

The Millionaire Real Estate Agent
By: Gary Keller with Dave Jenks and Jay Papasan

Pound for pound, word for word, this is the greatest real estate agent success book ever written!

I still remember when the book came out back in 2004. The business model laid out in the book is still for the most part applicable today.

The biggest difference between Gary Keller's philosophy and mine, is that I'm not a fan of cold calling. And Gary advocates hours of cold calling every single day.

My business has been built around marketing, one to many message delivery. In the form of postcards, newsletters, greeting cards, direct mail, email, videos, etc.

Would you believe that last year my team and I sold 468 homes, and I made exactly ZERO COLD CALLS!

Anyway, enjoy the book notes... all twenty nine pages worth!

Book Notes:

In life, the size of our answers is determined by the size of our questions.

Small goals tend to place limits on our potential, and that Big Goals have a tendency to pull us right through the small goals on the way to attaining the big ones. It's a;; about what you are focused on. What happens is that we tend to slow down once our goals are within reach.

In the end your business and your life ultimately reflect the goals you pursue.

Think big, act bold, and you'll live a larger life.

The greatest thing in this world is not so much where we are, but in what direction we are moving.

Success is less complicated than most people make it.

Plans are only good intentions unless they immediately degenerate into hard work.

I must create a system or be enslaved by another man's

Unlimited Power by Anthony Robbins

success leaves clues

Professional modelers - people who have mastered the art of learning everything they can by following other people's experience rather than their own.

The truth is that when you add creativity to a practiced and proven model, you will always have a much greater chance of achieving your highest possible results.

Natural ability can take us only so far. No matter how gifted we may be, each of us will eventually hit our own ceiling of achievement.

"When I hit that ceiling of achievement - whether it is low or high - how will I break through?"

The last finish line lay at three core issues that support our model - Leads, Listings, and Leverage.

Until you have enough leads (to meet or exceed your goals), there is no other issue. Everyone has two jobs - their chosen profession and lead generation.

A highly productive individual can personally obtain fifteen to twenty-five seller listings per month.

Our research shows that one listing properly marketed should generate enough leads to produce a minimum of one closed buyer.

The truth is that time does not always translate into money. Those who work the longest hours are not always those who make the most money.

The ultimate key to tilting the money/time ratio in your favor will be leverage. Leverage can be divided into three categories: people, systems, and tools.

Leads, Listings, and Leverage are the pillars of any successful real estate sales business.

The Millionaire Real Estate Agent should progress through these four stages: Think a Million, Earn a Million, Net a Million, and Receive a Million.

If you don't achieve the goals of one level, you'll find your sales career probably won't progress to the next.

People who push themselves to their limits make peace with their limitations and avoid regrets at the end of the day and at the end of their life. It's the difference between being able to say, "I'm glad I did" versus "I wish I had."

Failure is not the worst thing in the world. The very worst is not to try at all"

Maximizing your potential is simply about trying and trying and never giving up.

The first one to overcome this Myth Understanding enjoys a distinct advantage in his marketplace.

Try to see time and effort first as an efficiency and effectiveness issue. Do the best you can with the time you devote to your business, and when that takes you as far as it can, you then have a leverage issue. When time and effort take you as far as they can, then you add leverage to progress to the next level.

Myth: Activity means productivity.

Truth: You can be active without being productive.

Myth: I have time.

Truth: You have no idea how much time you have, so make every minute count!

The more successful you become, the more (not less) freedom you enjoy.

If you hold your costs accountable for corresponding incremental results - if you stay engaged after you write the check and evaluate the direct results of writing that check before writing more - you can greatly minimize your risks.

Here is how it works: Once you have a green light, you increase your expenses by an appropriate amount to accomplish a corresponding goal. Now that you've increased your expenses, you must hold that incremental increase accountable to deliver an incremental increase in income! You're now sitting at a red light. And you'll continue to sit there with no increase in your spending until you see the appropriate incremental increase in your income. Once an acceptable incremental increase shows up for that level of spending, the light turns from red to green, and you are now free to add another incremental increase in spending.

To reach your highest sales potential, you will have to learn to delegate responsibilities and authority to others.

Whatever services you provide, can be duplicated through the right people implementing systems to achieve standards you approve.

The interesting truth is when you systematize services to a define standard so others can deliver them, your clients actually get better service.

You cannot fail unless you quit.

“Let me tell you the secret that has led me to my goal. My strength lies solely in my tenacity.”

People are succeeding at high levels, and so can you.

When you're looking to change your habits, you need to be more precise and a little more on purpose.

The Big Why is that having a purpose, a mission, or a need, that in turn gives you focus.

"Good is the enemy of great... Few people attain great lives, in large part because it is just so easy to settle for a good life.

Make "being your best" and "doing the best" the point of everything you do, to make it your Big Why.

The power behind having Big Goals is really about the power of acquiring Big Habits by beginning with the end in mind. The professional habits you build will either empower or restrict you. What you must understand is that your habits will either serve as an empowering platform for the next level of your success or as a restricting box trapping you inside your current level. Big Goals are about reaching for your true potential. By focusing on Big Goals, you will be focusing on developing Big Habits that will always be appropriate to achieving your highest levels of success.

To become your very best, you will have to Think Big and have Big Models.

It takes, on average, about \$80 million in closed volume to Net a Million.

Adopt Big Goals, Big Models, and then start building the Big Habits that will support them.

There are three stages of possibility thinking that people can either get stuck in or go through: (1) Nothing is possible, (2) Something is possible, (3) Anything is possible.

"If I want it, what must happen for me to get it?"

Possibility thinking, when combined with appropriate action, pushes you not only into the realm of possibilities but beyond into the ultimate achievement realm of probabilities.

