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North America's Leading Real Estate
Coaching & Training Company

The
Real Estate
Coaching Report

By Mike Ferry

THE REAL ESTATE COACHING REPORT

The Learning Revolution ... What are They Teaching?

During the 1960's, 1970's, and throughout most of the 1980's ... learning to become a ***highly productive, profitable*** real estate agent was no easy task. Most people during this time felt that we at The Mike Ferry Organization were teaching some type of cult-like, weird or strange ... "on how to sell real estate in high volume." The sales training that was being offered to all agents was designed for new licensees, the non-productive agent or the agent who wanted to sell 15 to 25 homes per year. If you have access to any of the old training materials that were offered during these times, you know that any agent who was driven to succeed at a high level had a difficult time getting information on how to make it happen. They had a difficult time sitting through all the hours of training being offered ... looking for a single idea that they could use to propel their businesses forward. The training, in essence, was pitiful because the seminars covered topics on everything from "how to hold an open house" and give all people that walked through a pint of ice cream so that they would have to run home and not go to another open house, to "how to pass out pumpkins" in your farm. The training at the time was a joke to anybody that wanted to be a top producer.

Outside of an occasional "top agent panel" at the NAR® conference or one being done at a state convention, there was very

little exposure to the top-producing agents. There were simply very few places an agent could go to learn not only “how” to become highly productive but also to meet those agents who were highly productive.

During these times, the agents who were hurt the most were the ones who had the desire or passion to become highly productive. At the same time ... if you were a top producer the industry did not offer a place for you to go and keep learning, growing and adding to your arsenal of skills, so your production could continue to grow.

Think about it this way ... the top agents were being hurt as much as the new agents in terms of learning and growing. At the same time profits for owners were depressed because the training was actually keeping production down. Yes ... the commissions paid to agents were lower, but it really did not matter because production was lower.

In 1975 the agents who were selling 50+ homes a year, were few and far between. In talking to these agents ... they felt like a small island in the Pacific ... isolated and alone in how they thought and in how they behaved. They felt this way because they were the odd person in the office, the one that everyone else thought was somewhat strange ... and agents and owners would always question them as to why they wanted to do such big volume.

The sales training process at the time was quite simple. Attend the company training (if it was offered), go to your local Board of Realtors for a “*weekly*” or “*weakly*” session, or go to the

state convention, attend the NAR® convention and occasionally a speaker would show up in town and do a three to six hour seminar. That was it for the training of the 1960's and 1970's. When you attended these meetings, you were taught two hour Listing Presentations, to drive unqualified buyers around for days; non-productive and non-aggressive prospecting techniques ... all of which kept production down. I don't know if the industry did not know what to teach agents or they were simply afraid to teach you ... but the results were the same ... high turnover, low per person production and a lot of failure.

In the mid to late 1970's Tom Hopkins ramped up the training seminar business by taking his three-day listing/selling seminars all over North America. At the time, Tom was teaching a lot of the traditional techniques ... for example, open houses, farming and handling floor time. Tom made it fun and exciting for the agents to learn the techniques he was teaching. This was a great, new venue for agents to learn technique on "how to sell" real estate, and agents all over North America attended Tom's seminars ... the need was there ... you still had to meet the need of top producing agents.

In the mid 1970's I started doing seminars that "broke the mold". I talked every day about prospecting, but took the aggressive slant of cold telephone calls, cold doors, For Sale By Owners, expireds, past clients and centers of influence. We talked about getting rid of buyers and spending all of your time trying to list properties. We taught agents how to make a presentation to a seller in 20 minutes or less. And, it was interesting because by the mid 1980's I had been banned from NAR®, Century 21, Prudential, Coldwell Banker, ERA, and most of the state

conventions because I was “breaking traditions” and way too “controversial” for the industry.

The competition, which had grown dramatically by the early 1980’s, was still teaching the old traditional stuff. The advantage the agents had at that time was there were five or six speakers all offering a new twist on how to hold an open house. The other advantage of course, was the advent of cassettes and videos for those who really wanted to master the art of floor time. Now, they could learn after hours or at home.

In the early 1980’s Floyd Wickman and I started the first of what was called “space learning programs” ... go to class, learn a skill, go out for five or six days and use the skills in the field and report back to class with your results. These seminars were running 6 to 12 weeks and gave the agents a new way to learn. The problem still existed; I was still trying to break the mold and get agents to think about what was required to sell 50, 75 or 100+ homes a year, and believe me when I say I was fighting an uphill battle.

