



# The Real Estate Agent's Challenge

If you want to be successful in this business there are four things you must do well:

## 1. Start New Relationships

These are the life-blood of a growing business. You need a strategy and system for continually starting new relationships.

## 2. Build Relationships

Real estate transactions are very complex, high dollar and high impact on buyers and sellers. Those factors dictate that a very high degree of trust must be present between the agent and client.

Trust doesn't start at a high level. It is built. You need an effective relationship building strategy and system.

## 3. Maintain Relationships

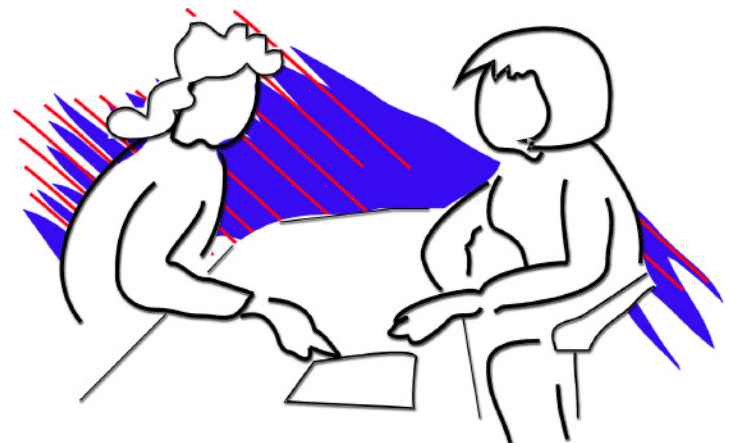
If relationships aren't continually nurtured, they fade away. You need a nurturing strategy and system.

## 4. Harvest Relationships

Harvesting happens when the timing is right; provided you are there and prepared. You need an effective harvesting strategy and system.

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## About Relationship Dynamics

Human beings use a proven process to find, build and maintain their relationships. Most people are reasonably good at it, as evidenced by the families, friends and colleagues they acquire.

To be successful in real estate you must become a master of the relationship building process. To strategize and automate the relationship process you must have a clear understanding of the elements involved.

### The five key relationship building elements are:

#### 1. Contact

You must make contact in order to have any chance at all of building relationships.

Surveys have shown that the top 10% of sales people make 90% of the sales.

They also show that those highly successful sales people are making their sales, on average, after the fifth contact they make. The failing 90% of sales people give up, on average, after their first or second contact.

If you want more business, you must contact more people, more often. It's as simple as that.

Just making contact is not enough, however, to grow relationships. More is required.

#### 2 Mutuality

People base their relationships on mutual benefit. When they first meet they instinctively search for commonalities. Then during this Q&A process they evaluate the mutual benefit potential.

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For example, imagine meeting someone new at a party. You probably exchange names, then launch into a series of mutual Q&A that might include some of the following:

- How did you come to be here?
- Do you live in the area?
- Where are you from?
- Where did you go to school?
- Where do you work?
- What do you do for fun?
- Are you married?
- Do you have kids?
- Do you know anything about. . . ?

So, what's all that about? It's a search for mutuality. If you both find it, the relationship has a chance of continuing beyond this first meeting.

If one or both of you fail to find mutuality, the relationship will likely stop right there.

Sufficient contact and mutuality alone, are not enough to nurture growing relationships. Still more is required.

### **3. Credibility**

If you are a current real estate buyer or seller and you were in frequent contact with an agent, that would satisfy the first two key relationship building elements.

But what if you thought the agent didn't know what he/she is doing? Would you want to work with that agent? Of course not, because credibility is another vital relationship key.

The thing many agents don't realize is that having no reputation for credibility can hurt just as much as having a bad reputation. The result is the same. The phone doesn't ring.

Having contact, mutuality and credibility still aren't enough to master relationship building.

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## 4. Confidence

If people think you know what you're doing, but they aren't real sure that you're going to apply that knowledge fairly, consistently and attentively on their behalf; they still won't do business with you.

That's why everything you do, and the way you do it, must instill confidence.

## 5. Trust

Trust is the coin of the relationship realm. It's the bottom line. The more trust you can build, the stronger and more viable the relationship.

Trust is the direct and cumulative result of your contact, mutuality, credibility and confidence demonstrations.

If you want more business, then align everything you do to increase your effectiveness in each of these five key relationship building elements.

Now that we're more clear about your relationship management challenges and what's involved in meeting them, let's move on to the specifics of how to accomplish your relationship goals.

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## How to Start New Relationships

As we've observed previously, making contact is vital to starting, building and maintaining relationships.

You don't have enough time or money to contact everyone, however. Nor should you even try. Some people are just better targets for you than others.

### Target Your Market

Learn from the big marketers. They don't try to be "one-size-fits-all". They target their markets.

Take laundry soap manufacturers for example. Surely it would be much easier and cheaper to manufacture just one kind of laundry soap that did the job. But they don't. Check out the labels in your supermarket aisle and you'll see that a just a few manufactures are making all of the competing brands.

Why would they do that? The answer is they found that they can actually get more market share by targeting and mastering smaller segments. Some people respond more favorably to red, some to blue, some to yellow and orange. Hence all the different colored boxes. Some people respond more favorably to lemon scent, some to mountain scent, others to no scent. You get the idea.