"shut up, get up, and giddy up."

"There is not failure. You win or you learn. Either one is okay."

"The only time you can't afford to fail is the last time you try."

Think Progress, the more you try, the better your odds at succeeding.

Persistence and repetition will eventually yield tremendous results.

Progress is important and is usually achieved by the person who makes the most attempts.

Think Competitively and Strategically. Start where the rules stop and challenge your competition to “catch you, catch you if you can!”

Standards are about defining levels of performance and then holding yourself and others accountable to meeting or exceeding those levels.

“High intention” deserves “high attention!” “inspect what you expect!”

Functionary

1. Low Level
2. Low Relationship
3. Assumes Little Responsibility
4. Uses Low Skill
5. Records Information
6. Responds to Needs
7. Process Data
8. Narrow Picture Viewpoint
9. Delivers Information
10. Other-Directed
11. Minimum Legal Responsibility
12. Employee
13. Does the Talk
14. Tells and Sells
15. Stays out of Decision Making
16. Follows Rules and Procedures
17. Replaceable
18. Minimally Paid

Fiduciary

1. High Level
2. High Relationship
3. Accepts High Responsibility
4. Masters High Skill
5. Perceives Information
6. Anticipates Needs
7. Interprets Data
8. Big Picture Viewpoint
9. Advises and Consults
10. Self-Directed
11. Maximum Legal Responsibility
12. Partner
13. Owns the Result
14. Educates and Guides
15. Involved in Decision-Making
16. Uses Judgment and Intuition
17. Irreplaceable
18. Highly Paid

Fiduciary service is the highest quality of service you can provide any buyer or seller with whom you work.

80 percent of our results will come from 20 percent of our actions.

Doing a lot of things is never a substitute for doing the right things.

Nothing else about our business will have as big an impact on it as the number of leads you have.

If you actively and systematically focus on Lead Generating through direct prospecting and marketing activities, you will always be doing the best you can. In the battle of Lead Generating vs Lead Receiving, Lead Generating always wins.

“Do you have enough leads that if you close them properly you’d be reaching your goals?” If they answer yes, then it would seem that they have a conversion problem. If they answer no, I tell them to put everything else on hold and go get more leads.

Seller listing are critical to your ability to build it to its highest level with the lowest costs and highest net.

“Listings make the business, and signs are our best source of leads.”

One well-marketed listing will generate one serious buyer who buys.

Buyers present many fewer (if any) marketing opportunities.

There is simply too much upside to the listings business not to focus on listings first.

There are so many great reasons to devote all of your time and effort to taking and marketing listings.

If you focus on the first two L’s and do a great job, you will eventually have no choice but to either make less money or jump into becoming leveraged. An effective focus on leads and seller listings eventually brings you to a point where you have more business than you can possibly handle alone and will create the opportunity to start focusing on leverage.

Leverage answers three key questions in your business:

1. Who is going to do it? People
2. How will they do it? Systems
3. What will they do it with? Tools

It is crucial that you avoid settling for people who merely fill gaps and who do not have the capacity to grow.

“Once you’ve experienced great, good just isn’t good enough.”

When you look for people leverage to help with the administrative side of your business, do not underestimate the importance of this first hire. We’ve found that great administrators have the ability to run a real estate business and may eventually become the person who takes your place when you move on to Receive a Million. Why? Because they are not real estate agents themselves, their ambitions should not run counter to your own.

So your first step to leverage will be administrative help who will eventually help create and implement systems. Systems are simply the repeatable processes that allow us to duplicate magnificent results easily.

Only after you have great administrative help (who in turn bring systems and tools), and they have helped grow your business to a point where there are more clients than you can handle, do you begin the process of hiring real estate salespeople leverage. Buyer assistants come first (probably in the form of a showing assistant who matures into a full-fledged buyer assistant), and much, much later a listings specialist.

“You have to track your numbers!”

You and everyone on your team need to know your key numbers at all times! You simply cannot run a business properly without tracking expenses and the results you net from your efforts.

So you'll need to track numbers and set goals in key categories. There are two sets of numbers the Millionaire Real Estate Agent is always aware of:

1. goal numbers
2. actual numbers

The Eight Goal Categories of the Millionaire Real Estate Agent

1. Leads Generated
2. Listings
3. Contracts Written
4. Contracts Closed
5. Money
6. People
7. Systems/Tools
8. Personal Education

For each of these eight categories, you should set “someday”, three-year, one-year, one-month, and one-week goals.

1. How many leads must I generate this year? this month? this week? to be on track for my three-year and “someday” goals?
2. How many listings must I take this year? this month? this week? to be on track for my three-year and “someday” goals?
3. How many contracts must I write this year? this month? this week? to be on track for my three-year and “someday” goals?
4. How many contracts must I close this year? this month? this week? to be on track for my three-year and “someday” goals? And so forth.

You really have to work at setting goals.

“I run it like a business. I track all my numbers on a big board in my office”

Leads are the most important number you need to know. You must know how many leads you must generate to meet your other goals. Every time you receive an e-mail, or your phone rings and it's business, you should be keeping a record of how many leads you're receiving.

One of the most important things you can learn from tracking your leads is the conversion rates for you and your staff. You'll be working to get at two key conversion rates:

1. Conversion rate for converting calls into buyer appointments
2. Conversion rate for converting call into seller appointments

The ultimate goal is for you to be able reliably to predict the number of leads you will need to generate in order to meet any production goal.

Your entire business model should be built around obtaining a certain number of seller listing each month and year. Seller listings, as we have mentioned, are the high-leverage, maximum-earning opportunity in this industry.

If you choose to track only two areas of your business, track your leads and your listings.

