



www.MikeFerry.com

North America's Leading Real Estate
Coaching and Training Company™

***“PROSPECTING ...
BUILDING A
PREDICTABLE,
PROFITABLE
BUSINESS”***

By Mike Ferry

“PROSPECTING ... BUILDING A PREDICTABLE, PROFITABLE BUSINESS”

Welcome to one of the most unusual sales/non-sales jobs in the world today ... welcome to real estate. If you are interested in building a predictable, profitable business, you're reading the right materials, and you are in the Real Estate business at the right time.

During the past twenty-five years the industry you're involved with has become extremely divided. We have a large population of people who refer to themselves as “Realtors”. They are in the business of Real Estate, and are proud to let you know that. We have a second group which is small but growing quickly, and they are referred to as “professional salespeople”. It really wouldn't matter what business they were in, they would be leaders because they know how to sell. They would be the top salespeople in any organization they joined, because they know how to sell. They would earn the highest amount of money with the organization they work for, because they know how to sell. Notice the common denominator here? ... ***they know how to sell!*** The problem is ... as we move closer to a larger, more dominant industry in the U.S., and a consumer base who is becoming more knowledgeable, the two groups are moving farther apart rather than closer together. Why is this happening? In real estate we have a strong core of people who are referred to as “traditionalists”. They claim they are holding on every minute to the “traditional” ways of selling real estate. These quote and unquote traditionalists, are scared to death of this wild bunch of crazy salespeople who are invading their old-fashioned, unproductive, non-profitable industry. What fascinates me the most, is that if you go to any era

of the real estate industry there were always a group of real estate people who treated this business like a business, and went out everyday and acted like salespeople ... they prospected. In the 1950's and 1960's people got business by going out and knocking on doors every day. The traditionalists seem to forget that we have an industry built on hard-working salespeople who prospected every day. The traditionalists also seem to forget that walking around and behaving like a "Realtor" who doesn't have to be a salesperson, is exactly what leads to low per-person production, low average income, and high-turnover. For twenty-five years, we've been teaching the real estate industry that it's okay to be a salesperson. It's okay to go out and actively seek new business ... it's okay to go out and be aggressive and look for buyers and sellers ... it's okay to prospect.

The traditionalists never really think about the sales process from the perspective of the consumers; the people who buy and sell real estate. Here's an interesting angle for those of you who are involved in traditional thinking... in relationship to selling real estate. A seller lists his home for sale and in his mind he believes he's listed his home with a salesperson whose only intention... is to go out and actively behave like a salesperson, and try to get the home sold. It seems like common sense doesn't it? Yet, we know that when a traditional Realtor lists a home for sale they are in most cases, doing just the opposite of what a professional salesperson would do ... that is prospect to try to find a buyer for the listing. What does the traditionalist do? Well, they throw it in MLS ... today they even put it on the Internet (Wow, isn't that exciting!) ... they hold an open house ... they put together a flyer ... and, in some cases, they run an ad in the newspaper. My, aren't these aggressive ways of getting a home sold in the year 2006?! What does a salesperson do? They are also going to put it in MLS and throw it on the internet ... and, in most cases, they'll have a flyer made up

sitting in the house which will assist the traditional agent when showing the property to their buyer. The salesperson will also be prospecting one to three hours per day looking for people who not only want to sell their home, but who would also like to buy their existing listings. This is a much more aggressive form of sales, and one that is proven to work.

Let's look at a second scenario. A buyer meets a real estate person, and has the intent of buying a house. What does the traditional real estate person do? Shows them property to the tune of fifty to sixty homes... in hopes that they wander across the right property for the buyer, and that the buyer will decide to buy... and in most cases in spite of the agent! What will a salesperson do in the same case? They will have a mortgage company pre-qualify the buyer so they know exactly how much the buyer can afford to pay... which often tells the salesperson the types of properties they can show. The salesperson then also asks the buyer a long line of pre-qualifying questions regarding motivation and the type of home they want to buy. This information, coupled with the lender pre-qualifying the client, allows the salesperson to narrow the number of homes shown to 3-5, and with good sales skills, allows the buyer to purchase a house immediately. Which, by the way, was the buyer's objective anyway! As you can see, there are some differences between the traditional real estate salesperson who is holding on to the past, and the salespeople of today. Now here's an interesting scenario for you:

If every real estate salesperson was required to find a job in the general field of selling, at some point during the interview process the company would ask this question, "How much time per day do you spend prospecting to build your business?" Unfortunately, for a major percentage of all real estate people, the answer would be somewhat embarrassing, and would probably result in the company not hiring the interviewee. To be quite honest, we are involved in an industry where prospecting is not

only not taught, it's not part of the jargon that we use when we refer to real estate as a "sales business". The problem here has many interesting dimensions. A vast majority of the real estate people do not want to even be referred to as "salespeople". In fact, they pride themselves on being called almost everything but a salesperson. Their business cards are plastered with various letters from the alphabet and you almost never see these people with the title salesperson under their name. Unfortunately, too many real estate people don't want to lower themselves to areas like prospecting, lead follow up, efficient pre-qualifying, canned presentations, or developing their closing and negotiating skills. Remember, we're involved in an industry that just doesn't advocate this type of behavior. The sad part about this is that for the last thirty to forty years, we've allowed "a non-selling" behavior pattern to exist in real estate. The public doesn't even expect to meet a salesperson anymore, and then when they do, things start to happen quickly ... homes get listed, homes get sold and deals are closed. Buyers and sellers are ecstatic because of the results they get, and salespeople because of their ability to prospect, build a predictable and profitable business. Stop reading this report for a moment and think about this question: Which of the two scenarios we've described above are you presently involved in, and which one would you like to be solidly involved in the future?

As much as we don't like to admit it, when we talk about selling as a job ... selling as a business ... selling as a profession ... finding new business ... finding people to sell to ... developing business ... or, what we refer to in sales training as prospecting ... it is not something that is taught in real estate, and yet it is the key to success in every other sales business. It doesn't matter what you are selling ... if you don't have people to present to, it's nearly impossible to make any money as a salesperson. It doesn't matter whether you're working for IBM or Xerox,

American Airlines or Marriott Corporation, their revenue depends upon salespeople selling, and if salespeople are going to sell they need to go out and prospect, and find people to talk to. That's why in all the major sales organizations in the world today, learning how to prospect... and then becoming efficient at it, is critical to the organization's success. Again only real estate as an industry is where this is not only not taught, but not required.

For thirty-one years I've watched audiences get mad at me, snicker among themselves, get angry and walk out, act as if they've been totally insulted, write long detailed nasty letters, and as some of you know... I've even been banned from most organizations because I keep saying the same thing. You can't build a business unless you know how to prospect ... it's the basic foundations of all sales, and the basic foundation of moving products or services from one person to the next. The good news is that I've outlasted all the audiences who have snickered, gotten mad, walked out and written the nasty letters! I've outlasted all the people in this industry who have banned me from speaking to their organizations... because you cannot deny a basic business truth. Salespeople have to be taught to sell, and part of that sales process is prospecting. Until that is done on a consistent level... the prospects, the customers, and the salespeople are never going to fulfill the goals that they've set.

For some reason, during the last thirty to forty years, the real estate industry has had their head stuck deeply in the sand when it comes to the area of prospecting. I'm not exactly sure why an entire industry as large as the real estate industry is, is either afraid to teach people how to prospect or, simply doesn't know that prospecting is required ... because prospecting is not part of the real estate jargon. What do we teach people instead? The most passive, non-threatening activities that we can possibly think of ...

anything to avoid behaving like, or being known as professional salespeople.

