



NEGOTIATE WITH VALUE

(C7356)

Basics & Beyond Real Estate Institute (S0216)

4235 SE Mile Hill Drive

Port Orchard, WA 98366

360-871-2332 or 800-488-7931

lori@cbparkshore.com

©Lorraine Du Paul, November 2006, 2010

A Washington State approved Real Estate School and course under R.C.W. 18.85

Session 1 (1 hour)

Principles of Negotiating and Negotiating Skills, Tips & Strategies

Learning Objectives

As a result of completing this session, you shall be able to:

- Identify the 3 principles of negotiating and describe the importance of adhering to each
- Identify how your understanding of Maslow's hierarchy can assist you in negotiating with buyers and sellers.
- Describe various skills, tips and strategies that can make you a better negotiator
- Identify 10 negotiating tactics and know how to overcome them.

Session 2 (1 hour)

Sources of Negotiating Power and Understanding and Handling Rejection & Resistance

Learning Objectives

As a result of completing this session, you shall be able to:

- Identify the various sources of negotiating power, how they strengthen your negotiating position and give examples of how to use them.
- Describe 4 major internal barriers and how they affect your success.
- Identify the 3 categories of resistance and describe how to handle each.
- Identify the steps you should take to deal with customer's concerns.

Session 3 (1/2 hour)

The Importance of Trial Closes and A Few Closing Techniques

Learning Objectives

As a result of completing this session, you shall be able to:

- Describe how a trial close differs from closing
- Describe examples of various closing techniques

Session 4 (1 hour)

Negotiating With and on Behalf of Your Buyers and Negotiating With Sellers

Learning Objectives

As a result of completing this session, you shall be able to:

- Describe reasons and ways you can involve the other agent in negotiations.
- Describe reasons and ways you can involve the seller in negotiations.
- Describe ways you can smooth the negotiation process.

Session 5 (1 hour)

Selling Value, Not Price!

Common Buyer and Seller Concerns and Your Critical Role

Learning Objectives

As a result of completing this session, you shall be able to:

- Understand the basic principals for establishing value.
- Identify ways to establish your value with buyers and sellers and be prepared to deal with common buyer and seller concerns.
- Identify various influencing factors that will determine your customer's concerns and actions.

Exam (1/2 hour)

Course Evaluation

According to the National Association of Realtors®, 85% of Americans dislike the negotiating process! But you are in a negotiating type of business and for this reason it's imperative that you learn as much as you can about negotiating so you can be an effective negotiator.

Arriving at a “meeting of the minds” where all parties feel that their needs are met is the main objective of successful negotiations. Negotiating a contract, be it purchase or listing agreement, requires many of the same skills that are necessary in other aspects of selling real estate: PREPARATION, PRESENTATION, LISTENING, ASKING QUESTIONS AND PATIENCE.



PRINCIPLES OF NEGOTIATING

Oftentimes, the public feels there are two skills that real estate professionals are good at – pricing and negotiating. Unfortunately, these are also the two skills that consumers seem to challenge us the most with. According to the National Association of Realtors® (NAR), 85% of Americans dislike the negotiation process. Some areas you will find yourself negotiating during your real estate career include: commissions, price objections, offer presentation terms, and sales resistance.

There are two types of negotiating – Adversarial which is often demonstrated in the courtroom between attorneys where the big winners are usually the attorneys. The plaintiff and defendant are placed in a win-lose position. In the collaborative approach to negotiating, both sides concentrate on solving problems that benefit all, creating a win-win situation.

Even though the word “negotiate”, to some, means to talk or to defend a position, most the best real estate negotiators are both great communicators and great listeners. They are able to clearly state their case, remain silent and listen. Frequently, this uncomfortable silence is filled with discussion from others involved in the negotiating process. The good listener is able to acquire information that is helpful in formulating a strategy that results in fewer concessions later in the process. Remember – we are in a negotiating type of business, therefore it is a skill that we must develop to be successful.