Here is what you need to know about your sales contracts written:

1. Number of units written
2. Total volume written
3. Gross income written

The best practice is also to track how many of your contacts written were listings and how many were buyers.

To properly set goals for and track sales contracts closed, you need to know:

1. Number of units closed
2. Total volume closed
3. Gross income closed

You'll also want to keep track of how many of your contracts closed were listings and how many were buyers.

The big money issues to track are:

1. Gross closed income - How much money did we make?
2. Budget - How much money did we spend?
3. Net income - How much money did we earn as profit?
4. Agent compensation - How much do I (the agent) personally get to take home?

People are the first and most important type of leverage you bring to your sales business. The three key areas you will always have to address regarding your people are:

1. Recruiting - What people needs do I have?
 - a. Who do I need and what do I need them to do?
 - b. Where will I find them?
2. Training - What training needs do I have?
 - a. Now that I have someone, how and when will I teach them what to do and how to do it well?
3. Consulting - What performance or accountability issues do I have?
 - a. Now that my people are in the job and trained, what/how/when will they be supported and held accountable so they can excel?

After people, systems and tools make up the remainder of leverage. Systems are about documenting your methods. The job description is an extremely important tool for establishing your standards for performance and behavior on the front end. The systems/tools goal category manifest itself as the following questions:

- What new systems or tools do we need to add?
- What current systems or tools do we need to improve or upgrade?

Millionaire Real Estate Agents are always focused on personal development. There is always an ongoing need to improve your understanding of the key areas of your business.

The Nine Ways a Millionaire Real Estate Agent Thinks:

- Think Powered by a Big Why
- Think Big Goals and Big Models
- Think Possibilities
- Think Action
- Think Without Fear
- Think Progress
- Think Competitively and Strategically
- Think Standards
- Think Service

There is both an art and a science to achieving your highest potential in your real estate sales career. The art is the motivation and inspiration.

Models are very important tools to help us achieve our goals. Models matter, and the right models matter most.

Millionaire Real Estate Agents is that they all seem to follow four key models: an Economic Model, a Lead-Generation Model, a Budget Model, and an Organizational Model.

1. The Economic Model:
 - a. Know What Numbers You Must Hit
 - b. Focus on Appointments
 - c. Focus on Conversations

2. The Lead-Generation Model
 - a. Prospect and Market
 - b. Set Up a Database and Systematically Market to It
 - c. Focus on Seller Listings Taken

3. The Budget Model
 - a. Lead with Revenue
 - b. Play Red Light, Green Light
 - c. Stick to the Budget

4. The Organizational Model
 - a. When Doing All You Can Do, Hire Administrative Help
 - b. Hire Talent
 - c. Train and Consult

To achieve the amount of net income you desire, you will need to generate X number of leads, spend X amount of money in specific areas to support those efforts, and hire X number of people to service it all.

“Don’t Just Think Like a Business - Become One!”

Earn and net a million in annual income. We believe that the best houses and the best businesses get built from clear blueprints, solid foundations, and proven frameworks.

“One learns through experience, and if not from experience, from those with experience.”

Proves that following the right models can have really big rewards.

Economic Model should do three basic things for you:

1. Show you where your money comes from (gross revenue)
2. Show you where your money goes (expenses)
3. Show you how much is left for you (net income)

First, you need to focus on knowing the key numbers you must hit. Then you’ll have to focus on the number of appointments you must make, the driving numbers in your Economic Model, and the conversion rates you must achieve, the key variable in the equation.

The greatest thing your Economic Model will tell you is what numbers you must hit in order to net the income you want to receive.

Focus on Appointments. Pure and simple, if you don't have the appointments, nothing else happens. Appointments drive income. So target appointments first, get as many as you need, and go on from there.

Your economic model hammers home that you must focus on getting appointments to have any chance at all of earning income.

Appointments converted to seller and buyer listings converted to sales equals gross income. Conversion rates are the key variables in your income equation. Converting leads to appointments and converting appointments to listings are huge drivers of your economic success. They are both accomplished by a skilled presentation with a firm grasp of scripts and dialogues. If you can't make a convincing presentation, deliver purposeful scripts, or engage in effective dialogues, you won't be very successful, no matter how many leads you may have. Make no mistake, mastering your presentations, scripts, and dialogues is what will drive your conversion ratios.

"We've discovered that the more we master our scripts and dialogues, the better our conversion rates are."

You can never have enough good leads. Never..

According to NAR research, 76 percent of all sellers contacted only one agent and 16 percent contacted just two. 59 percent of all buyers interviewed only one agent and 22 percent met with just two! "mind share" for real estate agents is slim to none. Roughly 86.5 percent of all buyers and sellers seem to have room in their minds for only one or two real estate agents.

"the quality is in the quantity." Whereas most real estate agents do modest lead generation and get modest results, a few do massive lead generation and reap massive rewards. They are the Millionaire Real Estate Agents.

Effective lead generation, you need to be systematic (frequency and consistency) and go for sheer volume.

There are three key areas in your Lead-Generation Model. First, there is the prospecting and marketing aspect, where you generate leads and move them into your inner circles. Second, there is the work to set up your database to generate new, repeat, and referral business.

The goal of your "achieve big" lead-generation program is twofold: to generate leads and to build stronger relationships for future business.

Your Strategy - Generate Leads and Move People into Your Inner Circles

The Target Group consists of people you haven't met and don't know, you have targeted them as people with whom you'd specifically like to do business.

The Met Group are those individuals who know you because you have met them either in person or by phone.

Allied Resources comprise a very select subset of your Met Group. These are individuals you expect either to do business with or to receive business leads from every year.

You will be meeting with each of them one-on-one for a meal, a visit, or a party several times a year.

"If you don't have a network, you won't be successful."

