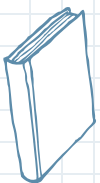
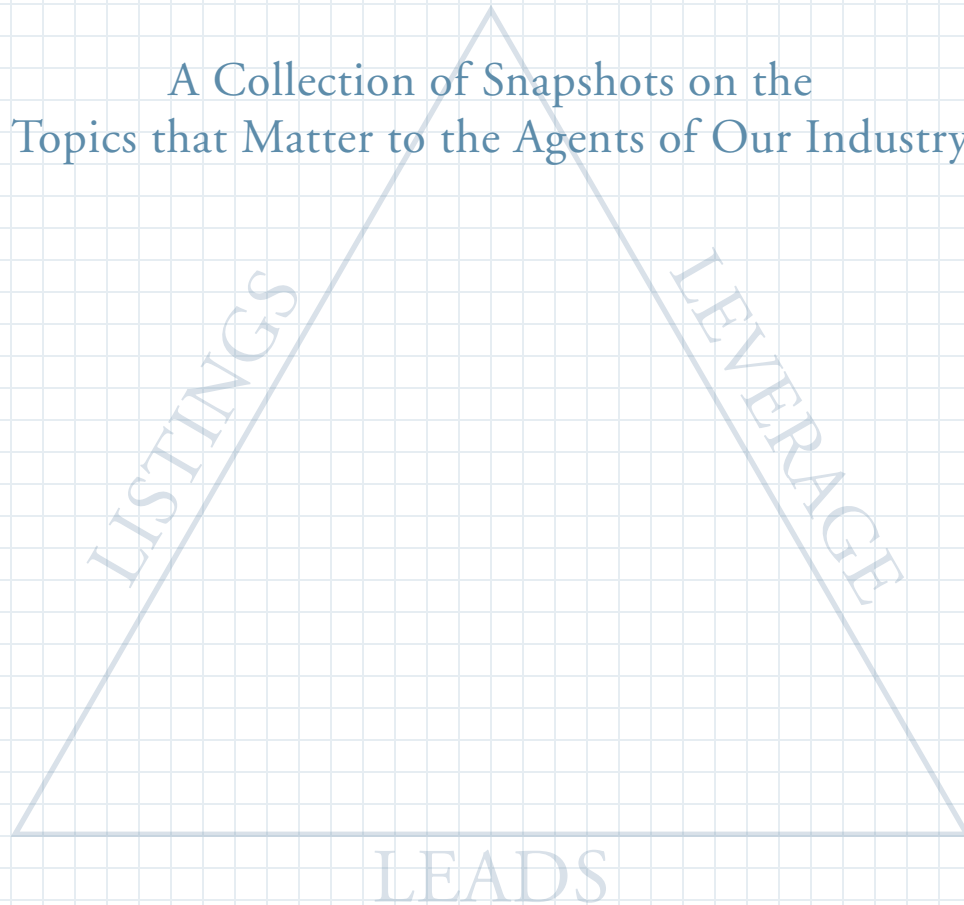


# THREE L BLUEPRINTS

A Collection of Snapshots on the  
Topics that Matter to the Agents of Our Industry



KellerINK

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Dear Readers,

It should be no surprise that a great deal of research is involved when we prepare to write a book or prep for an event. Research—and a lot of it—is necessary for all we do. While everything may not make it into print or on stage, we gain a tremendous amount of knowledge and form aha's that help to fuel both our current and future projects.

We are getting ready to write the second edition of *The Millionaire Real Estate Agent*, so we set out to do our usual homework in the field and interviewed top agents and coaches to find out how our foundational models have changed. We found that the Three L Model—that is, leads, listings, and leverage—is still as applicable as ever for depicting the core business needs of agents.

The insight we've gained in this early research process would not be possible without the willing participation of a smart group of thought leaders in the industry. We gratefully acknowledge the insight provided by the following coaches and agents:

### Coaches

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|                 |               |                     |                 |
|-----------------|---------------|---------------------|-----------------|
| Bill Crespo     | Fritz Pollard | Lisa Becker         | Monica Reynolds |
| Dianna Kokoszka | Glenn Neely   | Mary-Anne Gillespie | Rae Wayne       |
| Dru Lee         | Joe Bogar     | Mike Krantz         | Tony DiCello    |

### Agents

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|                   |                |                |                     |
|-------------------|----------------|----------------|---------------------|
| Adam Hergenrother | Heidi Fore     | Lori Ballen    | Scott Kato          |
| Alyce Dailey      | Jeff Glover    | Lysi Bishop    | Sean Provencher     |
| Ben Kinney        | Jeff Harmes    | Mark Spain     | Seth Dailey         |
| Brian Thomas      | Jeff Silva     | Matt Fetick    | Sheri Campo Elliott |
| Cal Carter        | John Brophy    | Michael Marten | Steve Valentine     |
| Chris Suarez      | Josh Anderson  | Mike Perna     | Tim Evans           |
| Christie Cannon   | Ken Wimberly   | Noah Ostroff   | Tim Heyl            |
| Christine Delgado | Kenny Klaus    | Pam Butera     | Tom Daves           |
| Dan Grieb         | Kevin Kauffman | Rebecca Burk   | Tyler Elstrom       |
| Danny Batsalkin   | Kurt Buehler   | Robert Fischer | Walter Delgado      |
| Danny Burk        | Lance Loken    | Ryan Dallas    |                     |
| Dylan Provencher  | Lesley Thomas  | Ryan Zook      |                     |
| Fred Weaver       | Lisa Becker    | Sarita Dua     |                     |

Thanks to their time in the trenches, we've been able to garner a better understanding of the issues agents face with leads, listings, and leverage on a day-to-day basis. Their collective wisdom was so helpful that we didn't want to keep the information to ourselves. We thought it would be better served in the hands of the people who can use it right now—you and your colleagues.

The following pages are a glimpse into what we've found. (You could call it a behind-the-scenes look at our writing room.) We've broken out our findings into a collection of blueprints that highlight each of the Three L's. Each blueprint outlines common challenges, solutions, and opportunities to important issues facing our industry and market.

We hope you find the information as useful as we did.

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# Leads Blueprints

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Ten Snapshots from the Best  
Lead Generators in the Industry

## 1.1 Introduction

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In the first of our three-part series of Three L Blueprints, we dive into the challenges and opportunities of lead generation. This section is broken out into ten lead-generating tactics currently utilized by our top agents.

Each lead generation mechanism has its own unique issues and opportunities that are experienced by agents looking to build their client base. While some lead generation tactics may, in large part, be dependent upon local market conditions, agents can still benefit from learning how their peers have struggled and succeeded using these tactics in the current market.

Our hope is that by sharing what we've gathered, agents can make intelligent decisions about what lead generation tactics to incorporate into their own businesses.

## 1.2 The Internet

“The first thing is focusing on a specialty or niche. If you're the jack of all trades, you're an agent for everybody. The first thing we want to do is figure out what niche to really market toward.”

– Lori Ballen

### The Four Common Challenges with the Internet:

1. Dilution results in low-quality leads.
2. Increased competition from other agents for Internet leads.
3. Agents aren't staying with Internet leads for the long run.
4. Third-party aggregators have high barriers to entry.

#### Challenge 1: Dilution results in low-quality leads.

**What is happening:** There are a growing number of online real estate platforms for consumers to use, and they are using a combination of those platforms at any given time. While the number of platforms has grown, it has not drawn an increase in consumer participation, meaning the overall number of online leads has not increased. As a result, competition for existing leads has increased, lowering conversion rates for web leads.

**The problem this is causing:** In order to use the Internet successfully, top agents must either spend a significant amount of time filtering through leads or find ways to leverage the follow-up process out.

**Solution:** The use of an Inbound Sales Associate (ISA) who interacts with Internet leads can improve the outcome of an agent's Internet strategy. The ISA's job responsibilities specifically include sifting through and eliminating bad leads and fol-

lowing up with high-quality leads to establish a connection, nurture a relationship, and determine their motivation.

#### Challenge 2: Increased competition from other agents for Internet leads.

**What is happening:** Increased competition surrounding new and existing platforms as well as limited advertising space on popular lead aggregator websites have caused agents to become protective over their online market share despite rising costs.

**The problem this is causing:** Because the timeline for online consumers to make a buy/sell decision tends to be longer, the expenses for an Internet lead generation strategy are front-heavy. Agents are not seeing a strong return on their investment, but the expenses feel necessary in order to protect their market share.

**Solution:** Agents not wanting to partner with lead aggregators can consider looking ahead in order to determine what the next big thing in Internet strategies may be. By doing so, they may find they have opened a yet-undiscovered door and be at the front of the newest Internet movement.

#### Challenge 3: Agents aren't staying with Internet leads for the long run.

**What is happening:** Agents are finding that many web leads take a long time to convert to an appointment, so they aren't investing their time into the necessary follow-up and cultivation.

**The problem this is causing:** Cultivating Internet leads is time intensive without having dedicated, yet costly, manpower to take care of them. Automatic drip systems are not being put in place to keep the leads captured for later conversion.

**Solution:** Agents with the highest Internet conversion rates have better systems in place for

long-term follow-up. They recognize that online consumers are more likely educating themselves for a future purchase than looking to make an immediate purchase. These agents dedicate time to practice scripts and reinforce conversion skills with associates who interact with Internet leads, preparing them to convert these long-term leads over time.

#### **Challenge 4: Third-party aggregators have high barriers to entry.**

**What is happening:** The leading third-party aggregators have very high barriers for entry with high prices and low availability. If an agent was not ahead of the Internet curve and began using these sites several years ago, they are now finding many zip codes are sold out or prohibitively expensive.

**The problem this is causing:** Despite the high costs, many agents feel the need to protect their stake online. As a result, agents are locking down zip codes in their market to keep their competitors from obtaining them—even though they don't find the results to be worthy of the price they are paying.

**Solution:** Agents looking to establish a relationship with aggregator sites can begin by determining an area to focus on, making a point to start small by focusing on one zip code at a time. Similar to the consideration of any new tool, agents should do their research prior to working with aggregators. It is helpful to figure out what zip codes to zero in on by determining the areas where the agent already controls a large percentage of sales. Other criteria to consider include figuring out areas where there are a significant amount of homes hitting the

market and areas where there are fewer national corporate players that have arrangements in place to protect their leads. Internet-savvy agents consider ownership between 20 and 40 percent of the impressions in certain zip codes and areas to be their marker for success.

