



Elevating the Professionalism of the Real Estate Industry!

Your Coaching Matters Special Report

Focus, Focus, Focus!

1/5/2021

fo·cus

/ˈfōkəs/

noun

1. the center of interest or activity

2021 should be a fantastic year in terms of sales prices holding steady or rising slightly creating equity to trade up and purchase investment properties. Here are some of the reasons:

1. New construction will be built on a scale not seen for 15 years and allow buyers to find homes.
2. The shifting of population from expensive big cities to more affordable smaller cities will create opportunities in both areas.
3. Interest rates remaining low will continue fueling the rise in number of sales and prices.

When you add in the upcoming and continuing recruiting wars of KW, Compass, Redfin, eXp, and others promising profit sharing and easier income, it's clear **this will be an incredibly profitable opportunity for a smart, hardworking, and focused agent to serve a record-number of Sellers and Buyers in 2021.**

Be assured that the day-to-day business of an agent will remain basically the same. Real estate has always been a business of managing a "lot of balls in the air." We have to manage buyers, sellers, escrows, meetings, presentations, inspections, contracts, negotiations, closings, repairs, addenda, lead generation, lead follow up, database management, marketing... plus your own home life and more.

We believe there will also be increased downward pressure on commissions created by the IBuyers, Zillow, and discount brokers that we will need to be aware of and learn how to handle.

The biggest challenge we foresee in 2021 is the ability to focus and say “NO” to low return activities and things in order to say “YES” to building a profitable business.

The rest of the business and tech world has caught on to the fact that real estate is a huge business and is trying to create “short-term-urgency” solutions that will separate you from your budget and your BUSINESS PROFIT.

You will be offered alluring pitches from skilled salespeople that promise to simplify your careers, give you great leads, and provide unbelievable return on your investment. There will be countless bright and shiny databases, lead generation schemes, and technology upgrades designed to get you more leads to follow-up with and to spend time on cultivating. You will hear talk of return on investment (skewed heavily towards the seller), pay-per-click, and new and better mousetraps.

And yet, year after year the National Association of Realtors Survey of Home Buyers and Sellers report they want an agent they can trust, who knows the market, and can guide them through the process. And year after year over 75% of all sales are done by agents the client was referred to or had worked with previously.

75%!

2020 PROFILE OF HOME BUYERS AND SELLERS

Exhibit 7-1 Method Used To Find Real Estate Agent, by First-Time or Repeat Seller

(Percentage Distribution)

	ALL SELLERS	FIRST-TIME SELLER	REPEAT SELLER
Referred by (or is) a friend, neighbor or relative	41%	46%	38%
Used agent previously to buy or sell a home	26%	21%	28%
Internet website (without a specific reference)	5%	5%	5%
Personal contact by agent (telephone, email, etc.)	4%	2%	4%
Referred by another real estate or broker	4%	3%	4%
Visited an open house and met agent	3%	3%	3%
Referred through employer or relocation company	2%	2%	2%
Saw contact information on For Sale/Open House sign	1%	1%	1%
Direct mail (newsletter, flyer, postcard, etc.)	1%	1%	1%
Walked into or called office and agent was on duty	1%	1%	1%
Newspaper, Yellow pages or home book ad	1%	*	1%
Advertising specialty (calendar, magnet, etc.)	1%	1%	*
Saw the person's social media page without a connection	1%	2%	1%
Crowdsourcing through social media/knew the person through social media	*	*	*
Other	11%	11%	12%

* Less than 1 percent

In our opinion your PRIMARY... and perhaps ONLY focus should be on your past clients and your center/sphere of influence and referrals from them.

Your personal Database of the RIGHT people that know you already and that you are providing value to already is the best way to provide the MOST SERVICE and make the MOST PROFIT in 2021. *Work this source to the absolute exclusion of cold leads from other sources that are robbing your time and your money.*

Developing the systems and habits that provide value to them will add more profit to your bottom line that ANYTHING you can buy.