Your rule of thumb should be to "treat the referral source even better than the referral."

Too many real estate agents make the mistake of rewarding only those referrals that turn into closed transactions. Reward the right behavior! Your sphere of influence isn't in the business of screening clients before they refer them to you - the act of referral is what should be meaningfully rewarded.

The goal is to prospect and market yourself to these groups in such a way that as many as possible will, over time, place you in their number one or number two real estate agent "mind share" positions.

At the heart of your lead-generation program will be a large, powerful contact management database.

Your database is your business. Building up the number of names in it and a relationship with those names is really at the very core of what building a real estate business is all about. The size of your real estate sales business will be in direct proportion to the size and quality of your database.

Real estate is a contact sport. To succeed at a high level in real estate sales, you must commit to frequent contact with a database with the intent of building close relationships.

1. 8 x 8

Everyone you know or meet (your Met Group) first goes into your 8 x 8 program. Simply put, once a week for eight weeks you will make meaningful contact with these individuals via letters, cards, and phone calls, with an aim toward establishing yourself as the number one real estate agent in their mind. Always remember that every touch should include a reminder and instructions on how to send you referral business. Once you've completed the 8 x 8 program, these new contacts go into the Met portion of your contact database, where they will be included in your ongoing 33 Touch program.

2. 33 Touch

As with any core task, I recommend time be blocked off each week to make sure these important contacts occur. 33 Touches Each Year. The foundational idea here is that you will make 33 systematic contacts, or brief touches, over the course of the full year. Twelve touches a year certainly isn't enough to guarantee you are in the number one or two spot in their mind when they think of real estate. Our research shows that what all this activity will do for your business is this: For every twelve people in your Met contact database to which you market yourself thirty-three times (33 Touch) you can reasonably expect to net two sales. One of those sales will likely be repeat business, and the other will likely be referral business. Marketing to your Met contact database is generally the most cost-effective form of lead generation. In terms of reaching annual production goals and using a conversion ratio of 12:2.

3. 12 Direct

The 12 Direct program is how you work the Haven't Met portion of your database. It stands for twelve direct mail pieces mailed out annually. Your Haven't Met database includes your mailing lists for farm areas and/or any other demographic groups. For every fifty people you market yourself to twelve times a year, you can reasonably expect to generate one sale. At a 50:1 ratio, you'll have to have 2,500 people in your database to consistently hit an annual goal of fifty closed sales. We suggest you plan and set up each twelve-month campaign all at once at the beginning of the year; then it can go on automatic pilot for the year. When you get this down to a systematic level, then you've probably gotten it down to an automatic level. That's when you're really in business!

Try to remember this simple truth: If you focus on marketing your seller listings - the buyers will come!

Foremost of these are the disciplines of sales scripts and dialogues. If you haven't internalized your scripts and dialogues for buyer and seller presentations such that you can face almost any situation with confidence, your lead-generation activities will not likely yield the kinds of results we describe here.

A strong marketing-based, prospecting-enhance lead-generation plan backed by script and dialogue mastery is the best formula for creating the greatest number of leads for your business.

The key to budgeting and spending is to subscribe to one critical discipline: Lead with Revenue (not expenses)! The basic idea is to try to spend only money that your business has generated. Or, to put it simply, make money before you spend it.

If you hold to the Lead with Revenue approach, it will force you to lead with lead generation and sales.

You should never be as concerned with how much money you're actually spending as you are with the results you get by spending it.

Expense Detail

1. Salaries
2. Lead Generation
3. Occupancy
4. Technology
5. Phone
6. Supplies
7. Education/Dues
8. Equipment
9. Auto/Insurance

No matter what you might think, the first person you hire should always be an administrative assistant. Second, you need to hire T-A-L-E-N-T. Hiring talent is the key to gaining leverage in your business life. Lastly, you'll have to learn to train and consult with your staff.

The best way to put systems in place is to hire a person with the skills to document and later implement your systems.

Always strive to hire talent.

When you surround yourself with talent, your life will never be the same. Hiring a truly talented person can take your business further than an entire busload of less talented one.

- Talent pushes to get answers.
- Talent pushes you constantly.

When you hire talent, they should pay for themselves.

You'll get the best results from people if you do two things: train and consult them

His goals should contribute to your goals. And your weekly meetings are designed to keep him on track toward meeting and exceeding those goals.

Ten Principles for Empowering People

1. Tell people what their responsibilities are. Get agreement.
2. Give them authority equal to their assigned responsibilities.
3. Set standards of excellence and guidelines.
4. Provide initial and ongoing training that will enable them to meet standards (skills, knowledge, etc.).
5. Hold them accountable. Define consequences.
6. Provide them with weekly feedback on their performance.

7. Recognize them for their achievements (praise in public; correct in private).
8. Trust them. Allow them to grow into self-leadership.
9. Give them permission to fail.
10. Treat them with dignity and respect.

Consulting your employees is at the very heart of the empowerment process. When done right, it holds people accountable to their job and goals in a timely, agreeable manner.

1. What was your goal?
2. How did you do?
3. How do you feel about that?
4. Based on how you did, what is your goal and what do you need to do now?
 - a. Is there anything that might keep you from doing that?
 - b. If you needed training or support to do this, what might it be?

The first step to take when someone is underperforming over time is to shift gears from the normal consultative interview and get her agreement that a problem exists. This should be done in private. (Remember, it's always: Reward in public; correct in private.)

A big part of the process is discussing alternate solutions. "How are we going to solve this problem?"

Think of your Organizational Model this way:

Talent to shine,
Systems to define,
Train and consult to refine.

All truly successful businesses are successful because they get things done. The best businesses get things done by bringing two D's into the business.

