

NINJA 気 SELLING

FOCUS. SKILLS. ACTION. RESULTS.

Earning & Receiving Your Fee

With Larry Kendall

1. Fee Discussions

- Times have changed. 3 Waves
- Choices
 - Consumers
 - Realtors
- Earning your fee.
- Tomatoes
- 3 Waves
 - Wave #1: _____
 - Wave #2: _____
 - Wave #3: _____
 - Whose money is it?
- Earning your tomatoes
- The Ninja Mission: _____

The Law of Value: “Your true worth is determined by how much more you give in value than you receive in payment.” – from *The Go-Giver* by Bob Burg & John David Mann

2. The Goal of Ninja Selling: “Increase your income per hour so you can have a life.”

3. How do you increase your income per hour in real estate?

- _____
- _____
- _____
- _____

4. Success Patterns in Receiving Your Fee:

- Create Perceived Value
- Control the Listing Process – order & sequence
- Have a “Tool Kit” for Commission Objections

5. **Success Pattern #1: Creating Perceived Value**

- Survey of Buying Decisions:

_____% Buy based on lowest price

_____% Buy based on highest price

_____% Buy based on value (perceived relationship of price & quality)

Differentiate or _____!

- Maximum Exposure

- Realtor 4.0:

- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

- Realtor 7:0:

Realtor 7.0 Listing

1. Show up on time (shows respect and integrity)
2. Dress up – it's a job interview!
3. Give a pre-listing packet in advance
4. Provide market information – odds of selling by price & neighborhood
5. Provide written comparative market analysis & visual pricing tools (Focus 1st)
6. Provide written marketing plan
7. Position the seller in the strongest negotiating position possible:
 - a. Pre-Inspection
 - b. Improvement location certificate (ILC)
 - c. CLUE report
 - d. Professional measurement and floor plan by appraiser
 - e. Septic inspection
 - f. Staging, carpet/paint program
 - g. Handyman service (make it easier)
8. Color brochure
9. Additional marketing – Maximum Exposure Marketing flyer
10. Have the home “Parade Ready” before exposing to the market
 - a. Pre-inspection/Septic inspection and disclosures
 - b. Improvement location certificate (ILC)
 - c. Professional measurements and floor plan by appraiser
 - d. Pictures and complete information in MLS
 - e. Enhanced Realtor.com
 - f. Color brochure and brochure box
 - g. Counter display
 - h. Contract writing packet
 - i. Sign and lockbox
11. Managing transaction to make sure it is smooth – weekly communication
12. Create “Fabled Service” through use of “Wow!’s” at moments of truth

- Building Your Brand (the onion):

- Building a Brand by Creating Value (Exercise)
 1. Basic Services (services provided by most Realtors)

 2. Differentiated Services (services provided by you that are different (or in addition to) basic services)

 3. Customized Services (services that you provide that are unique to that particular seller/buyer)

 4. Convenience Services (services that you provide that makes the process easier for buyers/sellers compared to working with another Realtor)

6. Success Pattern #2: Controlling the Process

- You control the _____.

- Your customer controls the _____.

- For you to control the process, you need _____.

- Ninja 16-Step Seller Process
 - Socratic Method: It's not what you say, it's what you ask!
 - Listing Consultation not a Listing Presentation
 - Bob Bohlen & Don Aspromonte
 - The Group, Inc.'s Listing Panel
 - "Just read the questions."

- Process Goals
 - _____
 - _____
 - _____

- Process Sequence
 - Always clarify the problem before you present a solution.
 - Never discuss price or fee until you have first reviewed the market.

- Presenting your message powerfully:
 - _____ is better than telling.
 - _____ is better than telling.
 - It matters who _____.

7. Success Pattern #3: Your Tool Kit for Commission Questions

A. Possible Commission Strategies

Seller: What is your fee? (Note: Sellers will seldom ask this question if you show your fees in the pre-listing packet.)

Realtor:

- 1) __%, and let me show you how it works. We pay __% to the broker who sells your house. We use __% to market your house. I'll show you a list of things we do to market your property with the __%.

- 2) There are really 2 fees. Our fee to do all the marketing I've shown you is __%. Now, what we need to decide together is how much of a fee we want to offer to brokers to encourage them to sell your property. Most of them will sell your home for __%. Will that be OK with you?

- 3) That's really up to you. You have 2 choices. We can do everything I've shown you for a fee of __% - some of my customers choose to go this route. Or, we can offer some additional marketing and incentives for a fee of __%. Many of my sellers prefer to go this route because it improves their odds of selling. Which program would you prefer?