The Top Agent Revolution

The agents who were “not winning” at this time were still the top-producing agents ... because the majority of the training was still being aimed at the new licensee and the low producers. It is hard to believe that in the mid 1980’s you could still go to seminars on farming, open houses and floor time. The top producers, people like you, were simply not interested and had no place to ***go and grow***.

Every day as I did seminars throughout North America the comments came in fast and furious ... *why aren't there programs just for us ... why don't we have seminars that teach advanced sales skills ... why doesn't someone do something to keep us growing ... I don't want to farm ... I want to build a large, profitable business ... I want to go from 50 to 150 deals in the next three years ... how do I do it?* The time was right for something new.

The Superstar Retreat

In 1985 we took the plunge and did a program just for top producing agents and those agents that were open-minded and had the desire to build their business. Top producers throughout North America had been attending my seminars for years and were intrigued by the “business/sales” concepts that we kept talking about ... and they wanted more and let me know. There were thousands of agents who had the same desire to move ahead in terms of production and profit and we decided to provide a forum for them to learn, meet each other and grow.

The first Retreat in 1985 had 200 attendees and we lost about \$75,000 putting on the event. The theme was “Creating a 6 Figure Income” or what do you need to know to earn a minimum of \$100,000 every year and move up from there? The first few Retreats were a financial failure for the company but a financial windfall for the agents who vowed to do whatever it took to accomplish everything we taught. The biggest problems these agents faced was they would go back to their offices and they were

shunned by the brokers and the agents and in many cases were told to simply not do what Mike Ferry teaches. **“We knew we were on to something”**.

The Retreats by the early 1990’s grew to the point that we had to do two, one on the East Coast and one on the West Coast and the attendance for the two Retreats grew to over 4,000 agents.

During the 1990 SSR I became frustrated because for two days we had been discussing hundreds of ideas on how to become more productive and profitable and most importantly, how to build a sales business that would continue to grow...but something was missing. During the third day of the Retreat my frustration came out when I said to the audience ... “what I should do is call every one of you once a week and remind you of what you are suppose to be doing and charge you \$5,000 a year for the experience and I’ll keep calling you until you get it”. My belief was you stay with these ideas until they become a part of your subconscious mind; then you will be able to make them work for you daily.

During the 30-minute break that followed nearly 350 agents gave me their card and said, “when do we start”? Five months later we introduced the first real estate coaching program ... it was called Business Planning. Business Planning was quite simple, we called the agent every two weeks, sold them on themselves, gave them sales ideas to use, gave them a homework assignment, and then we worked to hold them accountable until the last week of conversation. The charge was \$1,500 per year and within 18 months we had nearly 1,000 people involved in our programs.

Coaching ... It's a New Concept ... Correct?

Wrong! If you look at other businesses ... coaching has been around forever and in most cases it was not even called coaching. It was called training, consulting, counseling, mentoring, and it has always been a proven method in helping people in various jobs and professions move forward and grow. Businesses have always used outside influences, consultants, boards of directors and advisory boards as ways of bringing new ideas in and taking additional actions inside their business. The only industry that has avoided this concept for years has been of course our own ... *real estate*. If we look at another type of business that we call sports, which is a major business throughout the world today, coaching was never an option; it was simply part of the system you were involved in. In any type of organized sport whether it be amateur or professional 100% of the participants used coaching not only as a means of learning and growing ... but as a method of staying on track to achieve the goals either set by the individual or the team. In the 50's and 60's as sports coaches created even more impact within the sporting industry, we saw that the coaches were many times the critical factor between winning and losing. It wasn't long before the coaches started getting the same recognition and in many cases the same type of pay as individual sport stars they were coaching.

Lombardi became one of the first modern era coaches to gain both fame and fortune by leading his team to world championships. Since that time, the study and understanding of what coaches do has expanded, been picked apart, dissected and looked at by everybody. Sports coaches have not only become consultants and leaders but their coaching advice is hired and used by businesses everywhere. Today individuals in sports also take

advantage of having personal coaches whether they are a track star, a tennis star or a golf star like Tiger Woods.

So what exactly do these sports/business coaches do for the teams or individuals they are involved with? The answer is very simple ... they teach, remind, monitor, and hold people accountable to the goals that have been set.

The coach teaches the skills of what we would call the basic tools required to do that job daily. They assist an individual in not only maintaining a level of confidence, but also they work on the skills required to go to the next level of performance. Whether you are doing 10 deals a year, 50 or 100 deals a year, a real estate coach will work with you on the skills required to help you attain the highest level of production possible.

The coach monitors performance so the proper adjustments can be made in order for the individual to stay on track and either continue to win or start winning. By watching and listening, a coach can check which skills are lacking or which skills need to be developed. This is part of the monitoring process.