D, loosely stands for the "drive" we associate with doers. "D gets things done." It's the D of the business itself, which is about the "drive" created by infrastructure - powerful system and tools. This is called Business D. The more Leadership D there is, the less emphasis is put on developing Business D and vice versa. Leadership D and Business D. Having them both in your business is the key to building a truly great business.

Many high-achieving agents have difficulty making this happen and aren't comfortable depending on systems and tools to move their business forward. To reach your highest level of success, you will have to incorporate a certain amount of Business D in your organization or it will always be 100 percent dependent on you.

Models are the science of business.

The Economic Model shows you where your money comes from, where it goes, and how much is left for you.

- Focus on the numbers you must hit.
- Focus on appointments.
- Focus on your conversion rates.

Netting a million in annual income is more a reflection of mastering your models than of pursuing a different path.

Above all you'll be focused on generating leads. Lead generation comes "first, last, and always." The millionaire never drops the ball on lead generation. He systematically pursues leads and, when finished, then turns his attention to the problems of the day. If lead generation doesn't get done, everything else could become unnecessary.

The commitment to delivering high-quality real estate service is fundamental to becoming a top-producing agent, it is not the primary determining factor in creating a million-dollar business. To build that business, you'll have to focus primarily on four models that become the main drivers for the Three L's: Leads, Listings, and Leverage.

Operating Expenses are all the other costs of doing business, including marketing, rent, salaries, equipment and supplies, advertising, etc. Our research shows that as your business grows, this can reasonably be held at or below 30 percent of gross revenue (GCI).

Your net income goal will always be set at \$1,000,000.

You will need approximately \$2.4 million in GCI to net million dollars in personal income.

Goal = 2.4 Million in GCI, Average Sales Price = \$200,000, Closed Units = 400

Most importantly, the amount of lead-generation activity needed to generate the appropriate number of buyer and seller appointments. The only way to get at these numbers is to track your lead-generation efforts carefully and get a firm grasp of your conversion rates.

Approximately 65 percent of prequalified appointments conclude with the buyer agreeing to be represented and approximately 80 percent of these buyers should go on to close.

You'll need to set annual, monthly, and weekly goals in these categories and then track your results attentively.

"Converting calls into appointments is one of the most important things for me to do."

If you or your team doesn't yet know your numbers, then your immediate mission should be to start tracking them in detail.

To generate this level of numbers, you will need to follow a highly leveraged lead-generation plan that is marketing based and prospecting enhanced.

I mail to my database of 7,000 every month, and I try to make 100 past-client calls a day.

You will run an aggressive marketing and prospecting campaign built off of the list in Figure 10 on page 138. These activities generate leads. All of these leads go into your 8 x 8 program to establish our relationship with these individuals. The 33 Touch program should then result in repeat and referral business at a rate of one referral and one repeat for every twelve people in the program (or a 12:2 ratio).

960 in database + 8,000 in database = Net 320 Sales Per Year

If you were to add one person to your Met database each of those 240 working days, eight years later you would have enough people in your Met database to create 320 annual sales.

Four Laws of Lead Generation:

1. Build a database.
2. Feed it every day.
3. Communicate with it in a systematic way.
4. Service all the leads that come your way!

(OR a worst case scenario of Cost = 320 x \$198/sale = \$63,360)

(OR a worst case scenario of Cost = 320 x \$600/sale = \$192,000)

"I used to just throw mud at the wall; now I've narrowed my promotions. When you track your leads, you know what is working and where to spend your mo'ney. When you try a new program, tack it for six months or a year. You have to give it a chance."

Lead-generation costs should be about 10 percent of your gross income.

Millionaire Real Estate Agents are seller listing lead generators first, marketers of those seler listings second, and buyer listing lead generators third.

Your cost of sales reflects the actual costs of capturing and converting your leads to sales, which would be handled by your sell specialist(s) and your buyer specialist(s). Seller specialist(s) are responsible for five key activities:

- Converting seller leads into appointments
- Making listing presentations
- Securing seller listings
- Handling communication during the marketing period
- Negotiating purchase offers

We recommend this individual be paid a salary bonuses based on specific criteria such as the number of listing taken, number of listing sold, or the new profit of the business.

Your buyer specialist is responsible for six key activities:

- Convert buyer leads to in-office presentation appointments
- Make the presentations
- Secure the buyer listings
- Show houses
- Negotiate purchase offers
- Handle communications from contact to closing

“I study my P&L all the time. Currently we take 35 percent to the bottom line. I want to get that up to 50 percent.”

For a real estate sales business, there are distinct areas of staffing:

1. Administrative - Marketing and administrative manager, transaction coordinator, listings manager, telemarketer, lead coordinator, assistant, and runner
2. Buyers - Lead buyer specialist, buyer specialists, and showing agents
3. Seller - Lead listings specialist and listing specialists

In the end each area should have a highly talented person in place.

Your primary focus under leverage from the start of your career until the end is to find and keep magnificent talent for these three essential positions.

You could be just three exceptional hires away from having the business of a Millionaire Real Estate Agent!

The idea is eventually to reach a point where you are wholly focused on lead generation, listing, and selling while your administrative team handles everything else in your business.

By getting help in the selling side, you can increasingly devote your attention to the two most important sales activities in you model, leads and listings.

In the end, you will need a talented lead buyer specialist who will eventually manage your other buyer specialists and showing assistants and hold them accountable to the goals of the business.

The lead coordinator is an interesting piece of the administrative puzzle. This is the person charged with receiving, sourcing, assigning, and tracking your leads through a database.

When you have sales help, you, the Millionaire Real Estate Agent, will be personally assigning the leads and tracking conversion rates. Only later, when you have a fully developed sales team, will this become a large enough job for a full- or part-time employee.

