

REAL ESTATE DOUGH™

**Your Recipe for
Real Estate Success!**

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Chapter 1: Don't Let the Psychic Vampires Get You Down

When you do nothing, you feel overwhelmed and powerless. But when you get involved, you feel the sense of hope and accomplishment that comes from knowing you are working to make things better.

Source Unknown

How would you describe the fifth-best real estate market ever in terms of sales? Believe it or not, that year was 2007, a year described by virtually everyone as being extraordinarily difficult. As the subprime mess spread, one of the greatest challenges agents faced was maintaining a positive attitude. In spite of the difficulties, many agents had their best years ever in 2007 and 2008. Creating the right mindset is one of the most powerful steps that you can take to keep your business strong, no matter what the market does.



Knead the Dough Secret #1

Environment is stronger than will.

(Buckminster Fuller)

How to Create a Supportive Environment

Just as the wrong environment can keep bread dough from rising, the environment you create for your business will determine whether your *Real Estate Dough*TM rises or shrinks. Even though you intend to change your thoughts and actions, if you don't address your environment, you will be unable to create sustainable change. If you listen to the negative news around you, your environment will support you to attract negative events. Psychologists call this self-fulfilling prophecy (Rosenthal, 1973). What you concentrate on and what you expect to happen generally does happen.

In fact, an experiment with elementary school children demonstrated the power our thoughts have on our physical environment. Elementary school students filled two bowls of water. When they walked by the first bowl, they told the water that it was "bad." When they walked by the second bowl, they told the water how good and wonderful it was. When the water was examined under an electron microscope, the water molecules in the "bad" water were ragged and ill formed. The molecules in the "good" water formed beautiful, well defined patterns. Never underestimate the power of your environment to influence your real estate success.

Maintaining a positive mindset is one of the most important elements in creating real estate sales success. Consider each of the following statements. Can you spot what they have in common?

There's just no inventory/ buyers.

I've been taking floor time and haven't had a lead in months!

I've been holding open house every Sunday, but I never get any leads.

Each statement illustrates a reactive approach to the real estate business. Being reactive means waiting for the business to come to you rather than going out and proactively generating leads from prospecting, blogging, and social networking.

Examine the next two statements. What do they have in common?

Buyers are liars—I've worked with these buyers for six months and they go to an open house and buy it!

I can't believe it. I worked my fingers to the bone on that listing. I kept telling the sellers they needed to reduce the price. And you know what they did? They let the listing expire, dropped the price, listed it with XYZ Realty, and it sold immediately.

These two statements illustrate how agents who lack strong skills can end up spending months working with clients who end up doing business with someone else. This occurs when agents fail to obtain clear agreements from their clients when they begin working together. Another issue is working with clients who drain agents of their time and energy. These people are known as psychic vampires. Sadly, they're everywhere. They complain about how bad the market and their personal situation are and then expect you to commiserate.

One of the best ways to keep a positive mindset is to avoid listening to the news or reading stories about how bad the market is. Another alternative is to listen to our Positive News for Positive REALTORS® at ListenAndLearnRealEstate.com to learn how to counteract the negativity in the press.

If your office is filled with negative people, a third alternative is to work from home. If you must interact with someone who is negative, you can stop their negative comments by asking, "Tell me one thing that went right today." Again, the best strategy is to avoid them all together.

A fourth strategy is to upgrade the people in your peer group by joining a mastermind group or some other group of highly successful people. Jack Canfield talks about how he didn't start making lots of money until he changed his peer group. According to Canfield, if you take the average income of your ten closest friends and/or colleagues, you can accurately predict what your earnings will be. Upgrade your peer group and you can upgrade your income.

Clients today are searching for positive, knowledgeable, competent, and technologically savvy agents who provide outstanding levels of customer service. How can you get there? The next chapter reviews the fundamentals you will need to have a great real estate career. In the meantime, don't let the psychic vampires get you down.

Recipes for Success A Bad Client is like Bad Cholesterol

Ira Serkes

BerkeleyHomes.com

HandCraftedRealEstate.com

GMAC Pacific Union

Ira Serkes is one of the most innovative and technologically savvy agents in the business. He's also one of the most successful. Ira made a decision that creating a big team was not the road he wanted to take. In the interview below, Ira shares his personal recipe for real estate sales success.

Several years ago, I decided that I was tired of trying to become the best real estate agent in Berkeley with the biggest team. Instead, I decided that I wanted to be the happiest agent in Berkeley.

My background is in engineering. My wife is my partner. We work from a new custom office that we built in the back of our house adjacent to a beautiful garden. We aggressively market on the web and consistently generate a substantial number of leads. Our goal was to create a company that married high touch with high tech. We're currently marketing our company as HandCraftedRealEstate.com.

Because of all the leads that we generate, we had to make a decision about how we would handle them. One option was to begin building a team. The other option was to choose the leads that best suited our business model and refer the remaining leads to other agents. When I did the calculations on the costs of putting together a team, training them, and supervising them, it didn't make sense to me. I decided to handle our excess leads by referring them to other qualified agents in the area.

The next step was to describe our ideal client. Here's what's on our list.

1. The clients must be nice

A bad client is like bad cholesterol—they block your energy and can give you a heart attack.

2. We avoid clients who have unrealistic expectations or who are extremely demanding

If we feel that we can't meet a client's expectations, we refer them to another agent. There's no need to insult them. I just simply say "No," by telling them, "We simply can't meet your expectations. We're not a good match. I'm not the right agent for you. I'd be happy to introduce you to another agent who could help you."

3. We established a list of purchase criteria that buyers must meet to work with us

In terms of price range, they must be purchasing in the median price range or higher. (The median is the point where half the prices are above and half the prices are below.) They must have 10 percent or more down. They cannot have a contingent sale. If they must purchase with a contingency, they are not a good fit for us.

4. We only work in an area that is approximately five miles from our office. We refer everything else

In order to make our referral system work, we needed a system for handling all the incoming calls. I'm a Mac user, so we use a system called PhoneValet.com that captures any audio messages on our phone system and emails them to our cell phone. This saves us a considerable amount of time. We also use the Fujitsu Scan Snap Scanner to save time in terms of scanning receipts and documents. The system converts the scan to a PDF file. This system works beautifully with the iPhone as well as Skype, the Internet Long Distance service.

We convert about 1 out of 20 of our web leads. Generally, I can process approximately 20 leads per hour. Of those we refer to other agents, our conversion rate is 26.89 percent.

The next step was to develop a strong referral network. That is something that we did over time based upon whom we had worked with in the past and who had done an outstanding job in terms of their customer service.

In terms of fees, we ask for a 37 percent referral fee. Most agents charge 20 or 25 percent. Before we make the referral, we spend the time necessary to determine that the buyer actually has the ability to purchase.

Last year we did a lot of traveling and really enjoyed ourselves. We also made \$60,000 in referral fees from our network. Best of all, we didn't have all the overhead, stress, and hassle of managing a team.

Being willing to turn away clients who are not a right fit for your business is critical to your real estate success. It is fundamental to the "Law of Attraction."

