

Buyer's Agent Coaching™

Session 20

Explaining Your Value and Agency
in a Buyer Consultation



To your Achievement of Excellence in Life

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OBJECTIVES

During this session you will:

- Learn the 4 Ways to Sell Agency Value
- Discover how to place dollars to your services and value
- Explore agency and agreements
- Establish the way to handle stalls to agency agreements

INTRODUCTION TO VALUE

Being clear with the Buyer about your value.

Value = Benefits - Costs

VALUE AND AGENCY

THE FOUR AREAS OF DIFFERENCE FOR SELLING YOUR AGENCY VALUE

1. Ideas and implementation

2. Track record

3. Access to "deals"

4. Professional counsel

DEFENDING YOUR VALUE

How you defend your value and secure agency affects:

- **Your self-esteem as an agent.**
- **Your self-confidence**

ERRORS TO AVOID WITH EXPLAINING VALUE AND AGENCY

- Getting side tracked by the client to talk about it before you have:

- Uncovered their needs
- Determined their expectations
- Showed them the challenges or problems
- Aligned your benefits with their needs and expectations

- Not clearly answering why they should hire you or what's in it for the Buyer.

- Tell them how great you are without linking benefits to the Buyer.

ESTABLISHING VALUE

HOW TO ESTABLISH A GENUINE VALUE FOR YOUR SERVICE

1. Use the format and scripts we have provided.

2. Assign actual dollar values to each component of your service

Two key concepts in determining the value of your service:

- 1. If no one else does it...it's more valuable.
- 2. If you do it better than the competition...it's more valuable.

CLARIFYING EXPECTATION OF SERVICE SCRIPTS

What is your expectation of the agent you choose?

What are the top three things you are looking for an agent to provide?

What specific services do you want from me?

What would it take for you to be confident that our service will meet your requirements?

So, if I could provide you _____ and _____ will you and I have a basis for doing business together?

***"Your career success hinges on your conviction
and belief of your professional value."***

- Dirk Zeller

BUILDING AFFIRMATIONS OF YOUR VALUE

1. I am absolutely worth what I charge.
2. My value is measurably greater than the competitions'.
3. The value of services clearly exceeds the cost.
4. I firmly believe that cut-rate fees accompany cut-rate services.
5. In the end you get what you pay for.

VALUE OF BUYER SERVICES SCRIPT

You will receive easily 7% to 9% of the sales price in valuable service from me. The best part is you receive all this and it costs you really nothing. Isn't that great?

The seller actually pays the fee through the transaction costs. All this service that you receive from me is covered through the transaction. So you get someone with knowledge, assessment skill, selection assistance, proper contract preparation, presenting and negotiating, financial counsel, management and orchestration, as well as after sale service for free! The only thing I ask is for an exchange of your commitment, which we will talk about in a few minutes. Okay? Does this sound like the services you are looking for? Does this make sense, what we have gone over thus far? Do you have any questions?

Value of Buyer Services

| Buyer Services | Value |
|------------------------------|---------|
| Process Knowledge / Counsel | 1/2 % |
| Market Knowledge | 1/2 % |
| Need Assessment | 1/2 % |
| Selection Assistance | 1/2 % |
| Correct Contract Writing | 1 % |
| Presenting Favorably | 1 - 2 % |
| Negotiation / Representation | 1 - 2 % |
| Financing Assistance | 1 % |
| Closing Processing | 1 % |
| Follow-up Communication | ? |
| | 7 - 9 % |



Company Name
Agent Name
Phone Number
Email



ADDITIONAL CLIENT SERVICES / BONUS VALUE

- **Save time**
- **Less hassle / more convenient**
- **Save effort / energy**
- **Avoid direct cost**
- **Increased security (Physical / Emotional / Financial / Legal)**

RULES FOR FEE COUNSEL AND FEE ADMINISTRATION

- 1. Never over the phone**
- 2. Never before you fully explain your services**
- 3. Never show desperation**
- 4. Always demonstrate your value and benefits before discussing fee structure**
- 5. Always show mutual fairness and risk you assume**
- 6. Always highlight the key points**

COST / VALUE DISCUSSION OF PROFESSIONAL SERVICES SCRIPTS

If you think that the initial cost of a full-service professional seems high...what do you think is the ultimate cost of a cut-rate discounter?

Are you likely to get what you pay for?

Have you ever bought anything that you later were disappointed in the quality?

Have you ever been torn between buying two products and services and ended up selecting the cheaper one only to be disappointed in the quality when you received it? Well this is kind of like that.

Are you likely to get what you pay for?

This is kind of like all those diets we spend billions on annually in America hoping someone has discovered some magic solution. In the end they don't work and we get disappointed because it didn't and we lost our money to boot!