At some point your lead buyer specialist and any additional buyer specialists will handle almost all the buyer business and your marketing and administrative manager will handle all aspects of your systems and tools. They will be two of your three key points of leverage that you will need to manage actively or, if they are magnificent, with whom you'll consult. When you find that you still have more seller listing than you can handle alone, you'll hire a listing specialist who oversees and reports directly to you.

True talent, when given responsibilities, will drill down to the details on his own and deliver.

So you will first add administrative help, then staff for selling, and lastly bring in someone to help you with the seller side of the business.

The average person thinks the goal of a business leader is to run a successful business. That is just the first goal of a businessperson. The ultimate business goal is to have a successful business run by other people! That's what we call having a "7th Level business." You are building a three-headed sales production machine. Every position will have a written job description identifying the core responsibilities of the job and the performance standards you expect.

Different commission splits for company generated vs individual generated leads

You never want to discover that your commission structure was so generous it hampered the financial growth of your business.

The fundamental principle behind the Organization Model of the Millionaire Real Estate Agent is to find, hire, and retain talent.

"All things are difficult before they're easy."

When you get clarity about what you will encounter and how to hand it successfully, your fear and anxiety will be drastically diminished. "When I get clear - I lose my fear."

Leads, Listings, Leverage, Money, You

The biggest challenge you will face in building your sales business to a high level is continuing to focus on lead generation no matter how many leads you have or how busy you become.

Lead generation is also like a shark in that it can never stop. In order for most sharks to breathe, they must keep moving, which forces water through their gills. If they stop, they drown.

Many agents who shift their focus between generating leads and servicing the leads tend to go through an up-and-down cycle of activity and cash flow. When they have lots of business and their income seems secure, they focus on service and administration. And when there is not enough business and their income is at risk, they shift their focus back to lead generation and try to re-create the momentum that caused them to shift their focus in the first place. Simply put, this is not a formula for long-term stability and success. Millionaire Real Estate Agents never lose focus on lead generation. Lead generation always comes first. Lead generation needs to be systematic, consistent, and sustained. It is best to shift lead-generation activities largely toward marketing. Marketing is at its best and most effective when it is database-driven.

If prospecting is used to enhance your marketing (which we recommend), you can delegate most of it to others in your organization: telemarketers, listing specialists, and showing assistants or buyer agents.

The Millionaire Real Estate Agent must become a master of creating and sustaining a marketing-based and prospecting-enhanced lead-generation program.

A talented team can actually provide better service systems and standards.

Some staff members were burning lead opportunities through inability, lack of focus, cherry picking, or, in some cases, laziness.

Careful attention to tracking and lead conversion is one of the core disciplines of the Millionaire Real Estate Agent.

For those who are seeking real estate success at a very high level, lead-generation time must be considered the most important time on their calendar.

When people don't truly understand the importance of lead generation it can masquerade as an "optional activity" rather than as the core foundational discipline it is.

You need to make a commitment to block off substantial, regular time in your calendar and devote it to a lead generation.

First, you'll have to know the minimum number of seller listings you need to list each month; then you'll have to organize your business approach to accomplish that feat; next, you'll need to get your seller clients to accept the team concept; lastly, you must consistently market your listings to get more leads.

The percent of appointments that will generate a listing and the percent of listings that will in turn sell.

When homes stay on the market longer, you may need to take more at the “right price” to keep your income on track.

What distinguishes the highest real estate sales business achievers from the rest is their insistence on hitting their goals.

Vince Lombardi summed it up well when he said, “Winning is not a sometime thing it’s an all the time things. You don’t do the right thing once in awhile; you do them right all the time. Winning is a habit.”

These real estate agents deal with failure as a temporary setback on the path to reaching and exceeding their goals. They don’t ignore failure; they learn from it and make a commitment not to repeat next time around the same mistakes that may have caused it.

Millionaire Real Estate Agents understand the power of making your goals public and then celebrating them as a team.

Then performance lags and seller listing goals are not being met, these high achievers maintain their standards and hold their staff accountable to their goals. After lead generation (the first L), meeting your monthly seller listing goal (the second L) is the most critical aspect of your business.

Your team’s job becomes to prepare the proper scripts and dialogues for all seller listings presentations that, when used, will convince the seller of the benefits of the team concept.

Every house you list should have a marketing checklist attached.

As busy as you are, you’ll still have time to learn and put into place the R/T/C/K (Recruit/Train/Consult/Keep) process.

R/T/C/K. It takes time to learn something, more time to implement it, and even longer to approach mastery of it. The irony is that R/T/C/K are the kind of skills that once learned, can save you an enormous amount of time over the rest of your life.

During this R/T/C/K learning and implementing period of your life, your world will be a little out of balance - no way around it.

1. Learn to recruit talent (the right person for the job).
2. Learn to train them to do the job.
3. Learn to consult them to do the job at a high level.
4. Learn to keep them.
5. Invest time to R/T/C/K so your investments of time and money pay off with excellent leverage and the growth that will follow.

I'm looking for attitude, integrity, and skill.

"Capacity" talent is someone who can do not only the current job really well, but who also has the desire and ability (thus the capacity) to learn and take on new tasks and responsibilities.

"Cul-de-sac" talent is someone who can do the current job really well, but who does not have the desire or ability (thus the capacity) to learn and take on new tasks and responsibilities.

Once you decide to allow your business to grow through people leverage, you will see the need to hire as much "capacity" talent into your business as possible.

If your assistant is just supporting talent, you will get a lot accomplished and still feel mentally tired. The weight of the problems and solutions more likely still reside with you.

You'll have to define how you want something done; explain the "why, when, where, and who" of it; train to the standard, and then hold your staff accountable to following your lead.