If there are not enough people in your database (and yes you must have and use a database/CRM daily) then you can expand your focus to just 1 or 2 other sources of business including geographic or demographic farm areas, for sale by owners, expired listings, or others.

But ONLY until you have enough in your Database to work.

What do your clients – the people in your database - want? Determining their needs and wants and focusing on providing it to them should be high on your priority list for 2021.

The 2020 National Association of Realtors report on Home Buyers and Sellers provides insight as to what our clients want. **Buyers and Sellers both want honest, trustworthy, knowledgeable and responsive agents. Figuring out from YOUR people how to BE that for them is the key.**

Note that commission is relatively unimportant.

Exhibit 7-8 Most Important Factor in Choosing a Real Estate Agent To Sell Home, by Level of Service Provided by the Agent

(Percentage Distribution)

	LEVEL OF SERVICE SOUGHT FROM THE AGENT BY THE SELLER			
	ALL SELLERS	A BROAD RANGE OF SERVICES AND MANAGEMENT OF MOST ASPECTS OF THE HOME SALE	A LIMITED SET OF SERVICES AS REQUESTED BY THE SELLER	THE AGENT LISTED THE HOME ON THE MLS AND PERFORMED FEW IF ANY ADDITIONAL SERVICES
Reputation of agent	31%	32%	15%	29%
Agent is honest and trustworthy	26%	27%	25%	25%
Agent is friend or family member	15%	15%	19%	19%
Agent's knowledge of the neighborhood	12%	13%	15%	4%
Agent's commission	3%	3%	*	2%
Agent seems 100% accessible because of use of technology like tablet or smartphone	2%	2%	4%	4%
Agent has caring personality/good listener	2%	2%	4%	*
Agent's association with a particular firm	1%	1%	4%	2%
Professional designations held by agent	1%	1%	*	*
Other	7%	6%	15%	15%

* Less than 1 percent

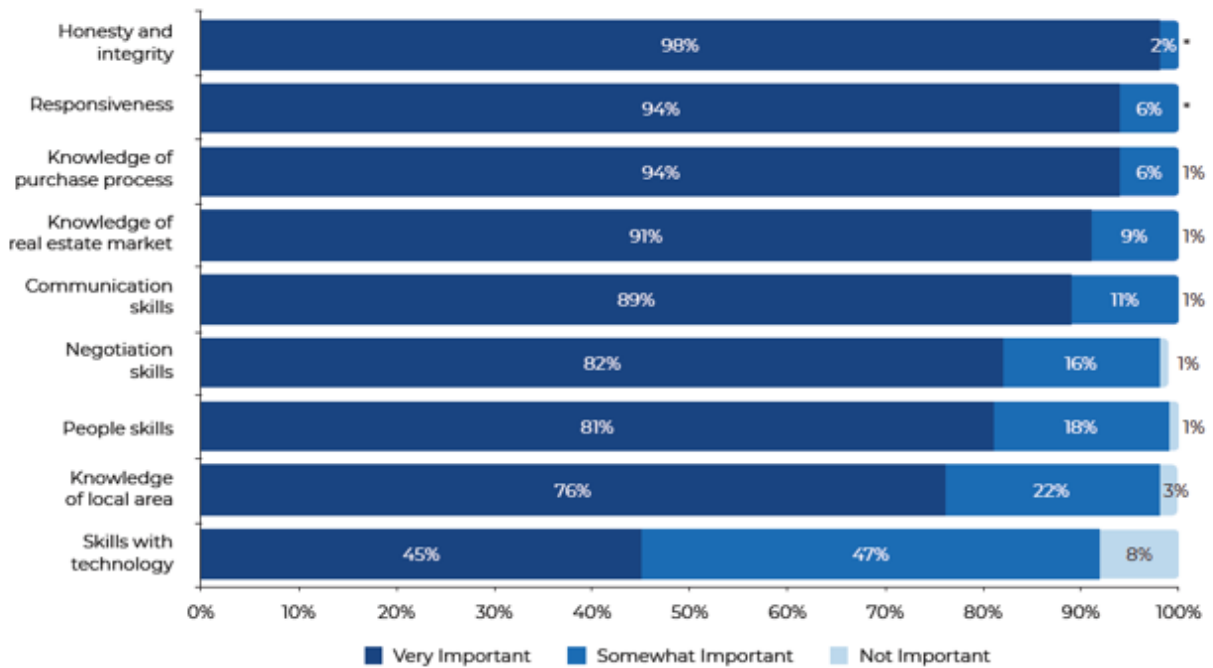
Another chart clearly shows that communication and negotiation skills are also very important as well as knowledge of the real estate market and the local area.