Are you likely to get what you pay for?

Would you agree that it takes information, not time, to make a decision? What kind of information are you really looking for to make a good decision?

Would you agree that the quality of the service is remembered much longer than the price?

Would you agree that the sweetness of low price is quickly forgotten when you have to deal every day with the bitterness of low quality?

That brings up a question. What is more important to you: to save a few hundred dollars now on a lower commission, or to save a few thousand dollars over the lifetime of our relationship?

EXPLAINING AGENCY

Agency explanation should encompass:

- Each option of agency for a Buyer
- Rather than using only Sellers, Buyers and Dual Agency terms...put the dialogue in terms of Customer, Client and VIP Client.

EXPLAINING AGENCY TO A BUYER SCRIPT

First, there are agents that represent the Seller . . . this is typically the Listing Agent. These agents owe their loyalty to the Seller. There are also agents that are cooperating agents or Buyer Agents, these agents work for the Buyer and are not the Listing Agent.

How we prefer to work with clients will be as Buyer Agents representing you. We represent you exclusively in the transaction. This is an agent that will assist the Buyer by showing all available properties. You, as the Buyer, can choose “Buyer’s Agency” or “Seller’s Agency” before entering a contract to purchase. Sellers agency would be all agents represent the Seller....we do not recommend that but it is still done sometimes.

Next, is the way that I work, as a “Buyer’s Agent”. What this really means is, we will enter into our agreement whereby you hire me as your agent to represent your interests. My loyalty will be to you. Really, I see the difference between a “Seller’s Agent” and a “Buyer’s Agent” as the difference between working with a “customer” versus working with a “client”. It’s the difference between working together and working against each other. A Seller’s Agent is obligated to share all your details with the Seller. This can put you at a disadvantage in offers and negotiations.

The next way that we sometimes work is called Dual Agency. What this means if, if you find a property that is listed by another agent affiliated with my firm, I would represent your interests, and the Listing Agent would work in the Seller’s interest. The reason it is called Dual Agency is because we both work at the same firm. I don’t choose properties for you to see based on who has it listed, but if this happens, and you choose to make an offer you would be required to sign an additional disclosure. I would still be fully representing you.

No matter how we work together, there are some rules that always apply . . .

We are obligated by law to treat all parties honestly and fairly.

We must disclose material facts that we know or should know relating to a property.

All agreements with real estate agents must be in writing and explain our responsibilities as well as disclose how we are compensated.

Finally, although I’m not an attorney, home inspector, or accountant, I have many professionals that I may refer you to if the need arises during our transaction. That is part of our full service for our clients.

EXPLAINING THE EXCLUSIVE AGENCY AGREEMENT SCRIPT

And this form is our contract (agreement of loyalty) that spells out the details of our working together. It is dated today and ends 90 days from today. If needed, we can always put an extension here”

I have some specific duties and services we have discussed. They are also spelled out in this agreement; they are specifically to use my professional knowledge and tools to find you a house that meets your needs, desires and expectations. Secondly, I will guide you through the offer process, from positioning you as Buyers to positioning your offer to maximizing your equity position at purchase. Lastly, I will be representing your interests throughout this process and negotiating on your behalf.

This also has some specific duties that you must do; you will be working exclusively (circle and emphasize this) with me through the term of this agreement. It also states that you will supply me with necessary financial information I will need to get your offer positioned well and accepted; thank you, by the way, for supplying me with the preliminary information in advance. It also outlines here that if you see ads, signs, open houses, For Sale by Owners, and new construction, you will need to contact me first. Let me just say that I get so many calls from people who are already working with other Realtors . . . they say they don't want to waste their Realtors' time, they just need the price or location. I want you to know that you are hiring me to do a job, and you will never be wasting my time to give me a call to ask questions, that is what I'm here to do. To keep you informed and respond to your questions and needs.

Now, I do receive compensation and this part outlines how I am paid. I will be collecting a fee of _____ upfront when I write the offer and then I'm paid 3% of the sales price when you have secured a house to buy. This also has a broker protection clause for 2 months after the expiration of this agreement for any house I've shown you.

Although my fee is earned when you've found a property, that fee is deferred until settlement. Now, in most cases, the 3% fee is by the Seller through the Multiple Listing Service. This paragraph authorizes that. Please acknowledge here. If we run into a situation where that would not be the case, I'll let you know before I even show you the property.

This entire agreement may be terminated by either of us with mutual consent in writing.

So that is basically it . . . please acknowledge here.