The secret to succeeding this way is to start the documentation process early, work on it often, and never stop.

Documentation does require some patience, persistence, and organization.

Unless you write down how you currently do it, you won't really be able to improve it.

Step 1: Take out a notepad and write down all the things you do as bullet points. Leave nothing out. It will be a long list.

Step 2: Then break that list into six to twelve key categories.

Step 3: Now, each of those categories gets its own page, and your job is to copy all the activities from Step One under the appropriate category headings here.

Step 4: Place all those "category" pages in a three-ring binder with tabs for each category and a table of contents.

Step 5: Next, go to the first tab and for each item under it create a new page with that action as a heading.

Step 6: Now, take each "action" page and detail exactly how you want that item done.

Step 7: Lastly, add the appropriate forms, scripts, and dialogue examples behind each action page.

The best process for building accountability into your business is to:

1. Set weekly appointments with the individuals who report to you
2. Work from a specific job description
3. Work from a very specific goal worksheet

The importance of having your standards defined for your staff cannot be underestimated. It allows you to hold actions accountable, something that is definitive and objective, vs holding people accountable for “being a certain way,” which is person and subjective.

To achieve teamwork, you need to do two things:

1. Articulate clearly the key goals of your business. These are what we refer to as the “big rocks” of the business. For example, your main business goal might be to reach \$80,000,000 in closed production. That is now the team’s “rock.”
2. Ensure that each team member understands exactly how his role (job description) contributes to the achievement of your business goal (big rock).

Make it clear that if the business is not on target to hit the “big rock” then everything about the business is in jeopardy of being reevaluated, including individuals and their roles. No one is protected if the business goals are not met.

To build a team, you need the “rock” - the big goal of your business. Everyone shares that “rock” and works toward it together. Everyone on the team has a contributing “role,” from the person answering the phone to the person going on listing appointments.

Team

1. Clearly communicated goals in writing - big rocks.
2. Clearly written job descriptions - roles.
3. Healthy sense of urgency with specific accountability.
4. Everyone feels responsible for team success or failure.
5. Teams take on outside competition.

When everyone has “role” he’s accountable to perform in order to achieve the big goal or “rock,” every day, all the time.

“Be a minimalist with great communication.” Doing what matters most and doing it efficiently while staying in touch and keeping the client informed is what creates high levels of customer satisfaction, not times spent together.

The consistency and clarity of your communications are extremely important to customer experience.

Communicating with your clients in a planned and purposeful manner is much better than a lot of communication just thrown at them.

If you intend to take your business from Earn a Million to Net a Million, you’ll have to master being a “minimalist” with great communication and great timing. The difference between “big” and “really big” is how you manage your time and focus.

The difference between having a business that earns a million and one that nets a million is often centered on two monetary disciplines: sticking to the Budget Model (harder than it looks) and controlling cost (easier than it sounds).

Do an annual budget, stick to it, review it monthly (or weekly), and pay serious attention to any variances.

True financial disciplines are learning to say no and are learning to ask why.

When you build in systems and processes, they tend to serve two purposes: First, they help you keep your good habits and do the right things; and, second, they make it very, very difficult to regress into old bad habits and do the wrong things.

One easy example of this is to separate your deposit account from your operating account. ONLY transfer enough into your operating account to cover that month's budgeted expenses.

Make it a habit to question a new expense until you are confident it makes economic sense to do it.

Two particular areas of personal development that will have a significant impact on your ability to reach greater success: your ability to maintain your focus on the 20 percent of the business that matters most, and your ability to maintain some sense of balance in your life so you will always have the energy you need to pursue your goals.

You really only have two choices regarding focus: to be focused or to be unfocused.

- Write down your key goals and the action steps to achieve them.
- Allocate time in your personal calendar for all the action steps you need to accomplish to achieve your 20%
- If time permit, work to get as many of the 80% tasks done after your 20%
- Create a daily planner that puts it all together on one sheet of paper to maximize your focus.

The three questions it will answer are:

1. What do I/we want? (goal)
2. When do I/we want it? (date)
3. What has to happen for me/us to have it? (action steps)

To become a Millionaire Real Estate Agent, you'll need not only to maintain your energy, but to maintain it at a high level.

1. Sustain a solid lead-generation program that emphasizes marketing and consistently increases the number of leads.

2. Track and convert leads through others.
3. Protest your lead-generation focus time.
4. Weigh your options and discover what works and doesn't work for you.
5. Know the minimum number of listings you must list each month.
6. List the minimum number of listings each month.
7. Get sellers to accept the team concept.
8. Consistently market your seller listings for more leads.
9. Make time to learn and implement the R/T/C/K (Recruit/Train/Consult/Keep) process.
10. Hire "Capacity" vs "Cul-de-sac" talent.
11. Achieve accountability to the right standards.
12. Create teamwork with "rock and roll."
13. Combine quality service with quality service.
14. Stick to the Budget Model and control your costs.
15. Stay focused on the 20 percent that matters.
16. Counterbalance your life to maintain your energy at a high level.

We believe that turning your self-employed real estate sales job into a business is the most straightforward path you can take to building financial wealth and passive income.

For you to "receive" a million dollars a year from your business without having a job in the business, two things must happen first:

1. You must gross a lot more than \$1 million a year.
2. You must hire someone who can run the business at the level you did.

Now, were it to become a business where you spend ten hours a week for forty weeks (400 hours) a year working ON the business, your dollars per hour looks like this: $\$300,000/400 \text{ hours} = \750 per hour .

"In my business, I want to work fewer hours and make more money."

Is an interesting business point you must not miss: "Active is active" and "passive is active" in business. They are both active. In business, "active" is working IN the business and "passive active" is working ON the business. Be warned: Absentee ownership usually equals business demise.