People skills, also known as “soft skills,” are also very important. Spending time and energy on sharpening those skills will be part of Your coaching Matters FOCUS and will be time well spent in 2021.

CHAPTER 4: Home Buying and Real Estate Professionals

Exhibit 4-17 Importance of Real Estate Agent Skills and Qualities

(Percentage Distribution)



Understanding the needs of your Database is paramount to your success. This means you really must get to know them intimately to see the things that cause people to move happening in their lives. The key is here is planning HOW to get to know them better. Is it through visiting their social media? It is meeting them in person from time-to-time? Is it calling and getting into deeper conversations?

Knowing them and communicating on a deeper level is what causes the connection between their real estate needs and YOU.

In the chart below sellers and buyers are selling and buying because they want to move closer to family and friends, the home is too small, there was a change in family situation or job, etc. Use these motivations in talking with your clients.

CHAPTER 6: Home Sellers and Their Selling Experience

Exhibit 6-20 Primary Reason for Selling Previous Home, by First-Time and Repeat Sellers

(Percentage Distribution)

	ALL SELLERS	FIRST-TIME SELLER	REPEAT SELLER
Want to move closer to friends or family	15%	10%	19%
Home is too small	14%	28%	11%
Change in family situation (e.g., marriage, birth of a child, divorce)	12%	11%	9%
Job relocation	11%	11%	9%
Home is too large	9%	3%	12%
Neighborhood has become less desirable	7%	8%	7%
Moving due to retirement	7%	4%	9%
Want to move closer to current job	5%	7%	3%
Upkeep of home is too difficult due to health or financial limitations	4%	2%	5%
Can not afford the mortgage and other expenses of owning home	2%	1%	2%
Schools became less desirable	1%	3%	1%
Unfit living conditions due to environmental factors	*	*	*
To avoid possible foreclosure	*	*	*
Other	12%	11%	13%

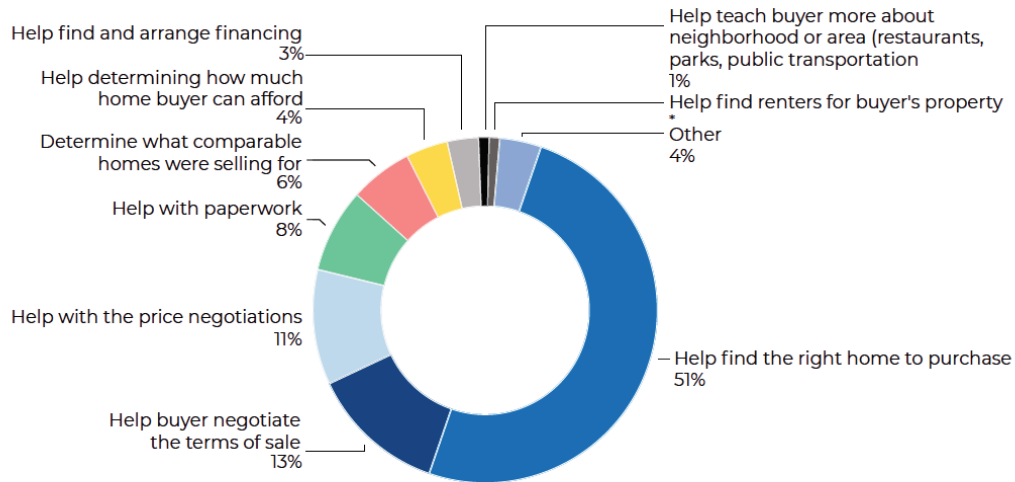
* Less than 1 percent

The next two charts show what buyers and sellers think they need assistance with. **All of these could be problems you can solve for your clients.**