HANDLING OBJECTIONS TO SIGNING EXCLUSIVE AGENCY AGREEMENT

I'M NOT SIGNING ANYTHING TODAY

Okay, I understand that we've just met, how about if I just fill this out and we'll take it with us. If you feel, after our day together, that I will not add value to your real estate transaction, rip it up! Otherwise, just sign and date and I'll get busy working for you!

I'M NOT SIGNING A 90-DAY CONTRACT WITH YOU

I understand how you feel, it does seem like a long time, how about a test drive; we will work together for a week, and just see how it goes? At the end of the week, we'll put an extension on the agreement.

Or simply point out that the contract can be terminated by either party in writing.

YOU SEEM REALLY GREAT, BUT I'M JUST UNCOMFORTABLE SIGNING ANYTHING. CAN'T YOU STILL WORK FOR ME WITHOUT ME SIGNING THIS?

Listen, I'll be happy to contact you if I see something that suits your needs and, you need to understand that I'll contact clients first, and then my customers . . . like yourself. Sometimes, if I get busy, my customers may not hear about the house until it's too late. If you want to be the FIRST person to hear about new listings, I'll need you to hire me as your agent.

I LIKE WORKING WITH MANY AGENTS

I can understand you feeling that way. The challenge is you will not obtain the best service. Reality is that the best agents expect a commitment or guarantee that you are working exclusively with them. Since we are paid on a contingency fee basis, we need to insure a commitment. I owe it to my family to work that way. Ultimately, we all expect to be compensated for our time. Our agency law requires that you make a decision to accept or reject Buyer Agency before entering into a _____. You commit to me and I'll commit to you!

**I'M CONCENTRATING ON NEW HOMES. I'VE DONE THIS BEFORE;
I CAN NEGOTIATE ON MY OWN BEHALF**

{What they mean is . . . without a Realtor, they think they will save 3%!
ALWAYS address this issue upfront.}

I've worked with just about all the Builders in the area, and most of the reputable Builders will not reduce their price if you're not with a Realtor. They market heavily to agents, and they want our business. The Builders' reps job is to dig deep into your pockets and get as much of your money as they can. Most Builder contracts are weighed heavily to their interests, not yours. My job is to help you choose a good lot for resale, review and advise you on their contract, and generally be the intermediary between you and the Builder throughout the process.

I WANT TO WORK WITH LISTING AGENTS

We at the _____ team have worked with almost every agent in the area. We know which ones will treat you fairly and which won't. The Listing Agent's job is to represent the Seller. To share all information with the Seller and secure the highest price for the Seller. My job is to help you choose the right home for you, your family, your expectations and bring it within your budgetary needs, review and advise you on the agreements, the market and value. You won't receive any of those services from the Listing Agent.

WHAT IF I WANT TO BUY A FOR SALE BY OWNER?

In my travels, I generally will know about the FSBO's in the area you are looking in. My experience has been that most of them are willing to pay a fee to a Buyer's Agent to sell their house. And a lot of them also pay to get their home into the MLS. Either way, if you decide to look at a FSBO, I'll contact the Seller, accompany you through the house and construct the offer in such a way that it will work for all of us.

IF THEY ARE MORE THAN A 7, GO FOR THE CLOSE...

We work a little differently than most other Realtors, we take a counseling approach. Have you ever worked with a Realtor like that? What we'll do is meet at the office and at that time we'll go over three things. We'll talk about your specific wants and needs, we'll discuss financing, and we'll go over the necessary disclosures required when you purchase a home. There is no obligation; we can schedule this appointment early evening or weekend if necessary, and it'll take about a half hour depending on how many questions you have. At the very least, you'll leave with an education, a nice package of information, and some homes for you to drive by that meet your needs . . . which would be better for you, _____ or _____?

REVIEW OF THE 6-STEP SYSTEM FOR OBJECTION HANDLING

1. PAUSE

2. ACKNOWLEDGE

3. EXPLORE

4. ISOLATE

Isolating the Objection

1. Is that the only reason that holds you back from moving forward with me?

2. Other than that, is there any other reason you can think of that would cause you not to purchase this home?

3. Suppose that we could find a satisfactory solution to this important concern of yours – would you give the go ahead to me?

4. IF this problem did not exist would you be ready to proceed right now?

5. Is this the only problem that is holding you back?

6. Before I answer your question, are there any other concerns that are holding you back from enjoying this home?

7. I understand that you need more time to think. I'd like to help you. What exactly do you need to think about?

5. ANSWER

6. CONFIRMATION OR CLOSE

BREAKOUT SESSION

BREAKOUT SESSION 20

Select either explaining agency or explaining exclusive agency agreement to a Buyer.

BREAKOUT DEBRIEF

ACTION PLANS – WEEK 20

1. Increase your lead follow-up and prospecting time this week.
2. Practice at least three times explaining agency and exclusive agency agreement.