### **The Three Common Opportunities with the Internet:**

1. Management of leads.
2. Building grassroots platforms to boost SEO.
3. Creating a collection of online reviews.

#### **Opportunity 1: Management of leads.**

The use of an ISA is helpful for filtering and nurturing leads. Staffing this role means having someone solely dedicated to long-term follow-up and spending the time necessary to bring a lead to an appointment, which increases conversion rates. However, it is important to note that the use of this position also increases an agent's lead generation expenses, and it may take considerable time to break even when adding this role to the team.

#### **Opportunity 2: Building grassroots platforms to boost SEO.**

Building a specialty or niche Internet platform, and filling it with unique evergreen content that buyers and sellers find both useful and purposeful, will drive traffic to the website and boost SEO in the long run.

#### **Opportunity 3: Creating a collection of online reviews.**

Deciding to work with an agent is similar to that of a consumer making any product purchase, where what other people have to say about their experiences can make or break the decision. By focusing on building online consumer reviews and providing past clients with a platform to provide reviews, agents can influence the decision of other consumers on what agent to work with.

“I would make it my job to build a page every day so I would have new content every day. The more specific you start becoming, you start generating the kind of business you want.”

— Cal Carter



## 1.3 Radio

“The conversion rate is lower, but the return on investment is huge.”

– Glenn Neely

### The Common Challenge with Radio Advertising:

1. Without a long-term commitment to radio, it's a high cost and low return strategy.

#### Challenge 1: Without a long-term commitment to radio, it's a high cost and low return strategy.

What is happening: Radio is an expensive lead generation method, and the leads provided often take longer to roll in for conversion. This means that it requires a large financial commitment before producing substantial results.

The problem this is causing: Radio advertising requires a substantial financial commitment, causing many agents to stay away from this lead generation method. Those who decide to “dabble” in radio advertising are often discouraged by the lack of immediate results, and instead of letting their message resonate with listeners, they opt to ditch the method all together.

**Solution:** Because it can take a while before an agent begins to see a return from their advertisements, it is beneficial for agents to come up with a unique offer that is used in each of their radio advertisements. Each time an agent presents a new offer or slogan in an advertisement, they essentially start over with 0 percent mindshare, which will cost them both money and time. Instead, spreading a consistent message across the

airwaves will, over time, build mindshare in a targeted audience.

### The Four Common Opportunities with Radio Advertising:

1. Use it to generate a significant amount of leads.
2. Use it to target a demographic or geographic area.
3. Use it to support other lead generation methods.
4. Use it to source for talent.

#### Opportunity 1: Use it to generate a significant amount of leads.

Agents that utilize radio to reach potential consumers generally use paid speaking segments where they talk to the radio hosts about their services, run prerecorded ads, or hold their own personal radio shows. With a consistent, methodical approach, radio advertising can generate a significant amount of high-quality leads. Because radio broadcasts often span multiple markets, it is also a natural lead source for expansion opportunities in neighboring towns and cities. If an agent does not have current plans to expand, they can use the out-of-market radio leads as a source of referral income.

#### Opportunity 2: Use it to target a demographic or geographic area.

Radio advertising can be used to target a demographic by selecting a radio station and a time slot that a distinct demographic is tuned into. Radio also allows agents to advertise in large geographic regions (or territories) without having to put boots on the ground.

**Opportunity 3: Use it to support other lead generation methods.**

Radio allows agents the opportunity to support an existing message for their business to a desired audience. If an agent is using a direct mail campaign and targeting an upscale neighborhood, they may choose to advertise on radio stations that members

of a particular price point tend to listen to.

**Opportunity 4: Use it to source for talent.**

Radio provides agents with a venue to market for talent. This can be done with an offer to interested agents or persons in a specific area an agent wants to expand to.

## 1.4 Direct Mail

“ [Agents] are not targeted enough with direct mail and try to put too many messages in a piece. It diminishes the effectiveness. ”

– Lisa Becker

### The Common Challenge with Direct Mail:

1. Poor messaging, low quality, and inconsistency diminish the mail piece’s effectiveness.

**Challenge 1: Poor messaging, low quality, and inconsistency diminish the mail piece’s effectiveness.**

What is happening: Agents falter in their direct mail approach when they do not use simple targeted messages. If an agent produces a bland or wordy mail piece, he or she risks not capturing the small window of attention recipients have to offer. Agents are also inconsistent about following up with recipients after a direct mail piece is sent.

The problem this is causing: If a direct mail piece doesn’t have a clear and precise call to action so that the receiver knows exactly how to reach out to the agent, it is a wasted expense. Likewise, if the piece doesn’t have a simple message or hold lasting value for the recipient, so that they save and refer back to the piece, it is a wasted expense.

**Solution:** Agents should establish a purposeful message that resonates with recipients and send it consistently. Messages such as “Just Listed,” “Just Sold,” “Just Closed,” “Open House,” “Multiple Offers/Sold in Three Days,” or “Meet Your New Neighbor” are simple and have a track record for success. Timing mail pieces around seasonal dates

with messages that resonate at that particular time of year and serve a specific purpose for the recipient also prove to be a fruitful option.

### The Three Common Opportunities of Direct Mail:

1. Targeting desired consumers.
2. It’s an alternative to email.
3. “Just Listed” and “Just Sold” card followed up with a phone call.

#### Opportunity 1: Targeting desired consumers.

Agents can target direct mail to a particular type of buyer and seller. To do so, they need to first be purposeful when determining the area or price range they are going to target. They also need to research the turnover ratio of the area they are targeting. Some agents are having success by targeting a specific demographic with their direct mail campaigns, such as focusing on areas that have a high density of baby boomers in them.

#### Opportunity 2: It’s an alternative to email.

Because consumers are flooded with emails on a day-to-day basis, agents who take the time to craft a simple or unique direct mail piece have a chance to really stand out from the crowd.

“ You only get three seconds to get their attention with that piece of mail. It can’t be real wordy. It’s great to have color to it, because people read with their eyes and then they put it down. ”

– Jeff Harnes

**Opportunity 3: “Just Listed” and “Just Sold” card followed up with a phone call.**

An agent’s mail piece should include a simple, memorable message or offer that sparks curiosity among homeowners. They shouldn’t include everything on the mail piece. Instead, agents should hold their most important information

close to the vest to encourage homeowners to reach out for additional information, or be open to further communication with the agent. When agents follow up a mail campaign with a phone call or an additional call to action, they provide a chance for further conversation and relationship building.

## 1.5 FSBOs and Expired Listings

“We just don’t have that many [FSBOs and expireds], and the ones that we do have, and the agents that I know that have them—they really go after them hard. The competition is ferocious.”

– Monica Reynolds

### The Four Common Challenges with FSBOs and Expired Listings:

1. They are scarce, competitive, and difficult to convert.
2. Successful conversion requires a high level of skill.
3. FSBO and expired lists contain unusable phone numbers.
4. FSBOs exclusively use the Internet to market their home.

#### Challenge 1: They are scarce, competitive, and difficult to convert.

What is happening: FSBOs are selling quickly, providing little opportunity for agents to step in, work their magic, and take a listing. The pace that homes are selling at is leaving little to no room for the creation of new expired listings.

The problem this is causing: The fast-moving nature of sales on the market has caused some agents to work their expired lists to the bone. Further, new or lower-skilled agents are struggling with FSBOs and expireds because there is little room for them to produce business by focusing on this tactic.

**Solution:** Agents that want to focus on FSBOs and expireds as a lead generation source must hone their script skills to be competitive in this market. Many are also zeroing in on homes in this

category to specifically target. For instance, they are pinpointing FSBOs and expired listings to a certain price range and market area to call on. Other homes in these categories that don’t meet their criteria are struck from the follow-up list and are not paid attention to.

#### Challenge 2: Successful conversion requires a high level of skill.

What is happening: Agents who are skilled are outcompeting fellow agents, winning listings with FSBOs and expireds. Some agents are not developing the skills that would help them overcome 90 percent of the pushback that are given to them by independent-minded homeowners and others who may have had poor experiences working with an agent in the past.

The problem this is causing: Typically a good source for listing business, FSBOs and expired listings in this market are becoming a hostile environment for many agents. Most agents give up too soon when trying to connect with FSBOs and expired homeowners because they have an uncomfortable initial conversation and are hesitant to call again.

**Solution:** Agents who excel with FSBOs and expired listings make a point to role-play, practice, and have good scripts that can overcome the objections of the homeowners that they come into contact with. Further, they recognize that most of the conversion is happening in the follow-up process, so they are committed to remaining in contact with these homeowners. They don’t give up if they haven’t gotten an appointment on the first or second try. Rather, top agents who focus on FSBOs and expireds often commit to having at least three conversations with a potential seller before taking them off their list.

“The success that we have with for sale by owners is because of our lead follow up. I think the reason why most agents don't have a ton of success with for sale by owners is because they don't follow up enough, or they have somewhat of an uncomfortable first conversation, and then they stop calling them.”

– Jeff Glover

### Challenge 3: FSBO and expired lists contain unusable phone numbers.

What is happening: Phone numbers of FSBO and expired homeowners are difficult to come by. Lists containing information on expired listings often leave outdated home phone numbers, the MLS often deletes contact information the moment a listing expires, and FSBOs are selling too fast for agents to identify credible contact information. By some estimates, roughly 20–30 percent of phone numbers on expired lists are unusable.

The problem this is causing: When contact information is not readily available or correct, it can be difficult for an individual agent or small team to successfully lead generate an effective FSBO or expired list.

**Solution:** Agents that want to succeed with lead generating FSBOs and expireds must commit the time necessary to do their homework and pinpoint the most effective methods for finding proper contact information.

### Challenge 4: FSBOs exclusively use the Internet to market their home.

What is happening: Many FSBOs are opting not to put “for sale” signs in their yard. Instead, they are exclusively listing their properties online.

The problem this is causing: While agents can find FSBOs to target online, the lack of signage in the front yard can indicate that a homeowner is

not truly committed to selling their home. Rather, they list it online with an unrealistic price in hopes that they will find a buyer interested in paying that amount but are not personally motivated or serious about selling their home. These FSBO listings can create more work for agents who connect with these homeowners with the same due diligence as other FSBOs.

**Solution:** When calling online FSBOs, agents must ask the right questions to uncover the homeowners’ motivations for selling. They must truly listen to the answers they are given so that they do not spin their wheels with an uninterested seller.

### The Five Common Opportunities with FSBOs and Expired Listings:

1. Easy to identify.
2. Go to the door.
3. Old expireds.
4. Persistent and consistent touch.
5. Use text or email if seller doesn’t answer the phone.

#### Opportunity 1: Easy to identify.

Despite lists containing questionable contact information, FSBOs and expireds remain easy to identify. Agents can utilize methods to find proper contact information if they are committed to this lead generation tactic.

