



Focus Trumps Luck – Recession Proof Your Business For All Times

If you rely solely on new clients to build your business, as the vast majority of real estate agents do, then you are missing one of the most powerful tools to build and maintain your business through both the boom times and the slow times. Recent studies concluded that 93 percent of purchasers are satisfied with the agent they used, but only 11 percent buy from that agent again. Why? Because they do not remember the agent's name.

To be a success in real estate, it is more and more important in our fast moving society that relationships are developed for both the short term and the long term. Long-term success in real estate is not due to image advertising, sales gimmicks or cold calling. Long term success comes from trust...and, trust is only obtained when someone knows (or recommends) you. The National Association of Realtors states that 74 percent of clients come from relationship building. Almost three quarters of all clients are acquired by an agent whom they already know or is referred by a friend. Even though this is how the lion's share of business is being conducted, only *four percent* of agents have a marketing system that stays in touch with potential clients consistently. This means that *4 percent* of licensed agents capture *74 percent* of the market. Without a proven system of follow-up, you are struggling for 26% of potential business. Staying in touch with your past customers, clients and everyday sphere of influence will grow your business. To be a success in real estate, you must *stop* chasing deals and *start* chasing relationships.

The three (3) C's of real estate are:

- First, you must *capture* potential clients.
- Next you must *cultivate relationships* with these people.
- Finally you must *convert* these relationships into *sales*. A lead is no good unless you convert it. From your first contact with a potential client, you must be working towards converting them, whether it be quickly (a sale now), more long term or for a referral of someone they know.

What is surprising is how easily Realtors are swayed by the latest gimmick to capture leads, only to learn that it is not a lasting method. Nothing has, or ever will, gain you leads like focusing on those you have done business with in the past or those who know you. Focus on your sphere of influence. Doing so will guarantee you your best leads. The average person's sphere of influence is 250 people. The average person sells their home every five and a half to seven years. This means your sphere of influence alone produces at least 30 leads each and *every year*.

Are you getting these sales? If not, who *is*? The agent with the relationship is getting these sales. Repeat, referral and relationship clients are the best type of customers you can have. They are the easiest to deal with and will refer the most business to you. Do the work necessary to capture your sphere of influence, and you'll find your business growing through referrals and repeat business year after year.

Who makes up your sphere of influence? Sit aside one evening and begin to think of people in the following categories: Past customers, friends, relatives, friends of family, closing attorneys, country club members, lenders, insurance agents, veterinarians, business contacts, co-workers from previous jobs, dry cleaners, contacts from sports club, chiropractors, neighbors, doctors and dentists, accountants, tenants in rentals, bank tellers, barbers/hairstylists, Chamber of Commerce members..., the list is as long as your imagination can make it. Think of anyone you regularly come in contact with, that you might know by sight, if not name. Chances are all or many of these will need your services at one point or another...and, if not them, then someone they know.

After identifying your sphere of influence, cultivate relationships with them. Focus on building strong relationships with those you have identified who will know, and help you. When they, or someone they know, have a real estate need (and, statistically, they will be within at least seven years), *you* are the agent "top their mind." They **will** call *you*.

One caveat here: Cultivating relationships is a **must**. But it must be done in a manner that is pleasing to them - not what *you* like (a mistake so many make) but what *they* like. This includes consistent touches and periodic useful and meaning gifts. (Sure it costs, but what costs more: This method, or one newspaper ad targeted at no one? Newspaper ads are a hit-and-miss strategy. Yes, you may get a lead, but the cost per exposure is tremendous.)

There are few systems on the market to help you stay in touch with your clients and build lasting relationships. Dollar for dollar, targeted, consistent postcard mailings is the most cost effective tool available to grow sales and profit and to stay Top of Mind with clients and potential clients. The key, however, is to stand out from the rest of the world that is clamoring for their attention. Each person sees between 3,200 and 3,400 images a day trying to sell them something. You have to be different. And you have to be consistent. That is why the Stay In Touch Follow-up System was created, seventeen years ago. It remains the only proven system, produced totally with this principle in mind.

Other methods of performing this vital function are: Sending VIP cards giving special discounts, sending CDs with games for kids, tokens or coupons for free cups of coffee, or sending articles about the industry. Good marketing principles say you must be in front of someone 12-17 times for them to remember you. Sending a different postcard every month is a great way of keeping the lines of communication open, showing that you are constantly available and ready to help them when (not *if*) they are ready to look for a different home. By sending a constant stream of postcards and adding other communication, you will be the first name they think of when the time for a real estate professional comes. Focusing on your sphere, then adding each contact you make to you

focus list will grow your business, and maintain your level of success, far better than hit and miss costly ads. You can count on it.

Converting your relationships to sales is the most important piece to this puzzle. It is conversions that produce dollars. No system can do that for you. You must do it. Do what it takes to know and understand your business. Become a true professional. (But conversion is another subject and I digress...) Consistent follow-up will produce the leads. You must convert that lead to a sale.

Being a Broker of 33 years I have learned the connection between what is and what can follow. The single most productive and profitable move you'll make for your business will be finding an effective, proven follow-up system...and, committing to it.

It is important that real estate agents appreciate that there is a greater chance of winning new business by forming relationships *before* clients decide to move, rather than after they have made this decision. As clients consider options, they also will consider means. To have the best shot at earning a client's business, you need to be Top of Mind *before* the decision is made.

Cut your workload in half. Start building and maintaining relationships today and watch your business grow. Remember, 95 percent of agents struggle for 10 percent of the business. Now is the time to join the elite, the top producers, who know how important it is to stay in touch with past customers and clients, plus their current sphere of influence.

I have found that the agent who understands this concept, who "gets it," does nothing more in marketing efforts but work their system. They grow their list constantly and consistently. As they make new contacts, names are added to their sphere list...like clockwork. They are focused! They are systematically growing their business, not leaving it to chance.

There is a fortune - a virtual **goldmine** - in the simple, consistent and memorable follow-up of persons you know who will refer you, and those who have done business with you in the past. I personally guarantee that.

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Quote

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"I have been using their monthly mailing follow-up system for over 5 yrs. Over 75% of my business is from referrals. Every person I have sold or listed a house for remembers who I am because they see my name and face every month. I have sponsors at the bottom

of my mailings that help cover the cost. Currently I have an attorney and an insurance company. Everyone loves getting these(The Stay In Touch Follow-Up System®) cards.”