

The man has had his real estate license for two years and today he walks away from the job interview with his head down. He got the job. Unfortunately it's not what he wanted to do. He wanted to sell real estate. He wanted to be his own boss and set his own hours, and now, come Monday he will be punching a clock and answering to someone else. What happened? It could be all kinds of things, but most likely he failed to have a good plan in place. He tried to wing it. That isn't the best plan. He may have been under the mistaken impression that real estate success happens automatically or overnight. Neither of those is true, by the way.

Do you want to know what the secret to being successful in real estate is? The secret is...insert drumroll here.... there isn't one. There is no super top secret to success. Just do what other successful agents have done and you too will be successful. The key is **doing** it. If you get up in the morning and decide not to work, no one is going to force you, your broker probably won't fire you, your spouse or significant other might be mad at you, but you will **not** earn any money. And if you don't earn some money eventually you will quit. Being a real estate sales person can be your ticket to whatever you want in life. Flexibility, the opportunity to be your own boss, along with unlimited income potential all add up to make a real estate career one of the best decisions you can make.

You may just be getting started with your classes or waiting to take your license exam, but there are some things you can do before your license comes that can help you get started on the right track. If you already have your license these basic principles can get you back on track and help guide you toward success.

1. Create Your Database, Your Sphere of Influence List

Who do you know? I mean really, who do you know? Your mom and dad, brothers, sisters, cousins, aunts and uncles. Friends from school, from work, your neighbors. You know a lot of people and the key to the success of any business is a list of clients and potential clients. You will find that the majority of your business the first 2 years in real estate will come from people you already know or people that know of you. That isn't to say that you can't get started unless you know somebody, but that takes more work.

Unless people know that you sell real estate then they won't/can't come look for you. So you have to let them know. Start by creating your database of everyone you know.

This is called your SOI (Sphere of Influence). Start with those friends and family we already talked about. At a minimum you need their name and email or phone number. You need to create, build, buy or copy some type of system to collect all this information. Sticky notes all over your computer will not work. This system is called a CMS (Client Management System) or a CRM (Client Relationship Manager). Or it's called BOB, it really doesn't matter what you call it as long as you have some type of system.

Now start adding to your list. You have family and friends, now add other people you know. Barber, hairdresser, doctor, dentist, accountant, the guy you know that does lawns, your kid's teacher. Everyone is a potential client or a referrer of a potential client. The more names on your list the better. Well let me qualify that a little. A name is good but it really doesn't help you unless you have good contact info for them also.

This database creation is a never ending process. If you want to increase your chances of success add to this list every day. I mean every day. Do not take your list for granted, build it.

2. Create Your Business Plan

One of the things that contributes to new agents getting out of the business is that they treat real estate sales like a job instead of a business. Remember, you are going to be an independent contractor. You will be responsible for paying your own taxes, your own insurance and your own expenses. Personal as well as business expenses. You need to have a plan. Your plan needs to address income requirements as well as projected business expenses. You need to plan for lean months in case you don't close the deals you thought you were going to. How are you going to make that car payment, rent or mortgage payment?

Your business plan can make or break you. You can get your license and sell without a plan, but it's kind of like going on a trip without a map. You may get there just by chance, or you can get lost and arrive late or get so lost that you never arrive at all. So like the savvy traveler that plans his route or the builder that makes sure she has a good set of blueprints to follow, you should create a plan to follow that will help ensure your success.

There are several different components to your business plan.

Define Your Market

Who do you want to sell to? I know, I know, you want to sell to everybody. That's actually a big mistake that many new agents commit. The reality is that you can't be everything to everybody. You will be much more effective if you find or create a target market and focus your efforts there. Eventually you can expand your marketing, but it makes more sense to narrow your focus and be laser sharp instead of scattered everywhere, especially if your funds are limited.

Some areas you can focus on are whether you want to work with buyers or sellers, in a particular area of town or a specific subdivision. Do you want to focus on a specific type of property or a specific property feature? What about a specific job field?

Have you noticed that I have used the word specific several times? What do you think that tells you? That's right, "BE SPECIFIC."

There is a super important, key element, here that you need to be aware of. Very aware of. You must do your research and make sure there is a market for your focus. For example, if you decide you only want to sell homes over a million dollars, you need to know how many million dollar homes sold last year. If it's only a few you may go out of business before you actually conduct one of those transactions. If you choose to focus on the housing needs of underwater basket weavers then you need to know how many of them bought or sold a home last year.