#### Opportunity 2: Go to the door.

Agents that are prepared for face-to-face conversations circumvent many of the problems associated with converting FSBO and expired listings. Highly skilled and prepared agents will experience greater conversion rates when going door-to-door on FSBO and expired listings.

#### Opportunity 3: Old expireds.

Older expired listings likely have enough equity built up in their homes to sell their property for a

good return. This is a great message for agents to share to encourage homeowners to think seriously about listing their homes again. If an agent is systematized in their approach to old expired listings and consistently uses techniques like face-to-face and direct mail, the business is there.

**Opportunity 4: Persistent and consistent touch.**

Most agents don't commit the necessary time and energy required to win FSBO and expired business. Follow-up is a necessary part of prospecting for FSBO and expired listings, and is often overlooked when agents face an initial difficult conversation or rejection. Agents that create a database containing these contacts and reach out to them with quick, consistent touches (such as a weekly phone call)

often find that a challenging lead gets easier to talk to with steady follow-up. Those that have the confidence to follow-up religiously are more likely to get the business.

**Opportunity 5: Use text or email if seller doesn't answer the phone.**

FSBOs and expireds that don't answer their phone may be more receptive to text messaging. Additionally, agents should consider email as an initial mechanism for contacting FSBOs and expireds with phone numbers that are hard to find. Agents that utilize email are finding five out of ten connections they make via email are agreeable to making preview appointments. These agents are then setting themselves up to take the listing.

## 1.6 Farming

“When farming, you go deep. What you’re putting in your community is truly of value.”

– Kenny Klaus

### The Five Common Challenges with Farming:

1. Agents inconsistently interact with their farm.
2. Too large of a territory.
3. Not incorporating the right message.
4. No face-to-face time.
5. Weak and untargeted messaging.

#### Challenge 1: Agents inconsistently interact with their farm.

What is happening: Agents are not consistently reaching out and touching their farm.

The problem this is causing: Many agents feel that simply putting a stake in the ground and marking their territory is enough to establish a farm. However, without consistent touches to their farm, they are actually not doing much to win brand recognition and loyalty from homeowners.

**Solution:** Interacting with a farm is similar to how an agent already systematically markets to their database. As with most relationship-building lead generation programs, committing to outlining and following a system of frequent touches is key for establishing connections. By making and adhering to a plan where the agent consistently interacts with the members of the farm, he or she can cement their brand and gain significant mindshare.

#### Challenge 2: Too large of a territory.

What is happening: When a farming territory is too broad, agents may be unable to understand the

communities and demographics of the area at a deep level.

The problem this is causing: Without a clear grasp of the area, agents don’t present themselves as a member of the community. They can’t dig in and make themselves a fixture in an area that is too broad because they are unable to differentiate themselves from any other agent looking for buyers and sellers in the area.

**Solution:** The most effective farms are those an agent can service without feeling like they’ve gotten in over their head because they’ve corralled off too large an area. When zeroing in and establishing an effective farm, it’s helpful to judge the area under consideration against a set of criteria that other agents have used, such as ensuring that it has a minimum of 7 percent turnover per year, at least 300 homes, and that no single agent has more than 30 percent market share in the area.

#### Challenge 3: Not incorporating the right message.

What is happening: Agents aren’t presenting their value proposition and showing consumers what sets them apart from other agents. Without hearing the “why” message, potential buyers and sellers don’t have a reason to call the agent.

The problem this is causing: Agents are mistakenly thinking that focusing on a farm doesn’t provide results because they are not connecting with it properly.

**Solution:** What an agent determines as his or her value proposition should be presented clearly on all marketing materials and incorporated in every interaction with their farm. Every piece of marketing should be clearly connected to the agent’s brand and relay the agent’s core message, or the “why” that influences potential clients. Agents



should remember that people will search for them online as well, so it is wise to set up a webpage specifically about the neighborhood being farmed in order to carry the value proposition consistently and look like a local neighborhood expert.

#### **Challenge 4: No face-to-face time.**

**What is happening:** Agents aren't giving the communities within their farms necessary face-to-face time. When a coach advises, "Don't let the mailman be your best competition," they are describing a common scenario where agents mistakenly believe they can receive leads by simply mailing a message to their farm.

**The problem this is causing:** Similar to Challenge 3, agents aren't seeing the benefits of farming because they aren't approaching their interactions with the community effectively. Too frequently, they avoid consistent face-to-face interactions with community members and instead rely heavily on impersonal mailers. As a result, they falsely draw the conclusion that farms aren't profitable to manage.

**Solution:** A combination of popular prospecting and marketing techniques seen outside of farming are equally successful at capturing the mindshare of a farm. This includes sending direct mail, door knocking, cold-calling, sponsoring community events, and holding open houses.

#### **Challenge 5: Weak and untargeted messaging.**

**What is happening:** Agents don't understand the demographics of the area they are zeroing in on, so they choose to market to the masses instead of targeting valuable consumers in their farm.

**The problem this is causing:** Because they aren't taking the time to understand the needs of the area they are trying to serve, agents aren't able to deliver an effective message that resonates with the community. Instead, they are putting out weak messages to the masses that blend into the woodwork.

**Solution:** Agents that succeed in establishing farms do their research by asking community members for feedback and listening to the results. For instance, they may begin by calling a number of homes in their farm area to ask them what they thought of their most recent farming tactic, whether it be a postcard, mailer, or other approach. The desired outcome is to understand the effectiveness of their message. An agent is most valuable to their farm when they effectively deliver value that customers need.

### **The Six Common Opportunities with Farming:**

1. Find someone who will do it for them.
2. Provide value.
3. Become a community resource.
4. Be present.
5. Low competition.
6. New home development business.

#### **Opportunity 1: Find someone who will do it for them.**

More agents can focus on serving farms if they outsource the responsibility to someone else. By leveraging the right person to service a farm area, and paying them to take care of it, agents can reclaim the time and commitment required to establish a farm.

#### **Opportunity 2: Provide value.**

By creating the image that they are the "go-to" resource for anything related to homes in a community, an agent can disrupt any other agents looking to make inroads in their area. This means an agent should do their due diligence and learn everything they can about their farm, from where the parks, schools, and places of worship are to the best local eateries and hangouts. Agents who take the time to develop a deep knowledge about their farm

will likely get the first phone call when buyer and seller business arises, because customers often value and prefer working with experts.

“Focus on knowing that farm inside and out. That’s crucial.”

– Mike Perna

### **Opportunity 3: Become a community resource.**

Focusing marketing and prospecting techniques on the value they offer to the community can help an agent establish their business as a “fixture” in the community. The agent can then leverage their position in the community to build their business. The most successful agents find that, when they solidify their brand as a person who works for the community, the community in return works for them by providing them with listings, referrals, and leads.

### **Opportunity 4: Be present.**

Agents who make community-driven, face-to-face contact with their farm can’t be beat on their home turf. Those that are willing to put in the in-person effort experience a higher return on their time

because they’re building trust with their contacts. As we stated in Challenge 4, “Don’t let the mailman be your best competition.”

### **Opportunity 5: Low competition for this area of lead generation.**

An industry-wide focus on the Internet as a business-building mechanism has created an open door for agents looking to develop a farming strategy. As the industry becomes more infatuated with high-tech lead generation, the competition for prospect farms is decreasing. Agents that get face-to-face with members of their farm experience a higher return on their investment than those focused on the Internet.

### **Opportunity 6: New home development business.**

New home developments are prime farming territories. Agents who work with builders on new home construction can develop a home sale into a lifelong relationship and become the resident expert and agent of choice for the neighborhood. By working with builders in new communities, an agent can establish a personal connection and familiarity in the area so that they will have a farm to call on later.

## 1.7 Open Houses

“It’s your buyer opportunity and listing opportunity—people have houses on their brain. Talk to them, get their information, get them engaged, and drop on them.”

– Lisa Becker

### The Three Common Challenges with Open Houses:

1. Not attracting people to open houses.
2. Shifting mindset from “old open houses” to a relationship-building event.
3. Holding multiple open houses on the same day.

#### Challenge 1: Not attracting people to open houses.

What is happening: Agents are having issues getting people to attend their open houses due to poor setup, inconsistency, and lack of marketing.

The problem this is causing: Without visitors, an open house becomes a wasted expense of time. In addition, agents are thinking of the time spent at an open house as a time to catch up on other work, rather than using the time to generate leads from attendees.

**Solution:** In order to get traffic to an open house, agents need to do a significant amount of prep-work beforehand. For instance, picking a time with high traffic increases the likelihood that someone sees the open house sign and a good location for an open house ensures the likelihood that a person will visit the open house. Door-knocking just prior to opening the home will encourage spontaneous visitors to stop by. Agents also increase the traffic at their events by sending postcards to surrounding neighbors to help drive “nosy neighbors” to the house.

#### Challenge 2: Shifting mindset from “old open houses” to a relationship-building event.

What is happening: Agents are thinking about open houses with a traditional mindset, where they intend for an open house to sell the home instead of using an open house to build relationships with current and past clients, generate interest in the services they provide, and initiate more listing opportunities.

The problem this is causing: The majority of people who come through an open house have real estate on their brain; however, they’ll most likely not be interested in buying that particular house. This leads to missed opportunities to build an agent’s business.

**Solution:** Agents who are generating the most leads and building fruitful relationships around open houses are purposeful in everything they do. They choose a house to feature based off of a specific demographic, location, or price point in order to appeal to a targeted group of buyers and sellers. Once people walk through the door, these agents then make a point to connect with their attendees, capture their information, and add them to their database for a future sales opportunity.

#### Challenge 3: Holding multiple open houses on the same day.

What is happening: Agents are finding it hard to hold multiple open houses on the same day due to time constraints and a lack of appropriate leverage.

The problem this is causing: Without finding ways to hold multiple open houses in a single day, agents may view open houses as a lead generation technique that won’t scale as their business grows. This mindset leads agents astray from tapping into the massive potential for business building.

**Solution:** Those agents that succeed with expanding the number of open houses they hold often leverage the task to someone else. Some agents seek out part-time help to host open houses, which increases the amount of open houses they can hold on a daily and weekly basis. Other agents have found that they can imitate the open house/storefront experience through other means like opening a real estate kiosk in a mall.

### The Seven Common Opportunities with Open Houses:

1. Make it an event! It's a grand opening, so make it that way.
2. Launch a property with an open house.
3. Build a database through an effective open house.
4. Recruit other agents.
5. Invite the entire database.
6. A low to no-cost opportunity.
7. Use different days and times.