In talking to real estate brokerage firms of all sizes, to the national franchises, all the way to the brand new licensee... there seems to be a complete absence of common sense when it comes to the area of prospecting. Why? We'll discuss in a few minutes. In the meantime, what this industry does is teach people how to fail ... because we don't teach them how to succeed by teaching them how to build a sales business. In the United States alone there are nearly one million active real estate licensees. There is somewhere around four and a half million homes sold every year, which means then that based on averages, the average licensee sells four to five homes every year. Using an average sales price of \$100,000 and the fact that all commissions would be at a full 3% for the listing or selling side, and the fact that the agent is being paid 60% or even 70% of the gross commission, the agent is only going to make between \$9,000 and \$10,000 a year. This isn't a standard of living, it's a standard of failure that has become acceptable in real estate because we don't teach people how to prospect. The turnover among real estate licensees is still ridiculously high, and you can count on one thing for sure ... new licensees aren't coming into real estate for two years and failing because they have too much income! They are failing because they do not know how to go out and get business... and what's worse, they are not being taught. Now here's an interesting thought... the traditionalists are spending a major portion of all of their money trying to get business, and they do this because they don't know how to find business. They sit around in their little groups and little meetings, sharing ideas on how to go out and get more business without being a salesperson. Their rally cry is "Let's find more ways to get them to call us, and keep spending the money until we do". From a sales perspective it's pretty pathetic isn't it? These people are scared to death of this whole breed of salespeople who are growing

within this industry... because the person who is spending all their money trying to buy business, who doesn't know how to prospect... has to keep spending to bring the business in, and as a result... their profits never materialize. Yet, that new breed of salesperson who is prospecting everyday and building a predictable business, is also making huge profits which allows them the luxury of planning their future, and planning their retirement... but most importantly allows them to be responsible financially. Which of the two people do you want to become?

This report is aimed one hundred percent at helping you become an efficient business person, a great salesperson, who knows how to prospect. The problem I'm going to have in convincing many real estate people to prospect is simple. We have been conditioned for thirty to forty years not to prospect, not to talk about prospecting because we don't want to rock the boat when it comes to how to do business.

While watching the industry for the last thirty plus years I've come to a couple of conclusions which many people think are totally wrong but I don't think they are very far off the track. First, I believe that brokers and managers are afraid to tell agents to go out and prospect every day, for fear that the agent will be rejected, get upset, and leave the company. So, what do the brokers do instead? "With your personality and your charm, you'll be terrific!" We all know that personality and charm are not going to bring you a lot of business, unless you're talking to a lot of people. The fear that brokers and managers have of telling people what to say, and what to do, overrides good common sense in business. We all know that if a person prospects they are going to be rejected. (More on that later). At the same time, we know that the ultimate rejection is *failing* due to a lack of prospecting. Second, I've come to the conclusion that if the brokers and managers do not know how to prospect, it's very difficult to convince somebody

else to do it. Without having strong scripts to back up any type of prospecting technique, it's very difficult to teach an agent to do the job. Too often brokers and managers were not successful salespeople before going into leadership positions, and therefore have a difficult time teaching a salesperson how to sell. At the same time, many brokers and managers were highly successful salespeople who prospected every day before going into management. Unfortunately, they do not know how they did what they did as salespeople ... or they don't have the skill to transfer the information that caused their success to you as a salesperson.

With this thought, what is this industry teaching people in the area of prospecting? I'm sure, as you read the following words, some of these things are going to ring true with some of you and, in some cases, you'll get mad at me and, in some cases, you'll get mad at the people who trained you and, in some cases, you'll be mad at yourself for not catching on earlier to the fact that you can't make money in the sales business without talking to people every day. So, what does this industry teach?!

There are two basic concepts being taught throughout the industry today. They are ... "waiting" for business to find you or ... "buying" business for yourself. Let me explain. "By waiting" for business, the industry teaches people to sit in an open house and wait for a perspective buyer or seller to walk in. The industry is almost adamant about the fact that it's one of the primary ways to secure business. This industry is so defensive that I've actually been banned from speaking at companies because I won't promote "waiting" for business to find them. Another example of waiting is taking floor time. I know it's hard to believe, but here we are in the year 2006 and real estate companies still request and require that salespeople sit in offices for hours on end answering the phone hoping that a buyer or seller will call based upon a sign on a property or an ad in the paper. A third method of waiting for