"I have learned to stick with what I know - residential real estate."

The people who report directly to you should also be magnificent. When you surround yourself with "capacity" talent, then everything else falls into place. If you do not have "capacity" talent, no amount of work by you is going to salvage it.

There are three people at the top:

1. The lead listing specialist

2. The marketing and administrative manager (who also moves up at the 7th Level to become the business manager)
3. The lead buyer specialist

So you've found your three key people, managed to recruit them, and are reaping the benefits of bringing real talent to your organization. YOU must now dedicate time to meet with these key people, strategize, and work on goals and accountability. Pick two hours during the week and reserve those blocks of time every week for the year. One hour will be dedicated to meeting with the person who runs the business. The other hour will be spent with this person as well as the other two key personnel. These meetings should always start and end with a discussion of your business goals, whether or not the business is on track, and how to get it on track or keep it there.

The more you focus on making sure your team has the right three key people, no matter how many people you ultimately have, your life becomes and stays less stressful and less complicated than before. It all becomes much more manageable. The way to build a great big business is to build a great small business first.

Accountability is both a mind-set and a skill set. The mind-set is about clarity in setting standards and a tough-minded determination to meeting those standards. The skill set is about planning and goal setting and about keeping tack and holding others responsible for hitting those goals. You must be able to set standards and goals, clearly communicate them to your team, and then be attentive and persuasive enough to hold people to those standards and goals. As an owner, the role of accountability is focused on three key areas: leadership, people, and capital.

Leaders are attuned to and bring clarity to these five issues: Mission, Vision, Values, Beliefs, and Perspective.

The better you are at people accountability, the better your key three will be at hiring talent and upholding standards, and the higher the success of your business.

A handy trick for making sure you are involved any time expenses exceed your budget is to:

1. Separate your deposit account from your operating account;
2. Authorize only yourself to write checks or move money from your deposit account; and
3. Place in the operating account at the start of each month only enough money to cover budgeted and approved expenses.

1. Active vs Passive Income
2. The Opportunity of the 7th Level
3. The Three Key Hires of a Millionaire Business
4. Your Role and Responsibilities
 - a. Leadership

- b. People
- c. Capital

No life ever grows great until it is focused, dedicated, disciplined.

I am convinced that they succeed through the power of narrowing their focus.

She's absolutely purposeful in her life. I mean, if she wants something, she goes after it.

"anybody can succeed," we do not mean "everybody can succeed." There is a big difference. It is our belief that anybody can succeed at a high level, but not everybody will. Why? Focus.

The bigger you want your business to be, the narrower your focus will need to be on what matters.

"All good is gained by those whose thought and life are kept pointed close to one main thing, not scattered abroad upon a thousand."

1. Create a personal plan and make process your focus.
2. Time block to get your focus.
3. Get accountability to keep your focus.
4. Make sure your environment supports your focus.
5. Keep your energy to maintain your focus.

This action plan must always focus on the three big rocks:

1. Leads - Use a database driven approach with a focus on seller listings leads.
2. Listings - Get the number of seller listings you must get and market those listings systematically to gain additional buyer and seller leads.
3. Leverage - Recruit "Capacity" talent with an emphasis on your three key hires, and require the talent to implement systems and tools.

Most people will never know who they really are or what they can really achieve because they fear to try. Don't be left high and dry - just aim high and try!

Begin to time block. Success at a high level isn't about how much time you have, but rather how you use that time.

"I do my calls first and my need-to-dos second. My get-to-dos come last."

Until your goals consistently hit your calendar - you won't consistently hit your goals.

If you set aside an hour each morning to make ten prospecting calls to your allied resources, then you'll hold yourself accountable to making all ten calls. Time blocking is for your 20

percent and is a skill that absolutely must be learned, practiced, and turned into a key productivity business habit.

You have to remind yourself that nothing - let me repeat - nothing is more important to your business than you focus on lead generation, listing, and the pursuit of leverage through talent.

If focus brings results, then long-term focus brings long-term results. Everyone can focus on something for some period of time. The trick is to learn how to focus on something day in and day out for the long haul.

Monthly and weekly goals need to have monthly and weekly progress assessments to be meaningful. At any point in the game, you've got to know the core and how far ahead or behind you may be. Real estate agents who do not keep track of their lead generation, sales productivity, and financial performance will be hard-pressed ever to sustain high-level results.

Nearly all high achievers have coaches and consultants.

Accountability is the relationship of choice for champions.

Accountability is the most powerful tool for achieving big goals and long-term success.

Your environment has an impact on you constantly. It either builds you up and supports you, or it tears you down and fights you.

Your environment can make you or break you - it's that important.

I get up every day by six a.m. and meditate and pray - for spiritual energy. Then, I exercise and eat - for physical energy. Afterward, I hug, kiss, and laugh with my family - for emotional energy - and try to do it so that I get to spend time with all of them and still get to the office between eight a.m. and nine a.m. I then plan and calendar my day - for mental energy - and spend my first, most energized hours in the office working hard on lead generation and recruiting talent - for business energy. I never slack off before eleven a.m.

If you are committed to achieving Big Goals, you must be committed to learning-based living.

Learning is leverage, and it provides you with three important advantages: wisdom (knowing what to do), competence knowing how to do it), and foresight (knowing when to do it).

The Millionaire Real Estate Agents we know read books, listen to tapes, watch videos, and attend seminars and classes regularly. In fact, they may spend as much as 10 to 15 percent of their work time pursuing learning.

When you think big, you think possibilities. You think, "What could I possibly do if I really tried? What is possible in my life?" When you think possibilities at this level, you seek out Big Models and processes and then make them your focus.

Focus is really the linchpin in your pursuit of excellence.