Dialing for Dollar $
About The Author

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Real Estate Champions was founded in 1998 by Dirk Zeller after a successful career as a top ten agent in a 4-State region for a large international real estate organization. Real Estate Champions has become a global coaching and training company specializing in the strategies and systems to increase sales for real estate companies, real estate teams and real estate agents. Real Estate Champions has created and delivered custom training and coaching solutions for Century 21, Coldwell Banker, Prudential, Berkshire Hathaway Home Services, RE/MAX, Better Homes and Gardens and ERA throughout the United States and the world.

Dirk Zeller, founder and CEO of Real Estate Champions has been an agent, investor, speaker, coach and bestselling author for more than 25 years. He has been a featured speaker at sales and success conferences on six continents. He is a ten-time bestselling author. Dirk is one of only a handful of authors worldwide to have written multiple books for the “For Dummies” brand. His sales, success and time management books have been translated into multiple languages.

If you are desiring more success and income in your life, we encourage you to also visit our website at www.RealEstateChampions.com for more resources to improve your success.
The words “lead generation” or even the word “prospecting” can create confusion as well as sickness in even the most seasoned real estate agent. The word “prospecting” sends most salespeople in real estate running for the hills. Many salespeople reading this have a physiological or psychological reaction to the word prospecting. Some of you will stop reading right now because I used the “the p-word”. Before you put this whitepaper down and cross it and me off your list of experts, let me share with you first that your reaction is normal. If you did not have a level of discomfort I would be more concerned than if you did.

While there are numerous methods we can use to generate leads, there are more methods of lead generation today than ever before with social media, Internet strategies, and systems. The challenge of making a personal and persuasive connection presents most real estate agents with a quandary. The quandary of do I want to risk more personal rejection or hearing “no” directly to set up greater influence or persuasion?
Dialing for Dollars

I want to broaden your thinking beyond the default mind positioning that most of us have for real estate sales. My desire is to expand your definition of generating leads or prospecting so you can increase your income and sales. I don’t think that “dialing for dollars” is a strategy for many agents in real estate today. “Dialing for dollars” as in spending hour after hour cold calling prospect targets. I do think that using the phone to personally communicate with clients, prospects and suspects can lead to increased revenue if done correctly and strategically.

There seems to be a thought process, whether real or imaginary, that telephone communication, voice-to-voice via the phone time is past. The “new technology” of social media, text and other forms of more instant communication has made voice-to-voice communication obsolete. I will grant anyone that sales rejection is less personal through social media or text. As salespeople we don’t feel as rejected because our personal identity and self-worth is less vested in the communication.
This lower level or more justified rejection mentally can be put aside or overcame. We need to change our thinking before it takes root. The challenge is that no matter your avenue of comfort, whether text, social media, or traditional of voice-to-voice calling, sales will never be a one-to-one ratio of attempt to conversion. That ratio that encompasses a number of no’s or rejection is baked into sales. It’s a key ingredient in sales. It would be like making a cake without flour. It can’t be removed completely. If removal was an option then it wouldn’t be sales, it would be called order taking. When someone is merely order taking the compensation model and payment is dramatically reduced over a sales based model. In short, you don’t get paid as much. In fact, you must understand you gain compensation because of rejection, not in spite of it.

That is why personal lead generation techniques like phone prospecting or phone lead follow up will always be effective and create high rates of return for salespeople. The phone-to-phone connection is one of the first and best steps to the sales process. You are in sales so prospecting and lead follow up via phone is part of the success equation. There are numerous voices in the real estate industry that are attempting to influence agent to believe otherwise. You might have a broker or manager who is “anti” phone or “anti” sales philosophy. A manager or broker who has that view can cause your career to stall.
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There was a time when my broker and I were going through a rough spot in our business relationship, and during that time, I contacted another successful broker with multiple offices who was rumored to be opening an office in my service area. We met for lunch to discuss the potential of my changing companies. After we dispensed with the initial warm-up, the first question he asked me was, "When are you going to stop all this prospecting and become a “real” real estate agent?" I was stunned by his comment… meeting over! We talked real estate for another 45 minutes, but my desire to go to work for him ended the instant he revealed his myopic viewpoint. I sold more houses than any other agent he had in his firm at that time. His view was that a “real” agent didn’t prospect….he lost the chance to land a very successful agent because of his limited viewpoint.
Prospecting is the first step in the sales process. You are in sales; you need to prospect. None of us in sales has an unlimited supply of prospects. There are unlimited options how you might generate leads and prospects. It still takes the effort of prospecting to create prospects. Webster defines prospecting as “seeking a potential customer; seeking with a vision of success.” In the definition, it doesn’t say waiting for the phone to ring, your Internet site to go ding, or social media to create a cha-ching. Further Webster doesn’t say send out postcards hoping someone calls me. It clearly says that prospecting is a seeking activity.
Dialing for Dollars