business is geographic farming. Here we hope that by passing out flyers that somebody is going to call us to list their home. Let's do a little "be honest" here. Why is the turnover rate in real estate so incredibly high... why is the average income so incredibly low... why is the average number of homes sold per agent so low... that nobody wants to discuss it? The answer is that real estate people are not being taught to prospect and therefore, they fail. The prospecting they are doing revolves around waiting. If you're a new licensee and you spend the next six months involved in these three activities, the odds are overwhelmingly against you. If you're an agent who has lasted three to five years by doing ten to fifteen deals a year and you decide to make your business grow, the industry is going to suggest you hold an open house and take more floor time. When you think about it, is there a more passive way besides hiding in your closet at home??! If there is, I don't know what it is, and nobody at this time is willing to share it with me.

The 1980's revved up the whole concept of "buying" business. Let's spend a major portion of our money trying to get people to call us massive advertising; mass mailings, personal promotion, all sorts of different gadgets to be given to people that vary from fly swatters to magnetized business cards. The industry has told us to spend a fortune by using all of this crap, and then somebody will call to list a home with you. Unfortunately, we've seen thousands of agents go broke because they spent all their time, energy and money trying to get business without going out and trying to find it. It's also unfortunately sad that companies and franchises again are avoiding teaching us how to become independent, successful salespeople through prospecting. One of the keys to building any business is to create profit. It's very difficult for a salesperson in real estate to create a substantial profit if they are spending from 25% to 50% of their total income trying to get somebody to call them. A recent real estate survey showed

that the average agent in California is spending \$2,000 a month on advertising, mailings and promotion. The average agent in California doesn't even make \$2,000 a month. Why are we being taught to buy business ... we already stated it above ... it's a lot easier to get you to run an ad than it is to get you to go out and prospect. The other thing that's always amazed me about advertising and promotion is that the company's name is always included, of course in all advertising and promotions. If the broker can get all the agents to spend all their money doing this type of passive prospecting the company's name looks much larger than it actually is to the public with no expense to the broker. It's almost the same as geographic farming where the agent is passing out flyers and newsletters and recipe cards for years on end with the company's name all over these materials ... and long after the agent has failed and left the industry the company name lives on. In either of these cases, there's no investment on the part of the company and certainly no training to cause the agent to succeed.

For more than thirty-one years I've been telling agents to give up waiting and buying and go out everyday and find people who want to buy and sell real estate. This has led to tens of thousands of agents taking control of their business and succeeding. I firmly believe that every one of you reading this report can have exactly the same success as the others we have worked with. Everyone of you can have outstanding success as a professional salesperson selling real estate ... everyone of you can take control of your business... everyone of you can list and sell homes at any level of production you choose ... and everyone of you can make substantial profits... so at some point through good investing, you can create an exit strategy out of the business of real estate. It's simply a matter of making up your mind that there are certain basic things you have to know ... Period.

In the sales process you have to learn to prospect, you have to learn to make strong, effective presentations and you have to learn to close or ask for the order. We know that most salespeople do not prospect because they don't know how to make a strong presentation. We also know that most salespeople can't close because they are ineffective on the presentation. So, obviously, we have to master the skill of presenting effectively. This report, however, is designed to help you find more prospects and build your business.

Salespeople who are good prospectors have a number of common characteristics. As these characteristics grow, develop and mature, the salesperson's prospecting skills become greater. Let's go through some of the common characteristics together.

A good prospector understands and applies the numbers game to the business. Most businesses are run based on numbers. Selling real estate specifically is simply a numbers game. The more people you talk to the better chance you have. If you talk to enough people each day, your chances for success increase and if you continue that process day in and day out, you will always win. In understanding the numbers game, a salesperson has to start by deciding how many contacts they want to make per day, and then track the number of contacts they make so they can analyze their percentages, which allow them to move forward in the growth of their business. Question: How many contacts per day should a salesperson make? To answer this we must first determine what the salesperson's goal is, and then determine how much of that total business will come from repeat and referrals. By subtracting the second number from the first, you know exactly how much business you have to create and develop throughout the course of the year. For example ... If the salesperson's goal is thirty transactions closed, and they can project ten of those to come from repeat and referral... they then have to create twenty transactions