2020 PROFILE OF HOME BUYERS AND SELLERS

Exhibit 4-8 What Buyers Want Most From Real Estate Agents

(Percentage Distribution)



* Less than 1 percent

Exhibit 7-7 What Sellers Most Want from Real Estate Agents, by Level of Service Provided by the Agent

(Percentage Distribution)

LEVEL OF SERVICE SOUGHT FROM THE AGENT BY THE SELLER

	ALL SELLERS	A BROAD RANGE OF SERVICES AND MANAGEMENT OF MOST ASPECTS OF THE HOME SALE	A LIMITED SET OF SERVICES AS REQUESTED BY THE SELLER	THE AGENT LISTED THE HOME ON THE MLS AND PERFORMED FEW IF ANY ADDITIONAL SERVICES
Help sell the home within specific timeframe	22%	21%	21%	25%
Help price home competitively	21%	22%	17%	17%
Help seller market home to potential buyers	17%	17%	17%	27%
Help seller find ways to fix up home to sell it for more	16%	16%	6%	13%
Help find a buyer for home	11%	10%	23%	6%
Help with negotiation and dealing with buyers	7%	8%	6%	2%
Help with paperwork/ inspections/preparing for settlement	3%	3%	4%	4%
Help seller see homes available to purchase	2%	2%	*	4%
Help create and post videos to provide tour of my home	*	*	*	2%
Other	1%	1%	4%	*

* Less than 1 percent

A singular focus on your clients and their needs will allow you to develop relationships that are extremely productive.

We've been an exclusive user of Apple products since 1984 and remember well when Steve Jobs was forced out in the late 80's. Apple as a company got bloated and in dire financial

trouble and brought Steve Jobs back in as CEO in 1997. The first thing he did was look at how complicated things had gotten.

Apple's product line had over 100 products at that point. He asked, "Which ones would I have my friends buy?" **and then slashed the product line by 70%.**

**He immediately got the company FOCUSED again.
By LIMITING the number of items that they were working on.**

We know the success of Apple since then as they are the most valuable company in the world. All due to getting focused.

We believe it is time for YOU to refocus on the FEW... to be the most profitable your business has ever been!

Since we know that 75%+ of all people rely on family, friends, and past experiences to choose their real estate agent, this means all those leads being so eloquently sold to our industry *can only possibly result in 25% of the buyers of homes bought or sold.*

And yet we as an industry spend millions each year buying leads.

Zillow's own reports indicate that only between 2 and 4% of their "leads" result in a closing. That means 96-98% of the work you do to follow up with Zillow leads is wasted time.

Ask yourself what % of the time results in a closing with lead from your past clients, center of influences or referrals from them?

Most of the other lead sources that are referral fee only (Referral Exchange, Fast Expert, Upnest, OJO etc.) expect you to respond at all hours in seconds, compete with three to five other agents, sometimes lower your commission, and then pay a referral fee of 25% to 35% on any business that results from this referral FOREVER.

In a recent case an agent sold an OpenDoor property for 2.25% commission PLUS owed a 30% referral fee netting them 1.575% commission before expenses. On the \$350,000 purchase this Buyers' Agent is grossing \$5,512.50 less expenses, less brokerage fee. They'll make about \$3,500 net.

And to make matters worse, the fees being charged are not the only cost.

In our marketplace Zillow is happy to offer me 12 to 15 leads a month (98% buyers) for about \$1500 a month. \$18,000 annual cost for maybe 180 leads. Of which I might see 6 sales.