Likewise you should look at the niches within your market. Who responds better to you? Women or men? Young or old? Singles or families? Blue collar or professional? Entry level, mid-level, or high-end? First-timers, moving-uppers, investors?

You'll be much better off narrowing your database to people who are most likely to like you.

### Database Size & Frequency

Gary Keller, in his book *"The Millionaire Real Estate Agent"* observed that the top agents have two major types of databases: Mets and Un-mets. Mets are people you've, well, already met. Un-mets are people you haven't met, like in farms.

*You'll be much better off narrowing your database to people who are most likely to like you.*



The interesting thing is that these two database types are marketed to quite differently, and their yield is also quite different. It looks like this:

- 50 Un-mets touched 12 times per year = 1 transaction
- 12 Mets touched 33 times per year = 2 transactions

Obviously, marketing to people you already know is the most effective way to go. However, if you don't already have a large enough Met database to meet your income goals, you will need to work an Un-met database so you can squeeze out more Mets.

*(Note: Go to [www.cobel.com](http://www.cobel.com) to access some spreadsheets I've developed to help you do the math.)*

## **Make contact with real estate related, valuable, easy-to-say-yes-to offers**

Making contact is essential. However, not all types of contact are equal.

Say you have a choice of postcards to send. One is a recipe card. The other is an offer of substantive real estate information.

Both cards can help by making contact. Which one, do you suppose, will do the better job of positioning you as someone with:

- Valuable information (Mutuality)
- Insightful knowledge (Credibility)
- Ability to make offers and fulfill them (Confidence)
- Continuing interest in their welfare (Trust)

For support in your relationship building process, the substantive offer will clearly do more for you. It also provides an added bonus of encouraging warming prospects to "raise their hand" (so to speak) and accept your offer. This is otherwise known as lead generation.

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## How to Build and Maintain Relationships

### Quickly Establish Your Image

Gary Keller also observed in “The Millionaire Real Estate Agent” that the top agents do something extraordinary. When they first meet someone, they will contact that person eight times in the following eight weeks. They call this campaign the 8x8.

The purpose of this intense contact sequence is to firmly establish an image and closeness between the agent and the newly met person. In most cases this campaign moves the agent right to the top of the newly met person’s real estate agent mind space.

This is certainly a whole lot better than being almost immediately forgotten.

### Make frequent, real estate related, valuable, easy-to-say-yes-to offers

As discussed above, in the section on starting relationships, substantive offers are the best way to build the right image and advance the basic elements of the relationship building process.

Making these kinds of offers is not only a great way to start relationships, it’s a great way to maintain them too.

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## How to Harvest Relationships

### Know that Demographics are always in your favor.

Americans are a mobile bunch. Nationally, on average, about 10% of homeowners move every year. Some areas are a lot more volatile than that, some less. Nevertheless, the fact remains, people move.

If you've built the right image in the minds of people you have relationships with, and maintain contact with them, then all you need to do is wait for the demographics to turn in your favor.

A database of 500 means that about 50 of them are moving in the next 12 months. Those people also are related to, work with or are friends with at least another 10 people. That's 5,000 people or 500 potential moves that are only one referral away from you.

### Maintain Your Mind Share

Keep up your contacts and when the demographics kick in, you'll be the first one the prospect thinks of.

When it comes to getting listings, be aware that the NAR survey's show that 76% of sellers list with the first agent they talk to.

Staying at top of mind is absolutely vital.

### Be There When the Time is Right

If your database is large enough there will be new people coming into the market every week.

### Encourage Referrals

A steady stream of contact based on real estate related, valuable, easy-to-say-yes-to offers are the perfect tools for generating response when the time is right.

They are also just the kind a thing a friend will pass on to a friend when a need is known.

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## How a System Can Help

My business is helping agents get their marketing campaigns together and automating them in TOP PRODUCED 7i Systems. TOP PRODUCER 7i is perfectly suited to the type of relationship management we've been talking about in this guide.

### Database Targeting

The system will help you easily segment:

- Mets
- Unmets
- Buyer leads
- Seller leads
- Clients
- and much more

### Content Library

You can easily build an extensive letter, email, flyer and presentation library to automate these high touch marketing campaigns.

More than that, the system also includes the ability to publish many documents to the Web as their own Web sites. This gives you tremendous possibilities for creating high value documents that can be quickly distributed to large numbers of people at virtually no extra cost.

### Automated Plans

The system has the capability of scheduling complex follow-up processes containing letters, emails, calls and to dos; that can be launched with a few mouse clicks.

These plans make is very easy to conduct massive marketing campaigns with less effort than you are probably making now.

### Today's Business

This is the system home base that pulls all of your activities together.

Each day you can easily see everything that needs to be done in your business. The comprehensiveness, control and ease of follow-up is awesome.

*My business is helping agents get their marketing campaigns together and automating them in TOP PRODUCED 7i Systems.*





## Expert Help Is Available

TOP PRODUCER is a very powerful system, capable of running a multi-million dollar real estate business. Unfortunately, the majority of agents who have it are only getting a very small percentage of the benefits it provides.

I can save you a great deal of time and frustration by helping you implement the kind of relationship management systems described in this guide.

To learn more, request a Complimentary Coaching Session at [www.cobel.com](http://www.cobel.com) or call 805-494-9647.



*Ray Cobel*

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