The coach also holds the individual accountable to the goals that have been set. This way progress can be charted and the proper adjustments made in relationship to the skills.

The truth is coaching has been around forever whether it be the mother/father teaching the child how to tie their shoes or the schoolteacher teaching students math. Obviously it can also be a coach with a team or the boss with an employee who is learning to do their job a little better. “Coaching has always been a critical

part of the learning process.” The more open-minded the individual is to learning and growing the better the coach will be at coaching and the better the results will be.

Does Coaching Work 100% of the Time?

No! And there are a number of very valid reasons why it does not work 100% of the time. Let’s look at a few of these reasons.

1. A poor attitude by either the individual or the coach. We have all witnessed what a poor attitude can do to performance or what the poor attitude of the coach can do to the attitude of the team. We also know that very few things are as powerful as either a positive or negative attitude toward something or somebody. We know for a fact that a positive, constructive attitude can lead a team, a company or an individual to greatness and success. We also know that a negative attitude can destroy not only the potential that an individual has, but it can also cause a person to come crashing down very quickly. If it is true that “we become what we think about most of the time”, then letting a poor/negative attitude creep into our day-to-day thinking only causes harm and will not allow the coaching to work for us.
2. A lack of clearly defined goals and objectives ... will cause coaching not to work or to fail quickly. This could be the fault of the coach for not assisting in the setting of these goals or the fault of the individual for not setting the goals to start. Also, when an individual stops selling himself or

herself on achieving the goals and the benefits of the activities involved in achieving the goals the system breaks down. A clearly defined objective not only defines where we are going, but also what we have to do to get there.

If you accept this definition of success ... “it is progressive realization of a worthwhile goal or objective” then we must also accept the fact that a lack of goals could mean you are on your way to failure. The coach or the individual that does not understand the importance of these ideas is doomed to failure or, at best, mediocrity.

3. A lack of skills or the wrong skills being taught daily. If a person has a defined goal, then they will need certain skills to keep them on track to achieve those goals. If the coach does not have the ability to teach the required skills, or what is worse, does not know the required skills ... the chances for achievement are diminished if not completely gone. At the same time, if the coach identifies the skills required and the individual does not take the time to learn these skills, the chances for great advancement are slim.

4. A lack of practice time ... or as the master sergeant in the Army would say ... practice, drill and rehearse. The individual must practice until the attitudes, activities, and skills become part of the subconscious mind or what many times is referred to as muscle memory. A coach who does not require strict practice routines is going to fail. When they fail they also will cause failure in the individual. Selling yourself is another aspect of what separates the amateur from the professional and selling yourself on the importance of

practice is a huge part of the process. Curtis Strange ... two time U.S. Open Golf Champion, said, “A professional golfer finishes a round of golf and then goes to practice for 30 to 60 minutes to work on their skills ... the amateur completes a round of golf and goes to the restaurant or the bar.”
Interesting, isn't it?

5. Complacency ... the terrible disease that keeps us from growing or moving forward. Being satisfied with the status quo is the easiest way to eliminate growth from anything you are doing in life. Complacency is an absolute killer to growth, learning and development ... and as importantly, winning. The coach's job is to identify if complacency exists and then develop a plan to overcome it. Again the coach has to have the skills to recognize complacency and the ability to shake the individual out of that state ... it is many times difficult but it has to be done.
6. An uncontrolled ego. Talk about an easy way to not only keep yourself from not growing and moving forward ... but also an easy way to spend your way to failure. When the ego is out of control, the individual is spending the majority of their time thinking about themselves and nobody else. If either the coach or the individual has an uncontrolled ego they will soon be self-destructing and they must focus on the reality of their self-importance if they expect to grow.

As you can see there are a number of very specific reasons why coaching does not work. Each of us must look at this list carefully

and identify if any of these are holding us back and if they are ... work daily to remove them from our lives.

One-on-One Coaching & The Mike Ferry Sales System Training

From 1990 to the present, we have been doing coaching very successfully. There have been nearly 20,000 people who have been involved in our coaching programs and the results have varied from “OK to incredible.” Like any other coaching relationship it takes a lot of hard work, effort and an open mind, and a great attitude to make the process work.

We have assisted thousands of agents achieve production standards that they never believed were possible ... and profits they had never seen before. Through this coaching the agents have been able to set specific goals, develop the skills required to achieve these goals and as importantly keep their minds open to the feedback required to make the necessary changes. We have seen agents over a two year period of time grow from 25 transactions to over 100 closed transactions. We have seen brand new licensees close 20 to 25 transactions their first year. The list of success stories is very long. We have also had plenty of agents who have failed or did not get the results they wanted ... for two very specific reasons.