The second segment of this definition is that we need to “seek with a vision of success.” Webster must have worked in a real estate office at one time. He knows how other agents can try to pull you down or away from prospecting. You could even have brokers who, like the one I mentioned, try to belittle you because of your prospecting. Webster was saying, turn your mind to the positive, expect good results, focus on that, and you will succeed. Don’t let others’ negativity influence your vision of success.

The question isn’t whether you should or shouldn’t prospect; the answer is yes, you should. The options of what to prospect are wide open. There are unlimited sources to prospect for generating new leads and appointments. It’s critical to be able to sort through the more competitive sources versus less competitive sources, reactive sources versus proactive sources, the possible sources and the probable sources to find your niche.

The figure on the next page illustrates the many options you have with regard to prospecting sources, categories, competition level in those categories, and the controllable influence you have on your business success through prospecting.
### Reactive Sources

**Possible sources of their current or future direct business**
- Open house contacts
- Ad and sign calls, text back, call capture
- Internet lead
- Social Media Marketing
- Pay-per-click, Craigslist postings

**Probable sources of others’ current or future direct business**
- Referral leads from other agents
- Referral leads from “referring businesses”
- Referral leads from “personal relationships”

### Proactive Sources

**Possible sources of their current or future direct business**
- General / cold calling
- Specific activity / warm calling

**Probable sources of others’ current or future direct business**
- FSBO’s
- Expireds
- Divorce and Probate Attorneys

**Specific groups that are sources of others’ current and future referral business**
- Networking groups
- Past clients
- Spheres of influence
- Geographic / demographic farms
Competitive Prospecting Sources

You have the option to select more competitive sources to generate your leads. These more competitive sources mean that you are not usually the only agent who knows about this prospect’s desire to buy or sell. Those more competitive categories are open houses and/or sign calls, Internet contacts, pay-per-click, Craigslist posts, even floor time. The reason these are competitive is because so many are doing them. The other reason why is that a prospect could be leaving a trail for multiple agents.

I read a recent study where they compared the number of sales over the last few years to number of leads. Over the last four years we have had from 4.4 million sales to 5.1 million sales of real estate in the United States. The challenge is that four years ago we had 2.9 million online leads. This year the real estate industry and its third-party companies, like Zillow and Trulia for example, are projected to create 40.6 million leads. That is a staggering increase. There will be a whole lot of Internet leads that do nothing...in fact, more than 35 million of them!
That is why we need to create phone-to-phone connection or prospect those leads. Most of those Internet leads are registration leads. They are registering to use our IDX search website. We have to be more efficient in finding the people that are just browsing, just looking, or won’t take action at all. We have to remove those leads quickly and effectively so we can invest our time in the higher conversion ratio leads.

The competitive sources can create large returns if we engage and use more personal approaches and risk rejection to create efficiency. Sources that fit that category like Expireds or FSBO’s are still wonderful sources even today. Again, the personal approach of the phone or even face-to-face puts you on the front line of rejection. You will also be competing with the top-level sales-skilled agents in the marketplace you have to possess Champion-level sales skills to compete and win clients in these two categories with consistency.
To compete regularly for this business will make you better. In life it’s about who and what you become. We all need to accept the challenges of life because of how it will mold us into a better self. It will allow us to reach our full potential as a salesperson, business owner or human being. I know personally that I would not be the salesperson I am today without the molding I received working these two areas of FSBO’s and Expireds. Select one of them in what that competitive arena will cause your increase in your skills.