#### Opportunity 1: Make it an event! It's a grand opening, so make it that way.

Open houses provide agents with an opportunity to get face-to-face with potential clients and showcase their skills and services through the creation of a storefront. However, it's not a "build it and they will come" technique, and it's certainly not something that is just "done." It requires systems, leverage, and efficient skills to operate at the highest level.

#### Opportunity 2: Launch a property with an open house.

Open houses are a great opportunity to announce a high-profile listing and let interested buyers and sellers feel like they are getting the first look at a new home on the market. It can be used as a value proposition for potential sellers if the open houses are done at a high level.

#### Opportunity 3: Build a database through an effective open house.

Open houses are a great opportunity to get into contact with people who have real estate on their mind. Open house visitors are likely future buyers and sellers. The face-to-face interaction provides agents with the best possible chance to engage with consumers, exchange information, and populate their database.

#### Opportunity 4: Recruit other agents.

It's unlikely that serious, immediate buyers visit an open house without already coming with an agent. Agents should not view this interaction as a waste of a chance to secure a future client, but instead as an opportunity to recruit attending agents to the company and their profit share downline.

#### Opportunity 5: Invite the entire database.

For agents who haven't connected with their database in a while, an open house can provide a great venue for a database event. Open houses give agents an opportunity to get face-to-face with the Mets in their database to build purposeful, business-building relationships.

“Open houses are a low-cost or no-cost form of lead generation. People are spending thousands of dollars to get a live lead, a live person that will talk to them face-to-face or voice-to-voice. Here, 90 percent of the people that walk through have real estate on their mind.”

– Rae Wayne

#### Opportunity 6: A low to no-cost opportunity.

Open houses can cost virtually nothing for an agent to set up and don't even require that the hosting agent own the listing. Many agents are agreeable and eager to let fellow agents hold open houses for their listings to give the home an additional

presence. In return, the agent holding an open house has direct access to consumers with a clear interest in real estate.

**Opportunity 7: Use different days and times.**

Agents can determine the type of consumer who visits their open houses by changing the location,

date, and time of an open house. A Sunday afternoon open house, for instance, can catch interested buyers and sellers as they drive home from a religious service. Weekday open houses that are held after 5:00 P.M. can serve as a happy hour event for those commuting home from work.

## 1.8 Referrals

“The person that you’re talking to may not be the one that’s going to give you all the referrals down the line, but they may connect you with someone who does.”

– Sherri Campo Elliott

### The Five Common Challenges with Referrals:

1. Scheduling time with the most important or likely person to give a referral.
2. Keeping the database clean and free of junk.
3. Consistently sourcing database for referrals.
4. Building relationships, adding to emotional bank right before asking for referral.
5. Giving before you ask.

#### Challenge 1: Scheduling time with the most important or likely person to give a referral.

**What is happening:** Agents aren’t making time to have one-on-one and face-to-face conversations with the people who are most likely to give them referrals. Instead of taking the time to connect on an individual level with their database, agents try to connect through less personal means of communication, like email.

**The problem this is causing:** When agents don’t commit the time and discipline it takes to build personal relationships within their database, they miss out on a business-building opportunity that doesn’t have any hard costs to maintain.

**Solution:** When organizing their database, an agent can figure out who their top referral sources are and make a point of staying connected with these people. To stay up-to-date and show ongoing appreciation, scheduling a periodic outing with them, such as a lunch or dinner, is effective.

#### Challenge 2: Keeping the database clean and free of junk.

**What is happening:** Some agents are doing a poor job of nurturing and protecting their database. When an agent’s database isn’t maintained properly, the key referral sources that an agent should frequently reach out to end up lost in the pile of unhelpful remaining contacts.

**The problem this is causing:** With a cluttered database, knowing who to source for referrals is more complicated than it needs to be because they don’t have clear access to their most valuable contacts.

**Solution:** Agents that take organization seriously are able to best utilize their most valuable asset—their database. By categorizing their databases, they can differentiate between their most valuable clients and least valuable leads. In addition, referral-heavy agents use a system in their databases that allows them to easily identify those who provide them the most referrals. They keep track of the type of referrals each contact provides, whether it be agent or past client referrals, and make a point to connect with them more than other members of their database.

#### Challenge 3: Consistently sourcing database for referrals.

**What is happening:** Some agents are forgetting that most people are not born with a “referral gene,” and that their database is unlikely to refer business if they are not instructed to do so. Those agents who do ask for referrals often fail to use the right messaging with their clients to help them understand how they can contribute to their agent’s business.

**The problem this is causing:** Just because agents are reaching out to their database of friends, relatives, and clients, does not mean that these contacts will

connect the dots and provide the referral if they aren't asked frequently to pass along potential leads. If an agent doesn't approach a client in a way to properly inform them of the importance of referrals, the agent misses out on the opportunity to expand their network based on the client's suggestions.

**Solution:** Agents excel when they make a point to engage in a constant dialogue with clients to inform them that they are always looking to grow their business. Many clients don't make the connection between themselves and the agent's business growth. Therefore, the agent that always looks for reasons to provide a great consumer experience makes it easier for clients to refer business their way.

“Our community is really small. Everybody knows everybody. When you do a great job for one of them, the words spreads.”

– Pam Butera

#### **Challenge 4: Building relationships, adding to emotional bank right before asking for referral.**

**What is happening:** Agents are often too hesitant to engage with their database, which is a necessary part of building relationships that will bring future business. They would rather get the business without putting in the effort to build the relationship.

**The problem this is causing:** Before an agent can rightfully ask someone to recommend their services to others and provide the agent with additional business sources, the agent has to put in time to build a mutually beneficial relationship with the person.

**Solution:** An agent that consistently interacts with their referral sources and provides them with added value automatically accomplishes two things: they cement purposeful relationships and position

themselves as a point of contact for referral business. When an agent conquers these first two items, asking directly for the referral business becomes a natural next step.

#### **Challenge 5: Giving before you ask.**

**What is happening:** Agents are not providing value to potential referral sources before asking them for more business.

**The problem this is causing:** Agents are assuming that their clients want to refer them new business without recognizing that relationships are a two-way street.

**Solution:** Agents can earn referral business by genuinely becoming the best person for the job. When an agent shows that they bring something of value to the table, others will want to share their added value with other potential consumers.

#### **The Five Common Opportunities with Referrals:**

1. Contribute value constantly.
2. Build a pool of cheerleaders.
3. Ask for a referral.
4. Identify top referral sources and treat them differently.
5. Become a local version of Angie's List.

#### **Opportunity 1: Contribute value constantly.**

In all interactions with current and potential clients, an agent who brings value and comes from a place of contribution will experience a side benefit of creating a group of people who respond favorably to them. For instance, one source of value is to keep referral sources up to date on every step of the home-buying or selling process of the referral. If an agent puts the client's needs before their own, asking for and getting referrals from clients is going to be a natural aspect of the sales process.

**Opportunity 2: Build a pool of cheerleaders.**

A small group of 20–30 people can become a significant source of business once the agent connects and focuses on building relationships with them. It is important that the agent be purposeful about the inner circle they focus on and aim to bring constant value to the relationship. Once the agent has established a position in a client's mind, they may return in kind with referrals to grow the business once prompted.

**Opportunity 3: Ask for a referral.**

The easiest time to ask for referrals is when a client has either just bought a home or sold a listing with the agent because they are excited about the business transaction. Beyond this standard post-transaction referral, agents benefit from having frequent one-on-one conversations with members of their sphere to ask for referrals and then following up periodically with these same contacts to remind them about the previously promised referrals.

**Opportunity 4: Identify top referral sources and treat them differently.**

By identifying the top 50 referral sources in an agent's database and cementing relationships with them, the agent can radically transform their business. To do so, an agent needs to treat these connections like VIPs, whether it be with special client events, face-to-face meetings, phone calls, or meals. The most important aspect of an agent's interaction with these sources is to show appreciation and thankfulness for the referrals received. Because these top referral sources take the time to advocate for the agent's business, proper gratitude must be shown.

**Opportunity 5: Become a local version of Angie's List.**

Utilizing a comprehensive vendor list can allow agents to stay top of mind with past clients and increase an agent's chances of earning referral business. Likewise, thinking of their database as an active source for satisfying the requests of their clients can also help bring future business.



## 1.9 Builders

“It’s a long-term investment for any team because it can take them about a year before they get some real traction coming out of it when you’re talking about the bigger builders.”

– Joe Bogar

### The Three Common Challenges with Builder Business:

1. Lack of proper infrastructure to service the builder.
2. Lack of staff to provide support.
3. Bringing a win-win deal to the builder-agent relationship.

#### Challenge 1: Lack of proper infrastructure to service the builder.

What is happening: While agents don’t need infrastructure to set out and find builder relationships to cultivate, they do need systems in place to be able to handle the builder business when it begins. However, agents often don’t have the organization or systems needed to successfully profit from this type of relationship.

The problem this is causing: Without systems in place to facilitate the number of transactions builders require, it’s near impossible to maintain a business relationship with the client.

**Solution:** When on the cusp of working with a builder, agents should make an investment in systems that will help them to service that builder. One simple and zero-cost mechanism to consider are Google spreadsheets, which can be shared for ongoing transparency and used to keep track of the leads given by the builder. This transparency allows the agent to show the builder that they are actively working on the builder’s business.

#### Challenge 2: Lack of staff to provide support.

What is happening: Agents are forging relationships with builders without making immediate changes to their organizational structure.

The problem this is causing: Without making an investment in people prior to working with a builder, agents often do not have enough leverage in their businesses to be able to service the builder. In the early days of working with a builder, this can damage the agent’s reputation, and end an otherwise lucrative relationship.

**Solution:** Agents should ramp up their staff once a builder relationship has been established in order to provide the service necessary to facilitate the builder’s needs. At first, it may be possible to have current staff service the builder, such as enlisting buyer agents to work as community managers and hold open houses. As the partnership grows, it’s likely that the agent may have to hire people who are trained in the new home industry. However, as the agent’s new home construction portion of the team grows, it’s important that the investment made does not exceed expected returns for either the agent or the builder.

#### Challenge 3: Bringing a win-win deal to the builder-agent relationship.

What is happening: The relationship between builders and agents fluctuate with the market and appear, more often than not, to be on an as-need basis. Agents need to show that they deliver unmatched value to the builders they wish to be in business with.

The problem this is causing: Establishing relationships with builders doesn’t occur overnight, it can take considerable time to win business from them. If agents spend too much time chasing new builder business, they risk getting off track in their core business.

**Solution:** It's not necessary to find the biggest builder in order to have a successful agent–builder relationship. Instead, agents that successfully partner with builders tend to require the following criteria: (1) the builder has a good product, (2) they have the desire to be successful, and (3) they are currently struggling due to issues on the business side.