First ... they were looking for magic answers, formulas, or a magic pill to swallow that would solve their production, attitude or skill problem. Business Planning coaching is not going to provide the magic answer that most people want. Clear thinking and hard

work will solve almost every agent's production problem. If an individual can accept the fact that there are no magic answers and ***“they can accept the fact that the coaching will work”*** they can progress the way they want. The agents who are looking for magic answers are usually in and out of the coaching program within 90 to 120 days.

Second ... they failed to understand the commitment of time that is required. It takes a lot of hard work and time to change one's behavior or to change one's habits. It took a long time to get you to the point you are at today and it will take a long time to get you to the next level ... you must understand this principle. For example, during your time in real estate you may have never developed good prospecting habits. When you start your coaching and training and we work with you on learning some scripts and calling people you are not comfortable with, you try the ideas the first couple of weeks and if they don't get you phenomenal results ... you get discouraged and start looking for another magic formula. Have you ever joined a health club only to discover that going three times a week for two weeks does not change how you look, your weight or your muscle tone? ***It takes time!***

What can you learn from these two points?

Aren't we simply looking at a lack of commitment and a lack of time spent? If you give me 18 to 24 months, we can make you into a highly productive, organized, skilled real estate sales agent

who is capable of achieving any real estate production goals that you set. If this is of interest to you, I want you to answer the following questions now.

1. *Do you really want to achieve more in this business than you already are?*
2. *Are you willing to look carefully at the level of skills you presently have?*
3. *Are you open to other ways of doing business besides the one you are presently using?*
4. *Are you willing to practice, drill and rehearse on a regular basis?*
5. *Are you willing to spend the next 18 to 24 months peeling away some of the habits you presently have and start replacing them with proven, productive ones?*

“If the answers to any of these questions is yes ... coaching is for you.”

Free Coaching Now

In April of 1996, Diane Mazzaccio, an existing client of ours, walked into my office and requested a new coach ... me. I was flattered that she thought I could do a better job than her current coach. I told her “I’ll do it but the cost will not be \$1,500 per year (like the program she was currently enrolled in with us,) but

\$1,000 per month and you will have to stay with me for at least one year.” She said OK and wrote me a check for \$12,000 for one year of coaching and we started the next day. Here is what I told her we would do ... “we will talk once a week for 30 minutes, you have to do everything I say, you have to keep track of all of your activities and you have to attend as many of our seminars as you can ... and you can attend at no charge”. Diane had done 9 transactions the previous year and within three years was closing 70+ transactions and believe me when I say that her life has changed dramatically ... for the better!

Let’s pretend for a minute that you are Diane and let me take you through exactly what we did during her first 12 weeks of coaching or her first 12 calls.

Week 1 ... go through every lead that you have (she had 250 to 300 old, tired By Owner/Expired leads) and ask every one of them for an appointment. Anybody that says no ... throw them away. Tell me next week how many appointments you have set and how many leads you have thrown away. She set approximately 20 appointments in her first three weeks and threw away approximately 150 old leads.

Week 2 ... keep calling the leads that you have, keep asking for appointments, keep throwing away the dead ones and go on as many listing appointments as you can. On the appointment, just read the script we gave you for listings and talk to the people as comfortably as you can and ask them to sign.

Week 3 ... tell me the exact results you are getting and the exact responses you are getting while on these appointments.

Diane, you must keep track of everything that you do and most importantly the numbers involved in your business. We discussed the numbers she had to track and although her numbers were good, her results were bad ... she made the decision not to be discouraged.

Week 4 ... give me your numbers and your results. She had gone on 20 Listing Appointments in three weeks and taken “0” listings. My response was “Great”. Now you have the lead mess cleaned up and you know the value of a different listing presentation versus the one you have been using, go start working on our listing presentation now and we will start with the pre-qualifying process.

Week 5 ... let’s keep working on the pre-qualifying questions and we are going to start a simple prospecting program to replace the leads you have burned through. Start developing your COI file and your Past Client file and start reading the scripts For Sale By Owner and Expired. Again we talked about the importance of tracking the numbers.

Week 6 ... we worked on who she had been prospecting to and what she was saying to them. We practiced the various prospecting scripts to get her more comfortable with the process and we found her several role-play partners to work with. We talked a lot about the importance of canned presentations and this made sense to Diane. (You can go right now to www.mikeferry.com and download all the scripts that Diane was using for free ... go ahead).

Week 7 ... we worked hard on the listing presentation, why she had to follow the scripts exactly and we started role-playing the scripts. We also discussed her prospecting results, which she was not terribly happy with; this is because she was failing to follow the scripts.