There are many different classes of home buyers and sellers, first time buyers, military families, teachers, first responders (police, fire, etc) that you can market to. In that case what is it about those people that you relate to?

Create a Marketing Plan

You will find it very difficult to be successful in real estate without some type of marketing. You need to market your listings and you need to market yourself. People have to be able to find you if they are going to hire you. Your marketing plan does not have to be costly, although there are certainly some costs involved. You can get a lot of stuff for free initially and then work your way up the ladder as far as expenses go. You will need to research a little bit to find the best deals or free stuff but Google is an amazing tool.

Part of your marketing plan needs to cover what your lead sources are going to be. You must identify three or four lead sources you are going to pursue. You can not rely entirely on one source. At the same time if you try to pursue too many lead sources you find yourself spending too much time on sources that don't bring in enough business to be worth your time. You need to brainstorm potential sources and then pick the ones that have the greatest chance of success. This will require some more research on your part and possibly a little bit of experimentation (testing).

For now we'll discuss personal marketing because you don't have any listings yet, but you need to have your name out there.

Hopefully you defined a market to focus your efforts on. New homes, military, FSBOs, etc... How are you planning on identifying and contacting them? Some of them are easy, for FSBOs you can drive around or look in the newspaper, for first time buyers you could sit in open houses, for military you could advertise in the local military publication. Whatever your source you must draft a plan of action and budget for it. You can not run 1 ad for one week in the paper and expect to get anything from it. You can not do one mailing to a geographic farm and expect to generate a ton of business. You must create a consistent plan of attack for your prospecting efforts to have a chance to succeed.

Some items that everyone needs:

a. Business cards - You don't want to order cards before you are licensed because you need to get input and approval from your sponsoring broker before you get stuff printed, but you can research prices and consider design and layout anyway. You may want to start collecting other agent's cards to get a feel for what you might want. Picture, no picture, slogans, items printed on the back etc.

b. Signs - If you take listings you will need yard signs. Don't go all hog wild and have 100 signs made up. As soon as you get your license have 1 sign made. It takes a few days to get a sign made and if you get a listing right away your seller may be upset that he doesn't have a sign in his yard for a week. Just like your cards, make sure you have your broker's okay before you have the sign made. Show him or her the design and have them sign off on it. If they approve it and then later it turns out there is something wrong and you can't use it you may be able to get the broker to reimburse you for the sign. It's worth a shot.

Domain Name and Website -

Over 90% of home buyers begin their search for homes online and you want to make sure you are able to tap into that traffic. Domain names can be purchased pretty inexpensively but make sure that you don't violate any of the trademark or ethics rules with your domain. You need to have a site people can visit to search for homes. Again it doesn't have to cost a lot and sometimes you may be able to get going for free. Many MLSs provide users with a free website as part of your MLS benefit. This site can be customized somewhat and features home search capabilities as well. Consumers want to be able to search for homes when they go on the web and so if you don't have that feature they won't stick around on your site for long. Check with your MLS and see if they offer those types of services. If they don't there are still many other free or inexpensive options available.

Again, check with your sponsoring broker before you spend money on a domain or website to make sure you aren't violating any policies or procedures.

Develop a Brand and USP

What do people remember about you? If someone meets you for the first time what do they take away from the meeting? Hopefully it isn't that you have bad breath or your haircut is funny. You want people to remember you for who you are and what you do. This is your brand. It could be your name or a logo or tagline you have designed. I have always used my snowman logo since I started in real estate. It works for me because I live in the desert and you don't see too many snowmen here, so people remember it. I

also used to use the tagline "Cool Deals on Hot Real Estate". It fit the logo. At least in my mind. You have time to develop your logo or tagline and there's nothing to say that it can't be changed later. Many big national brands redesign their logos from time to time and sometimes you have to redefine your brand.

Your USP is your "Unique Selling Proposition." Why should someone work with you instead of Billy Agent from down the street? This is a big deal. If I am interviewing agents to hire I want the one that's best, right? Or at least one that's different. Not different (strange), but different (awesome). So what is it you are going to do to stand out from the crowd? Are you awesome? Do you have some top secret marketing tool that others don't have? Do you have the corner on some piece of the market?

The Financial Part of Your Plan

Step 1. Since you haven't started yet (selling real estate, that is) start by figuring out what your personal financial requirements are. Every penny you NEED, not want but NEED. These will include rent or mortgage, utilities, car payment and maintenance costs (gas,oil etc).

Step 2. Next comes your projected business expenses. Things like business cards, flyers, website, REALTOR® fees to include MLS and lockbox fees. All that stuff you came up with in your marketing plan has a cost. Add that in here too.