### The Seven Common Opportunities with Builder Business:

1. Easy to find.
2. Gain business before building your business.
3. Create marketing plans around data collection.
4. Take sales and marketing off of their plate and let them build.
5. Bring business to builders.
6. Establish future farm areas.
7. Bring decision based on MLS data.

#### Opportunity 1: Easy to find.

Agents can lead generate for builders through a variety of prospecting methods. For instance, some identify communities that have good turnover and then work backward to establish relationships with the builders within those communities. Good builders know their market backward and forward, so it's important for any agent looking to work with them to do their homework. Agents who

“It's not necessary to go after the biggest builder out there. Instead, identify a couple of communities just like you're farming a traditional business. Then start building a relationship with that community representative or the builder directly. If you look at it as putting in your time and building a relationship, it's not as hard as it sounds.”

– Brian Thomas

learn the language of the new home construction industry, the unique issues builders face, and what's important to them are better prepared to enter into a mutually beneficial relationship.

#### Opportunity 2: Gain business before building your business.

Agents don't have to have the necessary infrastructure in place when they go out and attract initial builder business. Instead, an agent can find builders, learn what they need, and lay out a plan of how they will service that need in a relationship. The infrastructure and leverage pieces within the agent's business are only necessary once the agent takes on the builder's business.

#### Opportunity 3: Create marketing plans around data collection.

Builders may struggle behind the scenes with the business aspects of their companies, such as lead follow-up, marketing, contracts, and client services. Agents who show they can run these aspects of the business better than the builders, allowing their counterparts to simply focus on building great properties, are primed to forge key partnerships.

#### Opportunity 4: Take sales and marketing off of their plate and let them build.

The new home construction industry has a language of its own, which an agent needs to be savvy about if they are interested in obtaining builder business. To do so, agents must have a builder-specific listing presentation that shows why it makes sense economically for the builder to enter into a partnership. Agents can take over tasks like becoming their on-site community managers, improving their product against competitors, and helping them to market and sell the homes.

#### Opportunity 5: Bring business to builders.

When it comes to research that will improve their product offerings, builders are typically open to receiving help. Agents who help find opportunities

for builders, such as identifying available lots in subdivisions and raw land in high-growth areas, can wedge themselves into a relationship with builders. In return for bringing these prospects to the builder's attention, the agent can work out a deal that guarantees they list and sell the new home or homes that will be built on the lot. Agents can sell those homes/lots through premarketing and preconstruction plans to cement their value to builders for an ongoing relationship.

**Opportunity 6: Establish future farm areas.**

The majority of home builders don't have a plan in place to stay in touch with clients after closing. Agents can capitalize on this gap in the marketplace by having a long-term plan to farm, connect, and develop relationships with the buyers who

purchased new home construction for future repeat business. Every new home sale has the potential to translate into a future relationship with a resident within a future farm area.

**Opportunity 7: Bring decision based on MLS data.**

Some builders don't use adequate data to make decisions on what and where they build their homes. Agents can become a valuable resource by providing builders with a monthly update on what's selling in the current market beyond the standard pricing and size details. Agents have the ability to look at the MLS and determine amenity and design data that can influence a builder's construction decisions, which can make the difference between a sale and a nonsale.

## 1.10 Institutional Buyers

“You have to be prepared for when the opportunity comes. It's all about relationships and creating those relationships at whatever level. You want people to know you, like you, and trust you.”

– Tom Daves

### The Five Common Challenges with Institutional Buyers:

1. Improving market means fewer investment opportunities.
2. Time and lack of loyalty.
3. A strategy to obtain the property in high competition.
4. Some agents don't feel comfortable with investing.
5. Nonemotional clients.

#### Challenge 1: Improving market means fewer investment opportunities.

What is happening: Institutional buyers were interested in acquiring bank-owned REO properties and distressed units. However, as the market continues to improve around the country, decreasing distressed inventory and rising prices are causing homes to move outside the purchasing criteria set by larger institutional investors.

The problem this is causing: The decrease in available properties meeting the set investment criteria has caused large investor companies like Blackstone to dramatically decrease the amount of properties they acquire. As these institutional clients move away from home purchasing strategies, many real estate businesses who were servicing them are finding they need to shift to a more traditional business model.

**Solution:** When an agent sees that institutional purchasing in their area is beginning to dry up, they can stay ahead of the curve by moving their focus to building their traditional business while keeping an eye on the next big institutional opportunity. This means staying in touch with contacts at large investment buying firms in order to be on the inside track in case these institutional investors decide to sell off their inventory. If these homes are sold down the road, institutional investors will once again find themselves in need of reputable agents to help them do so.

#### Challenge 2: Time and lack of loyalty.

What is happening: Working with institutional investors is time consuming for agents. Despite the time required of an agent to find properties that meet the investor's criteria, investors are focused on performance and their return on investment rather than on building loyalty via a partnership with the agent. Because investors are aware of the large amount of business they are bringing to the table for the agent, while they are unconcerned about the costs agents need to front in order to service them, expectations of both the investors and agents are often misaligned. Both consider themselves to be the client in the relationship.

The problem this is causing: In order to meet the demands of their clients, agents often add costly leverage to their businesses that are investor-specific, such as appraisers and field representatives who only research and inspect the possible properties to determine if they fit the investment criteria given. Once an investor decides to cut ties, agents have to find other places in their company for those employees, or risk losing talent.

**Solution:** Top agents always lead their businesses with revenue. When institutional buyers revise

their investment strategy and move away from purchasing in a particular market, agents often find themselves needing to alter their own strategies as well. This may result in helping staff that were initially hired to ensure the agent had the infrastructure in place to service the institutional investor to find other opportunities if the agent cannot continue to support the larger team structure.

### **Challenge 3: A strategy to obtain the property in high competition.**

**What is happening:** With low inventory comes high competition. Agents are struggling to find products that meet their clients' needs and are fighting for what's left of the distressed inventory.

**The problem this is causing:** A lot of the larger institutional investors have dramatically dropped off their purchasing.

**Solution:** Identify the basic need of the institutional investor. Once the agent has identified what the investor's intended purpose is for the property, they may be able to pinpoint real estate that wasn't initially in the consideration set. For instance, the agent may be able to find the right inventory by broadening the parameters of a geographic area.

### **Challenge 4: Some agents don't feel comfortable with investing.**

**What is happening:** In order to work with institutional investors, agents need to be able to speak their language and personally be comfortable with investing.

**The problem this is causing:** Agents who are not familiar with investing are struggling to work with these large buyers because they approach home purchasing differently than a traditional client. The rationale of investors is often misunderstood because agents tend to think that investors are more attached to the home than the rate of return, when this is typically not the case.

**Solution:** Agents who educate themselves on the ins and outs of investing in real estate will be bet-

ter positioned to handle investor clients. Here at KellerINK, we offer three top-notch books on real estate investing: *The Millionaire Real Estate Investor*, *HOLD*, and *FLIP*. After familiarizing themselves with the basics of investing, agents can learn through experience by working with smaller investor groups. Small investments provides experience and "learn as you go" education.

### **Challenge 5: Nonemotional clients.**

**What is happening:** Institutional investors are all about the bottom line, and have a reputation for being "nonemotional" during the home-buying process.

**The problem this is causing:** For investors, the purchasing decision is all about the rate of return on the property. If a home fails to meet the investor's parameters during the home-buying process, the investor may choose to walk away from the deal. Clients on the other end of the agreement, who have prepared to move and have possibly even purchased a new home, may find themselves receiving the short end of the stick. This leads to some tough conversations for agents.

**Solution:** Agents are best suited to be up-front about the process of working with an institutional buyer when interacting with potential sellers for the deal. By doing so, they can better manage the expectations of everyone involved in the investment sales process.

## **The Five Common Opportunities with Institutional Buyers:**

1. Use current lead generation activities to find homes for investors.
2. Market for unlisted homes that may fit investor criteria.
3. Build niche teams for a small market that can be dominated.
4. Single, consistent source for multiple transactions.
5. Coinvest and gain profits.

**Opportunity 1: Use current lead generation activities to find homes for investors.**

When lead generating, agents can capitalize on their relationship with an institutional investor to build their own business. By keeping in mind their investor's criteria, an agent can keep a lookout for sellers to represent or new listings that hit the MLS for potential homes they'd be interested in.

**Opportunity 2: Market for unlisted homes that may fit investor criteria.**

Agents can market a "cash for homes" message to areas with homes that may fit their investor's criteria, giving agents the opportunity to find homes that are not yet listed. This tactic can work to the agent's advantage by providing twofold results: finding properties for the investor and finding potential listings. Agents can also message their investor's criteria to their sphere to find properties for their client.

**Opportunity 3: Build niche teams for a small market that can be dominated.**

By working with institutional investors, agents can build niche wealth-building teams that serve all types of investor clients. Working with large

institutional investors can provide a platform for agents to market their services to other types of investors—similar to how some agents use *The Millionaire Real Estate Investor* to market themselves as real estate investing experts.

**Opportunity 4: Single, consistent source for multiple transactions.**

If agents still have the opportunity to work with institutional buyers, they can provide a regular source for bulk transactions. The same can be said for smaller investor clients. Agents only need a system to identify smart investment properties and willing investors with the necessary capital.

**Opportunity 5: Coinvest and gain profits.**

If an agent is comfortable with investing and the concepts of return on investment and cash flow, there's an opportunity to work with clients as partners. By doing so, an agent can negotiate putting their commission or other money into the investment and share in the profits of the investments they've helped investors acquire. Agents who take the time to understand the pros and cons of investment opportunities are also in a stronger position to invest in their own properties and reap the rewards of their education.

## 1.11 Distressed Properties

“We’ve enhanced what we were doing a couple years ago in the short sale world, which was going through our database and through our referral networks. What we’re finding now is, in the short sale world, we are one of the few people that could complete those at a high level. Things have changed now; there’s not a lot of people that want to do them, but we’re also fighting for a much smaller piece of the pie in the short sale side of our market.”

– Kevin Kauffman

### The Five Common Challenges with Distressed Properties

1. Declining distressed inventory.
2. High cost, low profitability.
3. Low closing rate.
4. Infrastructure to support that business.
5. Forgetting your traditional business.

#### Challenge 1: Declining distressed inventory.

**What is happening:** The market is shifting and the number of distressed properties available has decreased dramatically. With the exception of a few hold-out markets, real estate owned (REO) and short sale listing opportunities are drying up across the United States.