during the next year. To create twenty transactions you must make twenty new contacts per day, five days a week for the year. ***This is playing the numbers game.*** Assuming the salesperson is going to make between twelve and fifteen contacts per hour, the salesperson in this example would have to prospect one and a half hours per day to achieve their goal of thirty closed transactions per year. This is an absolute foolproof system that can be used by anybody selling real estate. If you're a brand new licensee and you have no repeat and referral business, your only job for the first year is to spend as many hours per day prospecting as you can, and the balance of the day previewing property. To spend any time during the day doing anything else is a waste of your time, and is certainly not going to help you build the business that you need to continue in real estate in the years to come. As experienced agents come to us asking for advice, they always have a tremendous fear of prospecting... if they've developed their business through ***waiting*** and ***buying*** through the years. We help them overcome their fear by teaching them to handle rejection (more later) and by calling past clients and centers of influence, which allows them to make a much warmer call, and then by giving the agent a very basic script... we remove some of the fears and help them grow into the job of being a successful salesperson.

A good prospector must learn to ask questions and become a good listener. Effective selling is asking questions, listening to the answer and then preceding with the solution for the prospect you're talking with. Effective selling is not about talking people into things, it's about asking questions and leading people to a desired result. For example ... if you're calling a FSBO and you just blurt out how wonderful and great you are and how much they need you... and how good a job you can do... and how great your company is ... by the time you stop talking, you could find out you've dialed a wrong number and are talking to the wrong party. An effective salesperson would call a By Owner with a pre-

planned script of eight to ten questions that are designed to pre-qualify this prospect. The purpose of this is to find out if there is a need for a salesperson's service. To make this type of sales process work requires listening carefully to the answers that the prospect gives so you can determine what you have to do next. Listening is a critical part of the prospecting process, and one that you have to practice everyday. How do you learn to ask questions? Simple, take your present sales presentation and turn all of the sentences into questions. Write out each of the questions five to ten times a day, repeat the questions out loud and do this for months until they become part of your language and vocabulary. How do you become a better listener? Practice asking the prospect a question and then look them directly in the eye and consciously listen to each word they say. This is, many times, difficult because we're so worried about what we should say next. This may sound strange to some of you but by simply meditating ten to fifteen minutes a day you can learn to quiet the mind and become a more effective listener.

A good prospector develops awareness. The truth is that there is business everywhere, but because there is business everywhere... we don't know where to look. Developing awareness means you have your antennae up and on at all times for potential business. It does not mean that you're a walking billboard, it means that you're always in tune with the fact that business is all around you. It means your ears are listening and your eyes are open to the fact that there are potential buyers and sellers all around you. By asking a question and being very intent on listening to the answer, your antennae can pick up things that a prospect will say that can move you closer to a sale quickly.

A good prospector learns to follow up on all leads immediately. You have to have a pre-set goal for the amount of prospecting you have to do each day to achieve your production

goal. If we can get you to track not only who you are contacting, but the responses you're getting, if we can get you to track the actual number of contacts you're making and the number of leads you're generating, you're going to succeed. You have to be very careful not to fall into the trap of collecting leads. Leads have no value unless they are being called, pre-qualified and appointments are being set. This is all part of the prospecting process. To prospect and get leads and then store them and send them an occasional mailing in hopes that the people will call you back is a waste of prospecting energy. You can determine the quality of the leads you generate by the questions you ask and the answers they give you. Listen carefully to save yourself time in lead follow up. To make sure that your leads have value take all the leads you have at this time whether it be 2 or 200 and over the next several days call every lead you have and ask them two questions.

- a. Do you still have to buy/sell a home? If they say "no" throw the lead away. If they say "yes" ...
- b. Can we set an appointment for this week? If they say "yes" ... pre-qualify them as to their needs and if they say "no" ask them why?