Less Competitive Prospecting Sources

The less competitive options are referral leads from other agents, personal relationships, and referring businesses. A referring business could be your mortgage organization, insurance agent, or home inspector. All these sources are less competitive because these people aren’t referring their business to 20, 10, or even (in most cases) 5 agents in your marketplace. Other less competitive sources would be geographic, demographic, or psychographic farms, spheres of influence, and past clients. Again, the number of agents working the same people that you are trying to serve and secure as clients status is very low. Geographic farms are the most likely of all these sources to have multiple agents working an area.
Cold calling and warm calling

Some of you may be wondering why I put cold calling and warm calling in as less competitive. It’s because very few agents actually do them. Even fewer agents do them since the advent of the no-call list. We all know what cold calling is, but warm calling is merely creating a more targeted list and possibly sending a door-opening marketing piece. An example of an effective strategy with little competition is to send a marketing piece to a non-owner-occupied property and then to make a warm call to the owner. There has been a large volume of what I call “reluctant landlords” in the last few years. Homeowners that have moved because of a job transfer or lifestyle and kept their homes. They chose not to short sell or sell and come to closing with money. They decided to rent their property; some at monthly loses. The thinking was the market would come back at some point in the future where they would not be underwater.

These prospects, due to the change in the market and appreciation growth, are extremely attractive prospects. If there is a way out for them they would probably jump at the chance to sell. Many have found the process of being a landlord more difficult than expected.

The vast majority are unaware of their new equity position given the rise in pricing. Many do not review their mortgage balance that has also been dropping over the last few years. Finally, because you are potentially offering a solution to a lingering headache, they are open and willing to evaluate the options you offer to remove this sore subject from their lives.
This type of warm calling target is exactly what I believe agents should be targeting in today’s marketplace to increase listings. This type of strategic prospecting will create significant rewards for agents that apply targeted warm calling for their lead generation systems.

I am personally not a proponent of cold call prospecting—calling down a list in a crisscross directory for business. Even when you use an auto-dialer to increase the number of calls through automation it’s mind-numbing work. I would define that as cold call prospecting. Agents, and even sales trainers (especially the “magic pill guys” and “referral gurus”), usually try to categorize anyone who is a prospecting proponent or any type of calling as a cold call advocate as well. I sometimes get painted with this broad brush, but it’s not true. Even calling your past clients and sphere needs to be called what it is...prospecting. You can easily be in favor of prospecting and not for cold calling, as I am. I am not against cold calling because it doesn’t work...it does. I am against it because the return on investment is too low. The margin between your effort and your results is not large enough. There are much higher probability lead generation sources for your prospecting effort.
Proactive Prospecting Sources

When evaluating the sources, you must also evaluate the ability to create the business or react to the business. If you spend your time in the proactive sources, like past clients, sphere of influence, farms (if you call them as well), FSBOs, expireds, and cold or warm calling, you can more easily track the numbers and return on investment from your effort.

The proactive sources also create a sense of accomplishment and control. As a real estate salesperson you feel you are moving your business forward. When you go home at the conclusion of your day you feel energized. You know you had a direct hand in creating leads and opportunities. You will not be waiting for leads but taking proactive action to generating leads.

Reactive Prospecting Sources

With the reactive sources, you have less control over creating your desired outcome. In reactive sources, you don’t know the volume or time frame of the leads as completely. With an open house, for example, you don’t really know whether 2 people will show up or 20. With the Internet, you can track...
and monitor numbers and results, but few agents do. The conversion rates can be all over the conversion scale. The lead volume can drop without notice. When Craigslist changed their system a year ago...many agents were caught off guard. These are clearly reactive sources for prospecting and leads. With all of these, the factors of when and how frequently are uncertain. The predictability of referrals can also run in cycles without regular calling or dare I say prospecting to your past clients and sphere. The ongoing touches through mail, email and social media creates consistency and support for the communication. The calling and personal connection via phone is where the mobilization and harvest of referrals really takes place.