**The problem this is causing:** REO and short sale agents are finding themselves needing to adapt to the market. To do so, they are reverting back to feeding the traditional side of their business with the customers they aided during the down market and are employing more traditional lead generation tactics like farming.

**Solution:** Agents that take an honest look at their market and acknowledge where it is headed are better prepared to make necessary changes to their business in a timely fashion. This requires an eye on prices and distressed inventory on a weekly basis and taking note of other relevant trends moving the data in one direction or another. When a market shift is apparent, these agents fit their lead generation tactics and their organization structure around the path their business will take to align with current market needs.

#### Challenge 2: High cost, low profitability.

**What is happening:** Working with distressed property requires a substantial amount of time, money, and resources to run at a high level, leaving little room for profit.

**The problem this is causing:** With distressed inventory decreasing, larger distressed teams are needing to reevaluate their business structures and models.

**Solution:** Top agents recognize that different markets call for a ramp up or a contraction of resources. Varying market conditions rarely require the same resources or organizational needs. However, agents that hire for talent rather than for a specific position have an easier time moving their staff into roles that suit their current needs.

#### Challenge 3: Low closing rate.

**What is happening:** In short sales, there’s a low rate of distressed properties that are closing. Most markets have shifted away from them; however, they have started to come back in a few markets. Agents are having to relearn critical short sale skills to increase their closing rates.

**The problem this is causing:** With a low closing rate and a lack of skills, it’s hard to maintain a short sale business.

**Solution:** When markets shift, agents sometimes need to shift in response to maintain their current or desired trajectory. Top agents find themselves prospecting for business and moving away from targeting a specific type of business, such as short sales or other distressed inventory deals. Most agents involved in the distressed market will benefit greatly from focusing on re-building or bolstering their traditional businesses by interacting with potential buyers and sellers through prospecting methods.

#### **Challenge 4: Infrastructure to support that business.**

**What is happening:** Handling short sale properties can require method specific leverage to sell at a high level. Many agents let their distressed-specific team members go when the market began improving and they could no longer justify the expense of retaining them. With short sales making a small comeback in some markets, it seems that most agents are missing the leverage they had when they last sold them.

**The problem this is causing:** Without proper leverage, closing a short sale is a difficult, time-consuming task. Because of this, close rates have been dropping.

**Solution:** Similar to the solution discussed in Challenge 2, agents are in a better position in a changing market when they hire for talent instead of hiring for a specific position. By doing so, they are able to utilize talent to fill gaps in their organization when they arise, no matter the need.

#### **Challenge 5: Forgetting your traditional business.**

**What is happening:** The REO market eventually will die out—if it hasn't already. Some agents are looking to squeeze out what's left of the REO market instead of looking to shift their business to a traditional model.

**The problem this is causing:** Agents that continue to put all their real estate eggs in this basket risk a declining business if they don't begin to put some emphasis on traditional buyers and sellers. By not committing to making necessary adjustments, agents find themselves with limited distressed property opportunities and a traditional business that may continue to dry up.

**Solution:** The first step for shifting an agent's business back to a traditional model may be calling up past clients and consumers they've worked with during the past few years to remind them that the agent is still in the business. They can also utilize their remaining distressed listings as an opportunity to market themselves and feed their database with sign calls. Once the agent has their database in order and contacts in place, they should cement key relationships and begin utilizing a direct mail and cold-call program to source their database for business. An agent should then consider reevaluating the talent needs on their team. While some positions for a distressed business translate well to a traditional business model, agents may find others are no longer necessary and will need to determine how to restructure their team to service their current clients.

### **The Three Common Opportunities with Distressed Properties**

1. Stay in relationships with banks.
2. Be watching out for the next distressed cycle.
3. Little opportunity means little competition.

#### **Opportunity 1: Stay in relationship with banks.**

Keeping in relationship with banks may allow agents to win remaining business amid low competition, and it will put them in prime position to get a jump-start the next time a distressed market comes around.



**Opportunity 2: Be watching out for the next distressed cycle.**

Distressed properties come in cycles, albeit long ones. Because there was so much distressed property in a lot of major markets during the recession, some banks had to withhold distressed inventory from the market. In some markets, there's an opportunity to take on that inventory as prices begin to rise.

**Opportunity 3: Little opportunity means little competition.**

Overall, the distressed market looks bleak, meaning there's waning competition for what's left of the inventory. Agents who are committed to working with distressed property will find it easier to grab what's left of the inventory as other agents shift their businesses away from the model.

# Listings Blueprints

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*A Snapshot of How Agents Are  
Working with Buyers and Sellers*

## 2.1 Introduction

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In the second of our three-part series of Three L Blueprints, we dive into the challenges and opportunities of listings. This section is broken out into two key areas: buyers and sellers.

Each present their own unique challenges and opportunities for agents in a market that is struggling to hold an identity. While a lot of what agents experience with buyers and sellers is dependent upon the market of the moment, advances in technology and the subsequent availability of information to consumers has led to new challenges for agents.

Our hope is that our preliminary findings can help agents gain an understanding of how to focus their energy so that they can reap the highest rewards for their efforts.

## 2.2 Buyers

“The agent’s challenge is they’re not crystal clear on their criteria for ‘A’ buyers, ‘B’ buyers, and ‘C’ buyers in today’s market. It’s still who is ready, willing, and able. What they don’t realize is ready, willing and able changes per market.”

– Dru Lee

### The Six Common Challenges with Buyers:

1. Setting market expectations for buyers.
2. Buyers do not have the right mindset for the buying process.
3. Chasing too many buyers instead of working exclusively with prequalified buyers.
4. Low buyer consultation skills and systems.
5. Hiring buyer agents with low or no “D.”
6. Low team standards.

#### Challenge 1: Setting market expectations for buyers.

What is happening: Buyers are coming to agents with unrealistic expectations about what the market holds for them. What they want is different than what they qualify for, and what they can have is different than what they want. When they are finding it difficult to compete for and find homes, buyers sometimes drop their agents and give up on the market.

The problem this is causing: Agents are having a hard time retaining their buyer clients who have “champagne taste on a beer budget,” or buyers that don’t have the right mindset around the process that this market demands.

**Solution:** Agents should set expectations with their buyer clients from the get-go. Setting expectations

helps prepare buyer clients for the best and worst-case scenarios, and can be used to gauge the seriousness of the buyer client. While setting expectations, encouraging a buyer client to sign a buyer agency can show an agent’s dedication to working in partnership to find the best possible property for the buyer, and can protect the agent from uncommitted clients.

#### Challenge 2: Buyers do not have the right mindset for the buying process.

What is happening: Buyers often have misconceptions from the early stages of working with an agent about what the agent can do for them and what the market will allow them to do. A fast-moving market often forces buyers to purchase homes at or above asking price. This scenario can be difficult for buyers to swallow because they sometimes feel like they aren’t getting a good deal. Clients not willing to face those conditions set by the market are not mentally prepared to have their offers rejected on multiple homes before one is accepted.

The problem this is causing: It’s difficult for agents to satisfy their buyer’s expectations when the client doesn’t have the right mindset. Some agents struggle with preparing their clients for a higher-priced market and assuaging their worries of purchasing a home that doesn’t appraise for the same value as the accepted offer. This creates an uneasy relationship between the two parties.

**Solution:** Similar to Challenge 1, agents can help set client expectations from the get-go by explaining what the current market is like and preparing a buyer for the sales environment they are entering. With so many buyers entering the market, agents should be selective about who they work with, favoring prequalified buyers and buyers who sign buyer agency agreements over other potential clients.

### **Challenge 3: Chasing too many buyers instead of working exclusively with prequalified buyers.**

What is happening: Agents are falling down rabbit holes with uncommitted buyers instead of focusing on well-qualified buyers that are prepared to face the market.

The problem this is causing: Chasing unqualified buyers in the current market can mean spending excessive time on a single client, taking time away from buyer agents that could be used on business-building activities.

**Solution:** By categorizing their potential clients, agents can avoid losing valuable time with uncommitted buyers by being picky about who they choose to work with. Buyers who are willing to become prequalified and sign a buyer agency agreement should be more valued than those who do not. This means asking buyers up front to take the extra steps on their end to prequalify and sign a buyer agency agreement.

### **Challenge 4: Low buyer consultation skills and systems.**

What is happening: Many agents have not refined their buyer consultations to include a list of deliverables, and are having a hard time relaying the value they bring to the home-buying process to their clients.

The problem this is causing: In the heat of the market, buyers who don't have a sense of the value agents bring to the table are difficult to retain, and are unlikely to become sources of future business. Without a signed agreement, the agent is left unprotected when one of their clients is unhappy with the market or doesn't have an accurate sense of the value of the agent and decides to work with a competitor.

**Solution:** Agents that provide a checklist of deliverables to their clients are best suited to deliver outstanding service to their buyer clients. Having an open line of communication, keeping clients up-

to-date on market conditions, and holding a weekly phone call with buyer clients on where they are in the home-buying process is crucial to providing a good customer experience, which can later lead to additional business opportunities. These agents know that they are supplying a worthy service, so they understand the importance of the signed buyer agency for the relationship and practice their scripts explaining why signing one is beneficial for the buyer. If a buyer declines to sign it, the agent can decline to spend more time with the buyer and instead focus on another possible client.

### **Challenge 5: Hiring buyer agents with low or no "D."**

What is happening: Agents are not following their own standards and are hiring too quickly, instead of making sure their hires are a good fit for their business. Most often, this takes the shape of hiring buyer agents with low drive and aggression, and high sociability.

The problem this is causing: Without a moderate amount of drive and aggression, buyer agents can get caught in social traps, where they spend too much time with a single buyer. This results in a negative impact on sales and overall team performance.

**Solution:** An agent should set a hiring standard for each position within their team and adhere to it. This requires not making any exceptions for hiring someone outside of the standards that have been set.

### **Challenge 6: Low team standards.**

What is happening: Agents are not setting appropriate standards with who they hire and how they conduct business.

The problem this is causing: With low standards, agents often take the quickest road to hiring in order to relieve a pain point in their business instead of planning for the future and ensuring that the potential hire fits with the company's trajectory. In business transactions, a lack of standards

means that employees don't utilize the same procedures for each client interaction they have. This causes transactions to take far longer to complete and affects the business' ability to operate at its highest level.

“Figure out what makes you different, what makes you better, and what's in it for the buyer.”

– Rae Wayne

**Solution:** In order to hire the highest caliber of employee, an agent must recognize that the hiring process cannot happen overnight. In addition to the usual battery of behavioral and situational interview questions, top agents also skill test their applicants. For instance, agents can provide buyer scripts to a potential hire, give them time to learn and test them. If the applicant doesn't know them, then they will not uphold the team's standards and should not be hired. On the job, an agent should implement a consistent set of standards that each employee is expected to follow to ensure that the whole system operates properly.