Our average price generates about \$8,000 in commissions from which our MLS extracts a hefty fee and subtracting our marketing and administrative costs each sale leaves me with about \$6000.

Multiply that by 6 and that is \$36,000 “profit” for the “bargain” price of \$18,000 (in effect a 50% referral fee.)

Zillow is now also saying they are wanting to only work with larger agents who pay for seller leads too; who do you think is going to get the best leads, you at \$1500 a month or the agent paying \$7000+ a month?

You must also factor in the time it takes to follow up with those 180 leads.

The agents we coach estimate they spend an average of 3 hours per lead over time following up to convert the soft lead to a hot one.

Thus, using the example above, an additional 450 hours is lost on non-productive leads each year – that almost a third of the working year. Most agents value their time at \$100 or more an hour. So, one measure of true cost of buying leads is the \$18,000 in lead cost plus the \$45,000 in our time and focus or \$63,000.

You end up “spending” \$63,000 in time and lead cost to generate \$36,000 in profit. **It just doesn’t make sense to buy leads if you take those 450 hours and really service the people you already know or find some great new “right people” to add to your database to work.**

As mentioned earlier, we expect a MAJOR up-tick in 2021 of frantic selling to YOU all those magic websites, magic Facebook leads strategies, and referred-at-a-fee business to waste both your time and your money.

Tech and other industries have recognized that Real Estate is a multi-trillion-dollar business and work to invent better mousetraps to SELL to agents. They are great salespeople and make compelling offers. However, remember all of these shiny objects are chasing after the maybe 25% of the business that is not referred by family and friends.

Most agents cannot afford to, nor do they need to, buy Leads, cold call, film elaborate videos, use chatbots, drip on people, create and buy radio and TV commercials, plaster their faces on billboards, spend on pay-per-click, and about 50 other magic bullets to make our business prosper. All these may help generate leads but at a very real cost to your focus and cost in your profits.

We do work with clients for whom the billboards and paid leads are a profitable business strategy however those clients have systems, budgets, and a staff to handle those leads **within seconds** of the lead coming in. The question is, do you? And why would you want it when average conversion is 2-4% with the best still less than 10%. Remember the TIME cost factor.

Our largest client will sell over 7500 homes in 2020 and will have a marketing budget of \$4,000,000 +. That is 4 MILLION. How can even an excellent agent compete with that budget and staff? Or with Zillow’s? Or with the large national/regional franchises in trying to buy the business?

They simply can't. You can't.
Stop trying to for a lousy 25% of the business maximum.

If your goal is to take 25, 40, or 100 listings in your local market how many leads do you *really* need if you build a relationship and service those limited number of leads really, really well?

If you had the right people as your raving fans in your database and service them perfectly.... you might need **as few as your goal in transactions**. Everyone moves every 10 years or so and everyone knows at least two or three people buying or selling every year. Can you imagine it? 100 transactions a year from maybe 500 people? THAT is the outside edge of what is possible.

What we know is that agents can compete very effectively for the 25 or 40 or the 100+ clients who already know you or who know someone who is thrilled to refer you to them because they will be thanked for putting their "real estate agent" together with their friend, family or co-worker. **Remember 75% of the business is done this way.**

To get started on that, all you need to ensure success is a database of raving fans with Ten Times (10X) the number of transactions you want to do. Let's look at the value of an average raving fan in your database.

- They buy a home for \$200,000 from you in year one = \$6,000 in commission.
- They refer a person a year at \$250,000. Over 10 years that \$75,000 in commission.
- They sell that first home, now worth \$300,000 and buy a \$450,000 home. Another \$22,500 in gross commission.

That is over \$100,000 per raving fan.

Even if they only used you to buy, then sell and buy again each person could be worth \$28,500.

\$28,500 to over \$100K over ten years **per client** = on average \$2850 to \$10K a year for every person in your database. **Treat them like to valuable asset they are.**

So, the question is, how do we focus on and create raving fans?