Week 8 ... we discussed the common objections she was getting from the sellers she was talking to and looked carefully at what she was saying and to see what changes had to be made. We worked on all phases of handling objections from her body language to the smile on her face to her voice modulation to the exact words she was using in handling objections.

Week 9 ... we discussed in-depth the importance of practice with the emphasis on role-playing the scripts everyday. I now had 12 people I was coaching just like Diane and we grouped them together for daily practice sessions. How did I get to 12 people that I was coaching so quickly ... I don't know, they just heard about what I was doing, called and wanted to get involved.

Week 10 ... we worked real hard on her daily schedule because we both recognized that like most agents, she was being pulled around by customers, prospects and problems. She was prospecting every day now, generating some leads and had done a few deals so the administrative time was growing and she was still going on a lot of appointments. So because of a lack of schedule, she was becoming very frenzied.

Week 11 ... we set some specific production goals for the balance of that year and started working on writing a very basic Business Plan that would prepare her for the year of 1997.

Week 12 ... we completed the Business Plan and went right back to week 1 of this 12-week process and started over. Diane completed 15 transactions between June and December of 1996 which was more than she had done the previous two years together. Question ... does coaching work? Ask Diane or Karen Bernardi or Greg Neumann or Marty Rodrigues or any of the thousands of others who have been involved in our Business Planning or One-on-One Coaching services ... it works and Diane is still involved today getting better results. During her first four years of our coaching, Diane has invested \$1,000 a month or \$48,000 in fees and earned nearly \$2 million dollars in income. I guess it is a pretty good return on her investment, isn't it?

You Just Saved \$3,000

Diane paid \$3,000 for what I just gave you free. Let's see how good you really are; let's see how badly you want to build your production and profitability. All you have to do is go back a couple of pages, start on Week 1 and do exactly what I told Diane she had to do. Call all of your leads and ask them for an appointment, if they say OK, set one for this week. If they say no, throw it away because it was not a lead, just a simple piece of paper that is getting in the way of you becoming more successful in real estate.

What's Missing?

The coach ... the person who is going to teach you, monitor

your activities, and hold you accountable. Can you do this on your own ... of course ... it's just faster and more efficient with a coach.

Are There A Lot of Coaching Companies Out There?

In 1990 there was only one coaching company in the industry and that was The Mike Ferry Organization. Today like any good idea, we have a lot of people trying to copy what we do. The coaching companies are either the speakers, who are trying to find a way to get away from speaking so much and create a residual income or the coaches who work for us who have made the decision to go out on their own.

According to reliable sources, we have the largest coaching company in North America today. Because of that, the competition uses our size to try and market against us. I have developed a series of questions that I would like you to ask anybody you talk to about having them coach you. We at The Mike Ferry Organization and all of our 50 coaches will gladly answer all of these questions upon request. I know you will like the answers we give you and I also know you won't be enchanted with the answers you get from most of our competitors. Here are the questions I want you to ask:

1. How long have you been selling real estate, owning or managing a company?
2. How long have you been involved as a full-time coach?
3. How long has the company you are associated with been doing this type of coaching?

4. What is the coaching process that you follow?
5. How many people have you coached and how many are in your schedule at this time?
6. What is your coaching track record? Give me the names of people you have been coaching so I can see the results. How many coaching calls have you done?
7. What additional services do you provide to support the coaching I receive?
8. Who are your personal coaches, how much time do I spend with them and what is the cost?
9. What are you doing to improve the coaching process as the market changes?
10. What type of training are you receiving as a coach and who is specifically training you at this time?

If you are going to get involved in coaching you are going to want the answers to these questions. As I stated earlier ... we have the answers.

Do I Need Coaching At This Time?

I don't really know if you do or not. Think about the following question ... where is your production today and is it where you want it to be? How about the same with profitability? Are you generating new business every day? Do you have a detailed Business Plan that you are working from? Are you working more than 60 hours a week, more than 6 days a week?

Again, I do not know if you need coaching, but I do know if you have an intense desire to succeed and grow, coaching will work for you. At a seminar one day an agent stood up and said, "Does your program work?" I responded by saying, "Do you?" It's always up to you ... isn't it? I know our Mike Ferry Sales System Training or One-on-One coaching will work for you and I would strongly suggest that you either call our office at (800) 448-4823 or you go to our website at www.mikeferry.com and get involved with our company as soon as possible. I don't want you to call me or e-mail me and ask me if this program will work for you because I have been coached to say, "Yes ... do you want to join the Mike Ferry Sales System Training or One-on-One coaching ... and by the way, can I have your credit card number please?"

Have a great year. Hope to see you soon.

Mike