### The Three Opportunities with Buyers:

1. Create value and cement relationships.
2. Create high standards with buyers.
3. Help buyers make better decisions.

#### Opportunity 1: Create value and cement relationships.

Buyer agents are spending more time with their clients than usual due to the tight seller's market. This gives agents a great opportunity to cement relationships with their buyers and source them for repeat and referral business.

#### Opportunity 2: Create high standards with buyers.

By creating high standards with the type of buyer an agent will work with, nailing down the buyer consultation by committing to consistently practicing the necessary scripts and dialogues, and planning on getting rid of most of the buyer leads that do not qualify as “A” buyers, an agent will have more buyer business than they know what to do with.

#### Opportunity 3: Help buyers make better decisions.

If an agent has a clear understanding of their buyer's big why, they will be able to guide them through the buying process in a way that suits them individually. Too often, buyers lose sight of their big why because they get caught up in the hustle-bustle of the market. Clarifying their reasoning for wanting to buy a home will help the agent to close the right deal faster and help the buyer feel like they have made a good decision.

## 2.3 Sellers

“The agents that really know their market, study it, and go in and talk to the consumer on a very high level about where their home should be priced will always get the commission check.”

– Dru Lee

### The Four Common Challenges with Sellers:

1. Listings are selling too fast.
2. Markets are changing rapidly.
3. Questions about pricing are leading to over-priced homes.
4. More agents have entered the marketplace.

#### Challenge 1: Listings are selling too fast.

**What is happening:** In some markets, homes are receiving offers the moment they hit the MLS.

**The problem this is causing:** With property listings selling at a brisk pace, agents are finding themselves spread too thin, working on time-intensive activities such as reviewing multiple offers on individual listings and working with buyers for longer periods of time than usual. Sellers are finding it difficult to find homes to move into, which makes closing transactions more challenging. This makes it difficult for agents in some markets to quickly close transactions and move on to additional business-building activities.

**Solution:** When homes are selling too fast, agents need to take advantage of the time before the home goes live on the MLS and after an offer is accepted. This means premarketing the home with “coming soon” signage and utilizing “sold” signs to keep their presence prominent in the neighborhood. It

also means following up with neighboring homes by sending “just sold” mailers and circle prospecting with telephone calls to share the news in order to raise awareness in the area. When a home sells before a seller has closed on a home to move into, the agent can educate them on several options that may help to alleviate some transaction difficulties they may face. For instance, sellers may have the choice of using a contingency offer where they only agree to sell their home if they have another home to purchase, a rent or leaseback agreement on their property for a set period of time while they find a new home, moving into temporary housing while they find a replacement, or investing in new construction in order to better align the sale timelines on both properties.

#### Challenge 2: Markets are changing rapidly.

**What is happening:** The market heats and cools on a hyperlocal level, while the national picture remains stagnant. The fluctuation of the market sends sellers mixed signals about what they should expect when entering the real estate market.

**The problem this is causing:** Some agents are using the wrong language at their listing appointments; they are setting and promising prices that are not reflective of a changing market. Then they find that they have to backtrack when the home doesn't receive the multiple offers the seller expected or they have not prepared the seller for a possible price reduction.

**Solution:** Studying market data on a weekly basis is a best practice that would serve all agents well. Keeping up to date on statistics such as days on market, month's supply, and price per square foot in a particular area show momentum, so the agent can better anticipate where the market is heading and the pace of its trajectory. Hyperlocal expertise,

such as a neighborhood-to-neighborhood comparison, can also give sellers a truer picture of what to expect when selling their house. Bringing all of this information to the table early on will help sellers better understand their local market and help agents set expectations for pricing.

### **Challenge 3: Questions about pricing are leading to overpriced homes.**

**What is happening:** Consumers are going to the Internet to collect their own market data and are hearing about homes receiving multiple offers in a short span of time. Based on what they are hearing about the market, sellers may have high expectations for their own home's worth. However, in some areas of the country, the market has gotten ahead of itself and is now slowing. This means days on the market have started to increase and prices have started to cool.

**The problem this is causing:** Agents are not taking the time to manage seller expectations. This means that sellers are disappointed when agents are going back to their clients to propose price reductions when their homes aren't selling immediately. Agents are then getting pushback from clients on home prices, who are often challenging for a higher list price. Too often, agents are finding that they are unable to successfully advise their clients and instead are becoming servants to their client's demands.

**Solution:** As consumers gain access to more and more information, the agent's role will continue to move from a "supplier" of information to an "interpreter" of information. Agents can help their clients wade through all the data by explaining the differences in the various sources of information and showing them where the most accurate and timely information can be found. An overall best practice all agents should follow when beginning an agent-client relationship is to set the expectation up front for a price reduction. This means an agent should be forthright from the beginning about

what will happen if a home doesn't receive the market response that is desired, rather than risk the need to mitigate the seller's disappointment later. At the same time, agents can save a lot of time by making a point to educate their clients on the front end of the transaction about the current state of the market, both at a broad level and locally. By painting an accurate picture of what the market looks like for that specific seller, an agent can show that they have the client's best intentions in mind.

“Sellers have expectations of multiple offers they've heard about the last few months. Agents aren't remembering that from the minute they sign the listing, even if everything looks rosy, every conversation sets up a price reduction. They're finding themselves behind the eight ball.”

– Lisa Becker

### **Challenge 4: More agents have entered the marketplace.**

**What is happening:** A wave of new agents have entered the market.

**The problem this is causing:** Because they are eager to get business under their belts, new agents think in the short term rather than where they want their business to go down the road. As a result, they are agreeing to discounted commission rates and overpriced listings that veteran agents know to shy away from.

**Solution:** Seasoned agents should recognize that the reality of the current market results in more competition for listings. To compete with agents who offer lower commission rates and overpriced listings, they must practice scripts and dialogues in order to clearly present their unique value proposition to the seller. While they may have to work harder on the front end to win the listing, agents who can prove



that they bring added value to the partnership can show sellers they are worth the commission.

### **The Six Common Opportunities with Sellers:**

1. Every conversation must set up a price reduction.
2. When a home is priced right, it will sell.
3. The most skilled agent wins.
4. Understand that FSBOs and expireds require more skill.
5. Concentrate on expanding a Met Database.
6. Don't stop high-touch lead generation.

#### **Opportunity 1: Every conversation must set up a price reduction.**

Agents must set the groundwork for price reductions in their initial conversations with sellers. This requires familiarizing themselves with a price reduction script. Setting expectations early helps agents to avoid backtracking on initial promises if the home doesn't receive the immediate attention the seller expects to see.

#### **Opportunity 2: When a home is priced right, it will sell.**

Agents who are in tune with the local market and take time to understand where it is headed are better equipped to determine an accurate selling price for a home. When a home is priced competitively, an agent can count on selling it.

#### **Opportunity 3: The most skilled agent wins.**

Agents that make a commitment to practicing and internalizing scripts and dialogues refine their skills and become sharper than their competitors. When they rehearse ways to handle various sales opportunities, they are better prepared to overcome various potential client objections and are more likely to get listings.

#### **Opportunity 4: Understand that FSBOs and expireds require more skill.**

No matter the market, FSBOs and expireds are easy for interested agents to identify. Agents can work on their own skill sets to improve their interaction and conversion rates with these potential sellers by honing their scripts and dialogues. Expired listings will increase when uninformed agents don't push homeowners for necessary price reductions on their overpriced homes and the homes don't sell.

#### **Opportunity 5: Concentrate on expanding a Met Database.**

An agent's biggest opportunity to grow his or her business exists within their database because it is already the source of the majority of their business. Agents should take the core business of their database and be purposeful about adding to it. That means going deep in one or two areas of their business and systematizing the program to make sure the agent is doing a genuine 33 Touch program with these contacts.

#### **Opportunity 6: Don't stop high-touch lead generation.**

Direct contact with potential sellers is the most effective way to build long-term relationships, which, in turn, feeds an agent's future business. Agents who are getting in the direct path of immediate and future sellers are doing so through either stand-alone prospecting techniques like door knocking, or a combination of marketing and prospecting techniques like open houses and farming. For instance, agents are circle prospecting around a home they've just sold or just listed to generate the interest of other nearby homeowners who may be considering selling their homes as well or farming with the goal of becoming a "fixture" in the community. The agent's constant presence via multiple communication methods helps them stay top of mind.

# Leverage Blueprints

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Two Snapshots on Key Positions  
Used by High-Performing Agents

## 3.1 Introduction

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In the final section of our three-part series of Three L Blueprints, we explore the challenges and opportunities that correspond with adding leverage to a real estate team. In particular, our research has shown two key positions have gained prominence among top real estate agents: inbound/outbound sales associates and showing assistants.

Frequently called an “inside sales associate,” our interviews with top agents and coaches revealed to us that this position is commonly split between two separate fields of specialization. We determined one is best known as an “inbound sales associate” (ISA), and is similar to a lead coordinator. This person is responsible for working and nurturing incoming leads, such as web leads, sign leads, and leads from their team’s spheres. What we call an “outbound sales associate” (OSA) is similar to a telemarketer. The outbound associate typically lead generates and sets appointments through cold-calling. Showing assistants are responsible for finding and showing homes to interested buyers, and are also fairly recent additions to many agents’ organizational charts.

As with all team positions, these roles have unique challenges and opportunities in regard to hiring, compensating, training, and holding them accountable to results. The following pages briefly outline the issues and benefits of incorporating these additions to an agent’s team. It is our hope that what we’ve uncovered through our early research will help an agent determine the value of adding these roles to their teams as they grow their businesses.

## 3.2 Inbound Sales Associate (ISA) and Outbound Sales Associate (OSA)

“The ISA position. I am really passionate about it because I believe that is what turns the screw to that long-term follow-up.”

– Glenn Neely

### The Five Common Challenges with ISAs and OSAs:

1. Recognizing they are two different roles.
2. Lack of training.
3. Inadequate metrics for accountability.
4. Retaining ISAs and OSAs.
5. Determining appropriate compensation.

#### Challenge 1: Recognizing they are two different roles.

**What is happening:** Many agents are failing to recognize the two distinctly separate roles of an ISA and an OSA. Where the ISA is social and people-oriented, the OSA is driven and purposeful.

**The problem this is causing:** Without a clear distinction between the two roles, some agents are hiring one person to do both jobs, despite them requiring two different behavioral styles. This leads to poor job performance and lower retention rates.