Here are 21 ideas:

- 1) Focus exclusively on top service to your past clients and center/sphere of influence. Warren Buffet once told his pilot to write down the 25 things he wanted to accomplish and then put them in order of importance 1 through 25. He then said ignore the bottom 20 because they will stop you from ever achieving the top 5.
- 2) Study for just one hour a day. Read something inspirational or brilliant. Listen to a great book on audible. Great Podcasts. Beautiful Music. These things will cause you to be inspired and enthusiastic.

- 3) Do not invest any of your time or energy in a shiny object or magic pill without consulting your coach. No matter how brilliant it seems. Remember, these people are well trained to sell you the magic potion. Do not take it. TALK to someone you trust first, because they will NOT give you your money back.
- 4) Focus on Creating Value, answering all questions related to real estate or their home, giving unthought of options in situations they may not see options there, and being a problem solver.
- 5) Go through all your past sales. Make sure every Seller that remained local and every Buyer that bought a listing you'd like to list again are in your database with a next follow up date for you to contact them. Update all their information.
- 6) Don't buy what you don't absolutely need for your business. You need a CRM/database. You do not need other stuff. Don't tempt yourself and just delete the endless offers we all receive. If you can't stop yourself, ask your assistant to do it for you before you read your email each day. This allows you to focus on your plan, not on what's new.
- 7) Be sure to add every lead ever given to you into your database. Even if they are marked "done" which simply means they don't have a next follow up date for you. Having that data to go through or have someone else go through for you is more valuable than any lead you can ever buy. Focus on what you HAVE vs what you don't have. You likely have all you need already.
- 8) Put anyone who has ever referred you a client into your database. These can be vendors, loan officers, hairdressers, massage therapists, financial planners, neighbors etc. You should receive leads from all these sources and should be following up with THEM on a regular basis to stay connected. Just like any past client. All should have a next follow up date in your system. Focusing on those that refer you is just smart.
- 9) Put everyone else you know well enough to say hi to in a grocery store or who you'd invite to a big free party you won into your database. Research their phone number, address, and email address. Put all you can remember about them into your notes (kids, pets, etc.) And yes, schedule a next contact date for each of them.
- 10) If the total number people in your database do not equal Ten times the number of transactions you want to do 2 years from today, ONLY THEN will you need to also focus on adding to your database through by-owners, expireds, geographic farms, demographic farms, etc. Focus on adding 2 to 5 people a week until you have who you need. Make anyone that doesn't fit your minimum standards or isn't a hot lead or raving fan "done." No next follow up date. Once a year or so go through your Done's and see if anyone should be made Active again. *Active just means they have a next follow up date.*
- 11) Don't check your email or messages until after you have done your lead follow-up and generation each day. There is only the very rare problem that can't wait until 10:00

a.m. to be worked on. FOCUS. You likely only need 10-15 a day for most agents. Get it finished BEFORE the rest and your business will IMMEDIATELY become more profitable.

- 12) Work sincerely on appreciating everyone you meet each time you meet them. Make people feel bigger in your presence. Exercise your gift to inspire and contribute. Smile and acknowledge them. Add new friends into your database right away.
- 13) Develop the habit to do the hard things. Embrace the activities you find hardest first each morning and know that “hard” makes you stronger, more skilled, and more of a contribution. Doing “easy” offers very little reward. And when we limit the number of things we do, the hard becomes easier. Focus creates ease.
- 14) Become the expert in a small niche. It could be by-owners in a 5-mile radius of your home, it could be expireds over \$400K, it could be absentee owners close by you, it could be a small geographic farm, trade-up buyers, first-time buyers, etc. Work diligently to become THE EXPERT that people in your niche come across everywhere they go. This is creating a small FOCUS you add to your database.
- 15) Recognize that 2021 will have low interest rates, more sales, more new homes built, historic high homeownership rates and more Americans relocating from expensive cities to more affordable smaller cities. Focus on developing relationships with the service industries that can expose you to these buyers and sellers (plumbers, hairdressers, dry-cleaners, day-care facilities, etc.) Find and get to know your local businesses and treat them as past clients. Yep, in the database with a next follow up date booked. FOCUS on that database!
- 16) Offer focused solutions to real problems buyers’ and sellers’ encounter. Write reports your database need. A few ideas:
 - Seller Mistakes to Avoid
 - 4 Mortgage low or no down-payment options
 - Should you Buy first or Sell First?
 - Rent versus Own
 - Why now is a great time to up (or down) size.
- 17) Focus on Quarterly or Monthly Goals. With Covid and vaccinations and the need for resiliency going on in our world... a yearly goal may not have the flexibility and creativity needed to excel. It’s OK to create monthly or quarterly and restructure at the end of each time period. What did you learn? Where do you need to FOCUS next time period?
- 18) Focus on Showing your database how you work during Covid. Show them how this market might be better for them. Show them how you are being creative and building a new better for servicing them and their needs. Creativity and providing un-thought of options to buying or selling will be a key differentiator in 2021.