Possible versus Probable Prospecting Sources

The last option is the evaluation of the possible versus probable sources. A *possibility* is something that happens 50 percent of the time or less. A *probability* is something that happens 51 percent of the time or more. The mark of a successful agent or team is investing your time and effort in an area where the odds are better. Increasing your effort, time, energy and expertise in past clients, sphere of influences, FSBOs, expireds, referrals from other agents and referral businesses, and personal relationships will increase the results that you will receive.
Establishing a Lead Triad

When you evaluate successful agents' prospecting and lead generation systems, you will find these people have more than one source. Your objective is to establish a lead triad. A lead triad is at least three sources of business that each generate leads accounting for at least 15 to 20 percent of your overall revenue or units.

Establishing a Lead Triad

When I evaluate most agents' businesses, either they have one source that they rely on too much (creating an imbalance of leads and a vulnerability to their business) or they have too many lead sources that generate low levels of leads and business. They may have 10 lead sources, and most of which represent less than 10 percent of their businesses. Both these bookend errors are equally disastrous. You need to have three to four lead sources that can account for a substantial amount of business. When you have a lead triad in position, if a prospecting and lead follow-up source dries up or diminishes because of intensifying competition, marketplace or industry changes, or just bad breaks, you have already established, tested, and proven methods of prospecting and lead generation that you can shift your
resources to. You can ramp up those sources to a high level quicker, which saves you stress and a cash flow crisis.

When a shift in leads happens you then write out a lead triad, one in experimental mode. You have to try out different ways to generate leads. All the ones you try are untested so it is trial and error learning. Learning via trial and error is the most costly learning model.

If you don’t have a lead triad, your probability of weathering the storm is lower. It will take a greater toll on you to navigate the storm. If you have too many sources, you have to pick one or two without knowing whether you selected the right ones or whether your strategy will work. With only one solid source, you are starting from scratch, attacking the steepest part of the learning curve and hoping for quick results. Either approach can be deadly.

**Coaches Tip:** If I am describing your business, I have a word of caution for you: don’t try to add too much too soon. The natural tendency is to rush to add two, three, even four resources now. The better approach is to select one and commit to that one. Track the results and make the changes and requirements necessary to increase the results. Don’t change your sources or add another one for six months, until the strategy, tactics, and implementation have been fully tested.
Prospecting: The Efficient Lead Generator

Prospecting is the most efficient lead generator ever created. All it takes is time and a little bit of skill. You don’t need large amounts of money to prospect well. When I entered real estate sales, prospecting was my only option, since I was undercapitalized in starting my business (translation: broke). Developing and implementing a large marketing and direct mail campaign was out of the question. I was forced to prospect for business. Looking back now, I would not have traded my desperate situation in the beginning for anything. It freed me to learn, early in my career, a primary skill essential to a salesperson’s success. There is no method of lead generation that deals as well with the law of cause and effect. The law states certain causes create certain effects. Make phone calls and talking to people creates leads in bunches...period.
I don’t know where you are in your business today. My suggestion would be to review the chart I provided for you earlier in this whitepaper. My coaching would be review each of your options based on:

1.) Does this align with my marketplace? Some opportunities are more market specific. For example if your market place didn’t go through the big saving in value or have a large volume of foreclosures. The “reluctant landlords” I expressed as a target for leads will probably not align well with your marketplace.

2.) Am I willing to sustain calls and activities to this potential target group? The key to success in sales is consistency and sustainability. If you are selecting a lead generation target that you don’t feel you have any chance to do consistently you probably want to select another opportunity. We can select options out of our initial comfort zone. The question you must ask is “if I achieve some results do I see myself making this part of my business?”

If you can’t see yourself calling expirods, for example, even if you gain a few listings, then it probably is not the best option for you to tackle. The level of effort to move through the learning curve on any new lead generation strategy isn’t worth it if you won’t be consistent at it.
Selecting the correct strategy, developing a quality system and consistent application of effort and resources leads to success. Because we are in sales our calling efforts in the real estate business needs to be enhanced. You are more persuasive and powerful voice to voice on the phone than any other medium, except face to face. Resolve to increase your calling activities this week.

To your Success

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