One of the questions that has amazed me for years is simple when you say it but very complex in it's answer. The question is ... "Why don't real estate salespeople prospect everyday?" There are a lot of reasons why and let's look at them carefully because if they apply to you, you need to get through it quickly.

They don't have any specific production goals. There is an old saying in life ... *"If you don't know where you're going, any road will get you there."* If there has ever been a group of agents who have rejected what I've been teaching over the years, it's the group who sits in the audience with absolutely no idea of what's going to happen next in their business. I'll ask them this question

... “How many deals are you going to do this year?” And their answer is, “Oh, about the same as last year.” Or, what’s worse ... “As many as I can get!” If a salesperson has a specific production goal that is backed up by a specific plan, they are more driven to succeed and much more likely to go through the process of prospecting daily to accomplish the goal they’ve set. The stronger a person’s desire to achieve the goal, the more they will pay the price to achieve that goal ... in this case through prospecting.

The agent does not know what to say or does not know what to do. Think about this example. Have you ever driven by a for sale by owner and not stopped? If the answer is yes, then we ask the question, “Why?” There is always a wide variety of somewhat comical answers given to this question. One of the main reasons why agents do not stop a for sale by owner, is they do not know what to say when they get to the front door. If you don’t know what to say, you’re not going to put yourself in a position to be confronted, so therefore you drive by. Why don’t we call our past clients? Because we don’t know what to say to them in terms of following up to generate more business. Remember the old axiom ... *knowledge equals confidence and ignorance equals fear*. If you know what to say, you’ll go out and execute the job you’re facing. If you don’t know what to say, almost any excuse will do for not doing your job. Along these same lines ... the overall training in real estate does not teach an agent the specifics of what to do to generate business. Yes, they’ll teach you how to sit at an open house or teach you how to do a mailing but, too often they are not going to teach you the specifics of calling an expired listing or making contacts around a listing or sale.

Too many salespeople are completely discouraged by rejection. There have been entire books written on how to deal with rejection, and the whole process really isn’t that complicated. First of all, being told “no” by somebody you do not know, have

never spoken with before, and you'll never see again is really not a big deal! The key to success in prospecting is to see how many times you can be told "no" everyday... because if you understand the numbers we talked about earlier, you know that all those "No's" lead to a "Yes"! Better yet, if you track the numbers, you'll know exactly how many times you'll get rejected before the "yes" comes. This pretty much eliminates the problem of rejection because it now becomes part of the sales process that everyone has to go through to achieve the goals they've set. For example, for years my goal was to get ten percent of the audience to take the ideas I was teaching and go and use them. If I was speaking to five hundred people that meant that four hundred and fifty were going to reject what I was saying. It also meant that fifty people would try what we were asking of them. Think about it this way. Four hundred and fifty people everyday rejected me, what I was saying, what I was teaching and what I was asking of them. The good news is... then ten percent were the ones I was looking for. It's easy to get used to rejection if you put yourself in the position to get used to it.

We have to learn to handle acceptance. Without question, one of the major problems people face in life is learning to deal with success. I believe it's more difficult for people to handle success than it is for people to handle failure. One of the startling facts of life in selling is "if you do the amount of prospecting you're supposed to do every day with a lot of energy and enthusiasm and a good script, you're going to succeed every time PERIOD". The questions then becomes, "how often do you want to succeed?" A classic example of not being able to deal with success took place with a customer of ours who'd been working for five years at building a predictable and profitable business. This salesperson had learned the process well, knew the scripts, knew how to prospect, was good at the pre-qualifying, was able to make a strong presentation, could negotiate a contract and get