**Solution:** The first step to solving this challenge is for an agent to identify their business' current needs and decide which role will benefit them the most. Once the agent identifies what role they're looking for, they should search for someone with a behavioral style that fits that role. If the agent needs someone dedicated to nurturing leads for

long-term conversion, they should find an ISA who loves talking to people. If the agent needs a dedicated cold-caller who can easily face rejection, they should find an OSA with a lot of drive.

#### Challenge 2: Lack of training.

**What is happening:** Agents who decide to hire someone for the ISA or OSA position and fail to dedicate the time to train them often experience poor results with the model.

**The problem this is causing:** In general, a team member can only be as good as the training they receive for the job. When agents don't dedicate time to learn how to recruit an individual with the right fit and train them accordingly for the role, the person flounders. Likewise, when a sales associate is trained by someone who does not excel in the role themselves, the new hire will struggle. Lack of training negatively impacts the sales associate's performance, which tends to cause the agent to think the model isn't successful and abandon it all together.

**Solution:** Agents with the best results start grooming their associates for ISA and OSA roles even before they've been hired. For instance, they ask OSA job applicants to practice cold-calling techniques during the interview process to see if they are a good fit for the role. Once a hire for either position has been made, agents teach relevant scripts and role-play with them every morning for the first two weeks. It is during this initial interaction when an agent can determine if they've hired someone with the drive and ambition to be successful in these positions. Ongoing training and practice is utilized across the whole team on a weekly and even daily basis.

### Challenge 3: Inadequate metrics for accountability.

**What is happening:** In order to determine an associate's success, agents use accountability metrics that tend to paint an inaccurate picture. For instance, OSAs are the first round of contact with potential leads, so they are often judged solely on appointments made. However, because being held accountable to this performance metric may be the only way to prove they are performing for an agent, they set appointments with people that may not be ready to commit to buying or selling.

**The problem this is causing:** When sales associates are evaluated by their ability to make as many appointments as possible, they tend to make appointments with clients who are not prepared to buy or sell a home. This wastes valuable time for listing and buyer agents.

**Solution:** When determining performance metrics for a sales associate, agents can benefit from utilizing other measures in addition to tracking the number of appointments made. For instance, when an OSA uses an auto-dialer, agents can add up the amount of time they are on the phone and expect those who are on the phone the most to be their highest-performing associates. To avoid wasting time with bogus appointments, agents can benefit from having their ISAs and OSAs go through added prelisting or preselling qualification steps to gauge a potential buyer or seller's readiness for a sale before a buyer or listing agent steps in.

### Challenge 4: Retaining ISAs and OSAs.

**What is happening:** Agents are having trouble keeping ISAs and OSAs because they have difficulties outlining a clear career path for associates they hire.

**The problem this is causing:** Agents aren't able to create a sense of consistency and camaraderie on their teams when there is frequent turnover.

**Solution:** Retention is higher when an agent takes the time to train their new people and provide them with a chance for advancement in either income or responsibility. For the ISA and OSA role, some agents have found success in creating lead generation departments that these individuals can manage. Other agents have found their skills and behavior are better suited for roles that require more responsibility and provide more compensation, and put their ISAs and OSAs on a growth path toward becoming a buyer agent or lead administrator.

“It takes about six months to break even on an investment in an OSA, but then the second six months can be really good. At the end of twelve months, I was experiencing roughly a 9x return on investment on my first OSA.”

– Tim Heyl

### Challenge 5: Determining appropriate compensation.

**What is happening:** When bringing ISAs and OSAs onto their teams, agents are looking to other agents for advice on how to compensate them.

**The problem this is causing:** While benchmarking what other successful agents are doing is always recommended, agents are comparing position salaries without factoring in local compensation. Talent in Ocala, Florida, has a very different price in San Jose, California.

**Solution:** In order to determine the compensation of an ISA or OSA, successful agents benchmark similar positions in other industries in their local market. They then back into how their own associates could earn a comparable salary and provide a path for doing so.

## The Two Common Opportunities with ISAs and OSAs:

1. A dedicated associate to handle inbound leads.
2. A dedicated person cold-calling potential leads.

### Opportunity 1: A dedicated associate to handle inbound leads.

Having a person dedicated to following up with Internet and other inbound inquiries, an ISA, can prevent an agent from letting Internet leads and other valuable connections fall through the cracks. This position initially gained popularity

“An appointment from our ISA is a qualified appointment. They know the price that the person wants to get. They know the history of that person. I know everything I need to know to get that appointment taken care of.”

– Lance Loken

in the industry when real estate teams began to need a centralized clearing house for Internet leads. Additionally, the need for a nurturer in this role typically does not align with the behavioral characteristics of many agents, so the agents were not giving this position the attention it required. Today, even though Internet leads are diluted, these positions still offer a way for agents to leverage the lead follow-up so they can spend time focusing on other areas of their business. The ISA is responsible for working and cultivating the leads an agent already has, such as web leads, sign leads, and leads from their team's spheres.

### Opportunity 2: A dedicated person cold-calling potential leads.

An agent who employs an associate committed to making outbound cold calls to lead-rich sources, like expireds or a farm area, can generate new business. This position is beneficial for an agent to employ because it provides agents with their most valuable resource: time. When an OSA is fixed on setting appointments, an agent only has to worry about going on those appointments and building their business.

## 3.3 Showing Assistant

“The consumer still needs to believe that the rainmaker is watching everything even though they're not. That takes training the staff to always say great things about the team, always give the accolades to the rainmaker, and not keep it isolated in that department. They've got to sell the team concept.”

– Bill Crespo

### The Four Common Challenges with Showing Assistants:

1. Testing the waters instead of making a commitment to the success of the model.
2. The position has not been sold to the team as an opportunity for income growth.
3. Buyer agents are cherry-picking leads.
4. Dropping the ball when passing a buyer to a showing assistant.

#### Challenge 1: Testing the waters instead of making a commitment to the success of the model.

**What is happening:** Too many people discount the benefits of having a showing assistant on a buyer team, so they do not spend time to make the necessary changes to their business model in order to successfully incorporate this position and reap the benefits.

**The problem this is causing:** Similar to when agents look to introduce an inbound or outbound sales associate to their team, they aren't taking the time to get training on hiring at a high level and working successfully through other people. Without these key steps, agents don't have the tools to succeed with a showing assistant and don't commit to the model.

**Solution:** Once the decision to hire has been made, an agent should commit to becoming an expert on hiring. The first step is to pinpoint the qualities that a showing assistant must have to be successful in the role. Once the right fit has been made, an agent must be all-in and commit to the time-consuming process of onboarding and training the showing assistant on the systems and processes of the team so that the person has a chance to succeed in the role.

#### Challenge 2: The position has not been sold to the team as an opportunity for income growth.

**What is happening:** The benefits of a showing assistant are not portrayed accurately to various team members, so they do not buy in or support the position.

**The problem this is causing:** When team members do not accept the position and feel that its existence will decrease their overall earning potential, they are less likely to give it a rightful chance.

**Solution:** Similar to how other concepts take time to gain traction, agents often don't recognize the benefits of having a showing assistant until they find themselves bumping up against a ceiling. If the vision and concept of the showing assistant is introduced to an agent during their time of “pain,” they may be more willing to see how it can help them break through to the next level. An agent who plans to introduce the showing assistant model to their business should focus on the opportunity that it provides rather than the commission split. Although the percentage split may decrease from what other team members have experienced previously, emphasis should be placed on how the showing assistant model exposes them to more home sales and provides an opportunity to make more money with fewer responsibilities than they had before.

### Challenge 3: Buyer agents are cherry-picking leads.

What is happening: Buyer agents who have not been convinced of the benefits of the showing assistant model are not utilizing showing assistants to their full potential. Instead, they are giving the showing assistant leads that they themselves do not want to handle.

The problem this is causing: If a showing assistant isn't given the opportunity to do their job showing homes to all buyer leads, they cannot make a good enough living with the leftovers. Likewise, a buyer agent who does not use the showing agent to their full potential isn't getting enough leverage.

**Solution:** If an agent utilizes a showing assistant model, the team must all agree to put all buyer leads through the showing assistant so that the showing assistant can show these clients homes, giving buyer agents more time to build the business. Without complete buy-in from the team, the model will not function. However, once the team acknowledges the added earning potential that having a showing assistant can create, the buyer agent becomes invested in the success of the showing agent. In turn, the showing assistant also becomes invested in the success of the buyer agent.

### Challenge 4: Dropping the ball when passing a buyer to a showing assistant.

What is happening: Agents feel like they are not giving buyers the proper treatment they need when they give the client to the showing assistant and relinquish their own constant interaction.

The problem this is causing: If the pass-off does not happen organically and a client senses that the agent is hesitant to give them over to another team member, the client will likely be unhappy as well. Further, when a client does not feel that they are important to the agent or getting enough attention, the agent will lose the deal.

**Solution:** Agents that explain the transaction process and introduce the key people early on to a buyer set proper expectations from the start. For instance, agents with a team approach benefit by walking through the various roles played by each team member with the client. By taking the time to explain that a showing assistant shows all the properties and once the property is decided upon, the buyer agent takes the reins again to write and negotiate the offer, the client understands that they will be interacting with multiple people and won't feel like they are being passed off because their agent was too busy to interact with them.

### The Three Common Opportunities with Showing Assistants:

1. Gives buyer agents more time for lead generation.
2. Increases the amount of clients a buyer agent can work with at one time.
3. Agents in training.

#### Opportunity 1: Gives buyer agents more time for lead generation.

The current state of the market has made it difficult for some agents to retain their buyer clients. It's not uncommon to see buyers lose out on multiple bids for multiple properties, get frustrated, and part ways with an agent. This has prompted some agents to spend more time with buyers and less time on lead generation. The remedy for the situation can be found in leveraging the most time-consuming activity for a buyer agent—showing homes.

#### Opportunity 2: Increases the amount of clients a buyer agent can work with at one time.

A showing assistant is a licensed individual who takes on the process of finding and showing homes to buyer clients. By using a showing assistant in their business, buyer agents can focus on more profit-creating activities, such as negotiating deals for their buyers. Because showing assistants take



on the most time-consuming aspect of the job, finding prospective homes and driving buyers around to see them, buyer agents have more time freed up, which allows them to increase the amount of clients they can work with at one time.

**Opportunity 3: Agents in training.**

Showing assistants are most commonly treated as a bench for buyer agents—they're agents in training.

Many of them want to move up the totem pole and do more than show properties, which is a great opportunity to hire people with motivation and determination, immerse them in the team culture, and allow them to grow with the team. Because they're buyer agents in waiting, showing assistants typically share the same behavioral profile of a buyer agent. They're very sociable and have a high drive.