take too many overpriced listings, or listings for short periods of time.

You work too many non-income hours if you don’t pre-qualify.

Agents that don’t pre-qualify get frustrated, don’t prospect, and therefore, miss a lot of appointments.

When an agent pre-qualifies, they focus on activities that lead to income.
Creating income real estate:

   Prospect

   Lead follow-up

   Pre-qualify

   Go on presentations

   Negotiate contracts

When an agent pre-qualifies, they have fewer clients, fewer problem clients, and more business.

1. If what I say makes sense and you feel comfortable and confident that I can sell your home ... are you planning to list your home with me when I come out on ______?

2. Are you planning to interview more than one agent for the job of selling your home?

3. Tell me again ... where are you moving to?

4. How soon do you have to be there?
5. When I see you ... how much do you want to list your home for?

6. As a professional real estate agent, I study homes and prices everyday ... therefore, I assume you’ll list with me at a price that will cause your home to sell ... correct?

7. How much do you owe on the property?

8. Have you ever thought about selling it yourself?

9. Have you ever thought about selling it yourself?

10. Will you help finance the home for the buyer, or do you want to cash out?

11. Would you please describe your home for me?

12. I’ll be sending over a package of information will you take a few moments and review it?

13. Do you have any questions before I show up on ______?

14. So you know, our meeting should only take between five to twenty-five minutes ... is that ok?
A lead is a person, buyer or seller, who will sign a contract within seven (7) days.

For You:

How do you define a lead?

If you’re going to become a “high producer” you have to define and set standards for yourself as to ...

- What you’re going to do.
- How you’re going to do it.
- When you’re going to do it.
- Why you’re going to do it.

If you don’t have standards for yourself and your business—

You don’t have a business!

There are people that buy real estate and sell real estate everyday in your community; in your town ... YOUR JOB is to find them.
You could sell a home everyday if you’re willing to do two things:

A lot of prospecting
A lot of good lead follow-up

Each week, take a careful look at the leads you have, and see how many will sign a contract within seven (7) days.

A. The shorter the definition that you have for a lead, the more motivated you are to call the lead.

B. The shorter the definition you have for a lead, the more you’re going to look for people that meet that definition.

I can only find that which I am looking for.

If I’m not getting a substantial amount of my business from my lead follow-up, then I’m not doing a good job of lead follow-up.

Number of leads that will buy or sell in the next seven (7) days
x your average commission
= your weekly earning potential
How many times per month can you afford to have your commission check going to somebody else, because you didn’t have a good definition of a lead and good lead follow-up?

Most agents have too many leads and the disadvantages of having too many leads are the following:

A. The bad leads hide the good ones from you.

B. If most leads are not good leads, the urgency for lead follow-up diminishes.

C. It’s a waste of time to be tracking and calling people on a regular basis who are not going to be moving in the near future.

FEARS

If we really define what a lead is, then we stick with that standard and we throw leads away: our fear is that we will not have anybody to talk to.

If we ask everybody for their motivation, and they don’t have any motivation, then of course, we don’t have a lead, so therefore, we have nothing to do.
Are you willing to commit to:

The schedule from before?

The prospecting from before?

The past clients and centers of influence work which you have to do from before?

The pre-qualifying?

Are you willing to commit to:

Do all the things that are required to make this happen for you, so you can then define your leads the way you want and make the leads work in your favor.
3 3 3 Rule

When you call on the phone and it rings 3 times, hang up.

When you have called a lead 3 times and cannot reach them, get rid of the lead.

If you call 3 times, talk to them 3 times and can’t get an appointment, get rid of the lead.

Get rid of this thought:

I can take a non-motivated person and through long-term lead follow-up, make them motivated to want to sell their home.

Lead follow-up is technically just like prospecting ... it’s a numbers game.
Lead follow-up is a numbers game:

If you keep following up ...

The numbers will work in your favor.

The numbers work better in your favor if you have a selected group of people you’re following up on.

1. Leads have no value, only an appointment and a signed contract has value to you.

2. Everybody has the same leads.

3. Leads do not represent security.

4. Don’t overprotect your leads, since everybody has them.

The higher the quality of the lead that you have, the less time you spend working on it.

There are two key questions to ask every lead:

1. Do you still have to sell your home?

2. Can we set an appointment in the next couple of days?
The Sales Mastery Series for Real Estate Professionals

with Mike Ferry

The Listing Presentation

A. Everything about the listing presentation should revolve around the seller ... and be very easy for the seller to understand.

B. By not pre-qualifying the seller, the odds of you getting a listing signed drop by 50%.

C. Anytime I’m in a conversation with a seller prior to the actual appointment I’m building rapport.

Create for yourself a pre-appointment routine, which would include getting your mindset in order: practicing your scripts, looking and dressing professionally.

Making sure you have all the proper materials prepared and be early.

Remember that first impressions are critical.

First impressions include everything from the clothes you have on. Part of this impression is how well you’re groomed.

Your hair is combed properly; your shoes are shined.
The smile on your face.
The strength of your handshake.
How well your materials are prepared.
UPGRADE EVERYTHING!

Be enthusiastic and energetic during the presentation because logic makes them think.

And emotion makes them act and make decisions quickly.

The 5 Step Listing Process

1. Pre-qualify 100% of the prospects, 100% of the time, no exceptions.

2. Mail or deliver a pre-listing package. Pre-listing package includes:
   a. A list of personal references.
   b. A copy of your plan of action.
   c. A completed CMA.
   d. A completed net sheet.
   e. A completed contract.
   f. Your disclosure statement.

3. Call back and confirm that they have looked at your package and are prepared for your appointment.

4. Show up physically, mentally, and emotionally.

5. Use the script cards that you have verbatim.

   (See the website script cards.)
Pricing Property

Are you in a rising market?

Are you in a flat market?

Are you in a declining market?

Our success in getting listings sold starts with price and ends with price.

The sooner you price it right, the faster it sells, and the smoother your business runs ... and the happier your clients are, and the more referrals you will get long term.

To become an expert at pricing: learn to preview properties.

To become an expert at pricing, have a strong knowledge of the statistics of your area.
The decisions YOU make revolve around the fact of:

Who you are as a real estate person.

Who you’re going to become.

What kind of a reputation you want to have in the marketplace.

What number of transactions you want to do.

If you’re a new agent in the marketplace or a new agent, pricing will become your biggest problem and, if you preview property and study the scripts that we give you, at least you will have a chance to compete.

We have to understand the seller’s perspective.

Real estate agents: 2,400
Homes for sale: 4,000
Homes that sell per month: 400
New listings per month: 400
Months to sell a home: 10-121

You’re going to lose more listings because of pricing and commission than anything else.
The hardest part about pricing is telling them the truth ...

   No matter how uncomfortable it becomes,
   No matter how much you’re inclined not to hurt their feelings ...

   YOU’VE GOT TO TELL THEM THE TRUTH!

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission lost:</td>
<td>$2,000</td>
</tr>
<tr>
<td>Secure and service:</td>
<td>1,600</td>
</tr>
<tr>
<td>Total Loss:</td>
<td>$3,600</td>
</tr>
</tbody>
</table>

Remember, if you get a lot of showings with no offers, the property is always overpriced.

If you get no showings, the property is overpriced.
One Week Business Plan

1. Number of days I'm going to work: ____
2. Total hours of prospecting: ____
3. Contact goal: ____
4. Leads generated goal: ____
5. Total listing presentations: ____
6. Total listings taken: ____
7. Total listings sold: ____
8. Buyer controlled sales: ____
9. Total price reductions: ____
10. Number of role-play sessions: ____
11. Other goals . . .