Step 3. Now that you have all your costs added up you can figure out what you need to do in order to survive in the business. You can start with the average figures from your market for sales price. Determine what your commission would be, after your broker split and any associated brokerage fees, from an average priced sale. Figure how much you have to set aside for taxes. Now compare that number to your expenses from steps 1 and 2. Did it cover all the expense? If not does 2 transactions cover it? Whatever you come up with is the number of sales you MUST make in order to be profitable.

Does your marketing plan and your overall business strategy support that figure? It better. If it doesn't then you need to adjust where necessary. Be super careful to work with the money you have. Don't go too far in debt to finance your start up. It's really easy

to get in over your head a few dollars at a time. Many of the tools that are available to you are monthly subscriptions. Individually they don't cost a whole lot but collectively the cost can really add up.

3. Learn Your Market

Agents need to know what is going on in their market. This will require a little bit of research on your part. If you haven't become a member of the MLS yet then you will need to do a little legwork. Start picking up the paper, or searching on the web for homes that are for sale. I would recommend that you start with one area. In the define your market step you may have decided to work in a specific geographic area then that is the obvious place to start. Look for new construction, open houses, REALTOR® tours and For Sale By Owner properties and go look at them. Group them by size or price or some other factor and then compare the houses in each group. Make notes, take pictures, whatever you need to do in order to remember them. This will be an ongoing exercise. Once you have your license, if you don't have something else on your schedule you should be previewing homes. Or work it into your schedule to attend your weekly REALTOR® tour or your office tour if they have one.

Knowledge of your market will help with your credibility when someone asks you a question and it saves time when a client or customer asks for a specific property type or feature.

4. Study The Competition

For Sale By Owners, builder's reps and other agents are your competition. How do they work? What do they ask prospective buyers? Go find out. Visit them as potential buyers. You will be "killing two birds with one stone" viewing homes to learn the market and studying your competition at the same time. Obviously you don't tell them you are a pre-licensee studying them. If you are a licensee you **MUST** identify yourself as a licensee.

Again make note of the way they do business? Not only are you making note of the questions they ask you but how they ask them. You will see good examples of how to do business and bad examples of how to do business. How do they make you feel? Are they pushy or rude? Do they take interest in you and actually listen to what your answers are? One of the biggest problem people have in sales is listening. They say something or ask a question and then instead of truly listening to the answer they are trying to figure out

what they are going to say next.

So make your notes. If someone says something in such a way that you really liked it, write it down so you don't forget it and you can practice it and incorporate it in your scripts and dialogs.

5. Practice Scripts and Dialogs

Sales is all about scripts and dialogs. As a matter of fact we use scripts and dialogs everyday in dealing with friends and family. We just don't look at them that way. Anything that you repeat multiple times in generally the same way is a script. When you order coffee at your favorite coffee place the dialog is probably pretty similar each time. When you greet people you know the initial dialog is probably pretty similar. When you meet people you don't know your initial greeting is probably pretty standard. The difference here is you don't know how the other person is going to respond so you are unfamiliar with the dialog. You can, however, have a general idea of how it will go, some of the possible answers or questions they will respond with, right.

Well, in sales it's the same way. If you say, "A", they could respond with, "B or C." So if they say "B" you can respond with "D" or if they say "C" you would respond with "X". Does that make sense? Let's actually try a conversation and see if it is clearer that way.

You - "Mr Seller, my cost for putting your house on the market is \$500."
Mr Seller - "Okay, that will be fine."
You - "Great, let's get started"

or

You - "Mr Seller, my cost for putting your house on the market is \$500."
Mr Seller - "That seems a little high to me. Could you do it for \$300?"
You - "Mr Seller, my fee is based on the costs for me to market your home and for my time. In order for me to reduce that fee I would have to eliminate some of the marketing tools that I use. If that's okay with you which of the marketing items would you like me to eliminate?"

The key to scripts and dialogs is to have an answer ready for a variety of responses you may get from a customer or client. You have to know what you want to say and practice that so it doesn't sound like a canned response. To make sure it's in your own words, the way you would normally talk, not robotic.

You will have scripts for listings, buyers, open house visitors, people that call on the phone and more to cover any number of situations. And you have to practice. Practice with your spouse, with other agents, with friends (if they'll let you), until you have this stuff down.

What to do next. If you want more information about these 5 steps then sign up for my autoresponder series at texasrealestatetrainer.com. This series will run for 8 weeks with each week covering a different segment of the plan in more detail.