deals closed. This agent's income had grown for five straight years. She set a goal to make \$600,000 with an average commission check of approximately \$7,000 which means she was going to close around eighty-five transactions. Between January 1st and June 30th she earned \$450,000 in paid commissions and had closed nearly fifty transactions. In talking to her about the success she had achieved, there was one major crack in the armor. Within that crack there was a strong chance that if she continued on the path she was on, she would make over \$900,000 in commissions in one year. Unfortunately, for most people, that kind of success is terrifying. Between July 1st and December 31st she managed to make a little less than \$150,000 which put her right on track for her original goal of \$600,000. The whole process of this type of success was so scary that she never set goals this high again and has never attained that type of success again. How do you learn to handle success? Start by setting goals that are higher each year but goals that are not out of reach. Write out the defined benefits of achieving those goals. Use affirmations and visualizations every day to build your self-image. And, most importantly, keep spending time around people who are doing what you're trying to do so you can see the kind of habits they have so you can develop them yourself. Believe me, you are not going to prospect the way you are supposed to if you know you're going to succeed and you can't handle it. Another example of not handling success ... is to watch a amateur golfer whose handicap is "10" shoot one-over-par on the front nine, and then out of desperation to maintain their handicap, *shoot nine over par on the back nine*. Practice dealing with success so you can continue to prospect.

Learning to handle embarrassment. If you look at day to day life, people embarrass themselves all the time. They say crazy things, they do crazy things, and they make fools of themselves. All of these things are considered embarrassing by most people. As a real estate salesperson you're going to experience

embarrassing moments as you prospect. You're going to say the wrong thing, you're going to call the wrong person, you're going to forget your own name or you'll forget their name. There will be times when you're halfway through a question and you'll forget the second half of the question. These situations happen every day to everyone, and if embarrassing yourself is stopping you from building your business, then you need to find another line of work because everybody embarrasses themselves at one time or another. So, as I've taught people for years, G.O.I. ... get over it! And, more importantly, get on with your prospecting life.

Let's look at the next phase, which is "methods of prospecting". We can divide the prospecting techniques into two categories. The first category are those activities that professional salespeople use, and the second category are those of everyday, ordinary Realtors who, in most cases, will never achieve the success they want. Let's start with that group.

Passive prospecting would include holding open- houses, taking floor time, waiting for sign calls or walk ins, working a geographic farm, being a member of a civic organization, using mail outs, and/or doing extensive advertising to generate business.

In looking at these eight methods of prospecting, the challenge that an agent is faced with is not having control of the number of responses they will get based on the activity. For example, we know there are thousands of open houses being held every weekend throughout North America, and we know that tens of thousands of people wander through them. You would think then there would be tens of thousands of homes sold or at least the home that's being held open would be sold after an open house. Why are these homes not being sold? Two reasons. First the quality of prospect that walks in the door is at best... low. Second,

the salesperson is not sitting with a strong pre-qualifying script, and questioning each person that walks in the door.

If we look at each of the eight methods that we just listed, the problem remains the same. Low-quality prospects or contacts, and a lack of sufficient scripts to convert these people to appointments and listings. The most important problem with these eight methods of prospecting is ***you are waiting for somebody else to call you.*** There's no way you can succeed in real estate... by waiting.

The prospecting techniques that professional salespeople use are the following: A) Contacting your centers of influence, or as I've referred to in the past as "People Farming" B) Contacting past clients for referrals, and to move them up or down C) Contacting Expired Listings D) Contacting For Sale By Owners E) Making calls around your Listings and your Sales and F) Developing referrals from the agents who work in the office with you. You have complete access to all the scripts for each of these techniques by going to our website at: www.mikeferry.com

To build a solid business, 30-35% of your annual production should be coming from your centers of influence, and your past clients. The balance of business would then come from the other prospecting that you're doing. A professional salesperson should have an annual goal which includes 10-20% growth in their business. It's nearly impossible to have continued growth if you're not developing new business daily. One of the most common things I see among veteran salespeople, is they're getting 70-80% of their total business from centers of influence and past clients, and they're generally experiencing no growth.

Okay, now the ball is in your court... what are you planning on doing to build a predictable and profitable business? You have a variety of options, for example... you can throw this report away,

and continue on the path you're on, or you can make a commitment to refine what you're doing to an even higher level, or in some cases, if you're not presently prospecting efficiently, you can put 100% of these ideas to work and become the professional salesperson that your customers expect, and create the income you deserve.

Here's my final thought for you... ***Start prospecting now!***

~ Mike