B. 7 Favorite Dialogues

The Original Ninja, Jimmy D.'s humor: "6 versus 5"

1. Magic Words – "Fair and Honest"
2. Where the money is invested on your behalf.
3. "Do you believe there is a predetermined price for your home or do you believe there is a price range based on market dynamics?" (Focus on the importance of marketing and negotiation.)
4. Integrity – "Who do you believe will be the best at protecting your price?"
5. Baseball Analogy – Getting under contract in this market is just 1st base.
6. Commission Guarantee
7. Persistence – 80/20
8. Just say "no" and walk away

PRACTICE! Read "Commission Objection Role Play" (pages 11-13)

Seller Process

- A. Prelisting Interview Questionnaire
- B. Deliver Prelisting Packet
- C. Property walkthrough goals: rapport, review, qualify seller, qualify house
- D. During property walkthrough:
 - 1. How many properties have you sold? (If this is their 1st, go to question 2.)
 - a. When did you sell your last one?
 - b. What were your experiences with that sale? How did it go?
 - c. What did you like the best? What did you like the least?
 - 2. (Review) Why are you selling your home?
 - 3. (Review) Where are you going?
 - 4. (Review) How soon do you need to be there? **(Fill out calendar!)**
 - 5. Do you have any other properties that you need to sell? Would you like me to help you with those properties?
 - 6. (After you have asked about inclusions and exclusions) Do you want to price your house with this _____ or with _____? (Qualify the house.)
- E. You are now at the kitchen table, kitchen counter, or in a conference room in your office.
 - 7. I prepared a package of information for you. Have you had a chance to review it? (If not, review the package with them.)
 - 8. Do you have any questions regarding the package?
 - 9. Based on the information in the package, do you feel we are qualified to market your home? (a. and b. are optional dialogues)
 - a. (If “Yes”) “Would you like for me to handle the sale for you?”
 - b. (If “Yes, but.....”) “How do you mean?”
 - “So....you feel I’m qualified if we can agree on _____.
 - “Setting _____ aside for a moment, is there anything else?”

Playback and list all their concerns. Write them all down.

“Would you agree that we both have the same goal - to get you where you want to go on time?”

c. You know, after we look at the market and the strategy to get you where you want to go on time, one of three things will happen:

1. You may choose to hire me to help you.
2. You may choose not to hire me.
3. If I feel I can't help you achieve your objectives, I have a responsibility to tell you that and not to take your listing.

Shall we proceed and see where we are?

10. As I said earlier, my mission is to help you get where you want to go on time. Would you like to see your odds? (Show them “The Pond”, absorption rates, their market odds, buying patterns, and price lines.)

11. Are you willing to list your home at fair market value?

You know, we find most buyers select homes to look at based on three criteria:

- 1) style,
- 2) location
- 3) price range.

For a moment let's pretend to be a buyer and look at the market for your home through what we call “Buyer Eyes”. (Take them through the 8-Step Value Positioning methodology. If necessary take them on a tour of the competition.)

12. The first 30 days your home is on the market is the most critical because this is when it is “fresh” on the market and buyers are most excited about it.

Based on the supply and demand for homes in your price range, where do you feel we should price your house to get you to (new place) on time?

13. Do you think that will get you there on time? If not, what's your Plan B?

14. If we get to (date) and your house isn't sold, what will you do?

15. If we got a contract on your house for \$_____ today, what would you do?

16. If we find a buyer for your house in the next 72 hours, are you going to be O.K. with that? What if it's the first person who looks at your house?

Pre-Listing Interview

If it's alright with you, I would like to ask you a few questions and then set up a time to get together. Will that work for you? To help me prepare for our meeting, I'd like to ask you some questions that will take about 5 to 10 minutes. Will that be OK with you? Great, let me start with getting some basic information:

1. Name _____
2. Property Address _____
Mailing Address _____
3. Owners/Decision Makers _____
4. Phones: (H) _____ (B) _____ (C) _____
Fax _____ email _____
5. Why are you selling? _____
6. When do you need to move? _____
7. Could you describe your house for me? _____
Beds ____ Baths ____ Sq. Ft. _____ Style ____ Lot Size ____ Bsmt? ____
8. How long have you owned your home? _____
9. What sold you on your home when you bought it? What features did you like?

10. Have you done any updating to the home since you bought it? _____

11. If you were to stay in your home another 5 years, is there anything you would do to it?

12. For a moment pretend to be a buyer and look at your home through "Buyer Eyes". On a scale of 1 to 10, how would you rate its condition?