19) Focus on creating ease for your clients. You know how to sell a listing with more ease. You know how to buy with less confusion and more ease. Make it your policy to do things in that way. Work with quality and dependable closing attorneys, lenders, repair people. Do the legwork for your clients. Make sure you know how to show a home remotely, e-sign, video meet, etc.

20) Consider developing a detailed monthly plan (your coach can help) to contact everyone in your database all year. It might look like this if you had 500 people in it with an average of 3 contacts a year. Done right, that's 50 transactions a year.

- January – Send a copy of their closing statement for their taxes. Contact 7 people from the database a day.
- February – Do a virtual cocktail party. Contact 7 people a day.
- March – Send a market analysis on the value of their home. Contact 7 people a day.
- April – Do St Patricks' Day Pop-By's with a small gift to your top 20%. 5 a day would do it.
- May – Send everyone Best Deals for investments. Contact 7 people a day.
- June – Send a list of Day Trip Adventures for your area. Contact 7 people a day.
- July – Send a list of great trade up homes. Contact 7 people a day.
- August – Host a Barbeque invite everyone have a vendor sponsor and donate a prize. Contact 7 people a day.
- September – Share pictures of Barbeque and announce raffle/contest winner. Contact 7 people a day.
- October – Sponsor local charities in your clients' name celebrating X years you've been in the business. Contact 7 people a day.
- November - Let everyone know which charities you sponsored and how grateful you are for their involvement and passion. Contact 7 people a day.
- December – Holiday Pie or Wine or Toys for Tots letter. Contact 7 people a day.

Of course, you can do client appreciation parties, mortgage reviews, movie nights and more. Everyone on the list gets your Just Listed and Just Sold notifications too!

For more ideas sign up for our FREE Lead a day program and our Monday News you should use with your clients at www.yourcoachingmatters.com/gcm

Imagine if you contacted everyone 3+ times a year.... and hosted two or three events.... and sent a meaningful email or letter each month or quarter...and they each saw 25 to 50 times a year you were doing business by being on your JL/JS postcard list. Wow.

Combine this with the best information, unthought of options, and proven systems that get your buyers more home for their money and sellers more money for their home.... **and you will VERY QUICKLY develop raving fans.**

21) Find an accountability partner or coach to support you in keeping focused and doing what you said you would do.

In closing, remember these simple rules:

1. Every lead into your database every time.
2. Everyone you know in your database.
3. Every contact you make OR attempt creates the next contact date you schedule.
4. Consciously have a next contact date or not. This means they are an Active raving fan or are Done.
5. Open your database every single day and attempt your contacts EARLY in the day.
6. Learn to manage it so you don't have days with too few or too many contacts booked.
7. Get Creative with how you make daily contacts. It's just 2-way communication. Calling is just one of those ways.
8. #NeverQuit – Sell that database when you are ready to retire rich.

Feel Free to share and distribute this report to anyone you feel would find it interesting or beneficial.

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