(Model home = 10; Scrapper = 1) _____

What would it take for your house to be a 10? _____

13. What are you going to be asking for the property? _____

Have you had a recent appraisal? _____ Have you recently refinanced? _____

14. Do you have a loan on the property? 1st _____ 2nd _____ Other _____

15. What are 3 things you are looking for in a Realtor?

16. Are you interviewing any other brokers for this job? When are they being interviewed?

Name _____ Company _____ Time _____

Name _____ Company _____ Time _____

Name _____ Company _____ Time _____

17. Have you considered going for sale by owner?

18. How did you get my name?

19. Is there anything else I should know about your home?

20. Do you have any questions for me?

21. Explain what happens next: One Call ____ Two Call ____ Prelisting Packet ____

22. Set appointment: Day _____ Time _____ Place _____

Commission Objection Role Play

Note: The following dialogue is a transcript of a Ninja Selling class Larry Kendall taught at the Denver Board of Realtors. Larry did a role play with the class where the class played the role of the seller (S) and Larry played the role of the Realtor (R)

S. Will you do it for less?

R. No, that's what it will take to get you where you want to go on time.

How important is it for you to get into your new home on time? You've seen the odds? Do you really want us to give it "first rate" effort or a "second rate" effort?

S. I want a first rate effort. I just don't want to pay any more commission than I have to. Will you do it for less?

R. How much less?

S. 1% less.

R. Let's see (figuring) that's about \$2000 on our \$200,000 asking price. Assuming we can get you close to that amount, you'll walk away with \$61,000. Are you saying that's not enough?

S. Well, \$63,000 is better.

R. Are you willing to risk the \$61,000 to try and make an extra \$2,000?

S. What do you mean by risk?

R. You've seen the odds we face, right?

S. Right.

R. You need to be in San Diego in less than 90 days?

S. Yes.

R. You've said you want a first rate effort, right?

S. Yes.

R. Well what would you like to cut out of the marketing?

We could pay the selling brokers less to sell your house than the other houses in the market. Do you think that would be in your best interest?

S. Probably not.

R. We could cut back on some of the advertising. Which things would you like to cut out?

S. I really don't want to cut anything out. I guess what I'm really saying is, will you work for less?

R. I really can't work for less. Number one, it wouldn't be fair and honest to my other sellers who are paying me to get the job done for them - and they are facing the same odds you are. More importantly, it wouldn't be fair to you. I can see you and your family are really excited about this move. It's the dream of a lifetime, and I want to give it our best shot to get you there - not cut corners.

- S. Well, Joe said he would do it for a total of 5%. If you'll do it for that, I'll list with you.
- R. How do you feel about Joe's odds of getting you there on time? Did he show you his odds?
- S. No, but he did show me how much money I would save by listing with him rather than you.
- R. Do you feel your odds are as good with Joe as they are with our firm?
- S. I don't know. The odds are probably better with you.
- R. We just went over your odds of selling. Did Joe show you any odds?
- S. No.
- R. Did he show you a marketing plan or a list of references?
- S. No
- R. Are you willing to take the risk with Joe?
- S. Maybe.
- R. What is Joe cutting out of the marketing?
- S. What do you mean?
- R. Is he going to advertise?
- S. I believe so.
- R. Is he going to do brochures?
- S. I don't know.
- R. Is he going to offer a cooperating commission to other selling brokers?
- S. I believe he is, but I'm not sure.
- R. Is he going to put your home in the MLS?
- S. I think so.
- R. What's your "Plan B?"
- S. What do you mean?
- R. If we are sitting here 2 months from now and your home hasn't sold, what are you going to do?
- S. Well, I'll probably be calling you to come over and bail me out. But I don't think that will happen. Will you do it for 5%?
- R. Who would you rather work with, Joe or me?
- S. I would rather work with you but Joe is cheaper.
- R. So it's strictly a matter of money?
- S. Yes
- R. Who do you think will do a better job for you?
- S. You will
- R. Who do you think will be a tougher negotiator on your behalf to get you the highest price - me or Joe?
- S. You probably will be.
- R. How quick was Joe to cut his commission?
- S. Pretty quick.
- R. How quick do you think he will be to cut your price to a buyer?
- S. I don't know. It concerns me.
- R. Who do you think will net you the most "walking away" money?

- S.** You probably will.
- R.** Even with my higher commission?
- S.** Yeah.
- R.** You will still net more?
- S.** Yeah. Probably will.
- R.** So, can I be your Realtor?
- S.** Yeah, but I just worry I may be paying more than I have to. How do I know you'll get the job done.
- R.** Number one, I don't get paid until I do get the job done. Number two, I'll guarantee my service to you. When we are done selling your property, if, for any reason you don't feel I've earned my entire fee, you let me know and I'll refund you the difference between what you paid me and what you would have paid Joe. I'll write the guarantee right here in the listing agreement. Will that work for you?
- S.** Yeah, that sounds good. I feel good about working with you.