According to John Patrick Dolan, a highly praised convention presenter and author of “Negotiate Like the Pros,” to negotiate effectively, you must be able to communicate effectively. Unfortunately, most sales and business people don't realize the importance of solid communication skills to the negotiation process. As a result, they lose sales or don't get the best possible deal for their clients. To effectively communicate so you can connect with others, you need to:

Organize your thoughts – By organizing your thoughts, you can avoid conveying the wrong message or confusing issues. Don't be afraid to take notes before and during the negotiation process. Outline in advance the main points you wish to cover. Continue to take notes during the negotiation process and take the necessary time to plan your responses. Many salespeople don't realize how powerful silence is as a negotiating tool.

Don't Think About It; Think Through It – Thinking about something leads to confusion, but thinking through something leads to clarity. By processing an idea through to its logical conclusion, you can evaluate options and possible responses. Carefully think about all the possible reactions or concerns you might expect from the other party before you make a point.

Recognize that Actions Speak Louder Than Words – Experts say that 75% of communication is nonverbal. This means your looks, your actions and your tone convey more than the actual words you say. The better you become using nonverbal communication and reading the nonverbal messages others send you, the more effective you can be as a negotiator.

Be Concise – Most people tune out a majority of what they hear, so be concise and to the point. Say what you mean in as few words as possible. You can always elaborate as they ask questions. Repeat your main points several times to emphasize what's most important. Organizing your thoughts will help you say your main points in a concise and compelling way.

Always Translate Your Message Into Benefits for the Other Party – People tend to listen more carefully when they believe some benefit exists for them. Focus on that benefit. Highlight the value of your service, rather than the cost. We'll discuss this in more detail later.

Listen Carefully to the Other Party – Open your mind and be receptive to the other party's message. Listen for feelings as well as facts. Listen to their concerns. Eliminate distractions so you can tune into the other person. Ask questions to stimulate conversation and clarify your understanding of what's been said. Take notes of important points.

Communication is key to effective negotiations. Everyone involved needs to exchange messages. By polishing your communication skills, you are polishing your persuasion skills. Take the necessary time to ensure that your communication will enhance, not hinder, your negotiating efforts. Your income and career success are directly linked to your ability to communicate and persuade. Learn to paint word pictures by using analogies, metaphors, stories and anecdotes to keep your listeners emotionally involved.

Psychologists tell us that we are born into one of four primary temperament styles: aggressive, expressive, passive or analytical. Each requires a different approach and communication strategy. Take a seminar or course that examines these personality types and develop the ability to speak with power and passion; it will pay off in big dividends.



According to David Knox, there are **three principles of negotiating**:

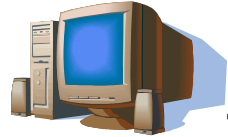
First – You must be willing to **“let go of your attachment to the outcome”**. If you are the type of person who goes into a negotiation serious about winning ALL of your negotiating points, you are making your first mistake and will find it difficult to create a win-win solution. Buyers and sellers sense when you are desperate; they feel you'll compromise integrity, values, price and commission. One effective method for subscribing to the philosophy of “letting go of the outcome” is to have a “pipe line of prospects.” Prospecting is the foundation for good

negotiating. It allows you to love either outcome. When you HAVE to have a sale go together, you lose your effectiveness as a negotiator. The act of NOT needing something puts you in a better negotiating position.

Understanding and acting upon the direct relationship between prospecting and negotiation is imperative to developing your negotiating skills.



Second – **“Take a position of strength”**. By providing “good value” through excellent services, company programs, personal skills etc, you are better able to enter a negotiating situation from a position of strength. The confidence of understanding your value gives you the strength to say “NO” when consumers ask you to compromise your position. You wouldn’t allow a seller to dictate to you that you can only show their property to a certain ethnic class. You would emphatically say “no, I can’t do that”. You wouldn’t allow them to compromise your sense of ethics. By coming from a position of strength and taking pride in yourself, your services, your company and its programs, it’s easier to say “no” when you are asked to cut your commission. Simply say “no”; you don’t even have to defend why you say “no”. If you are sincere in what you say, then you don’t have to use a lot of techniques. Did you know 95% of the skills you need to be a good negotiator, you learned in kindergarten – getting along with others, being respectful, fair, telling the truth ... Be strong and take responsibility. You don’t need to blame the broker or anyone else for your negotiating position.



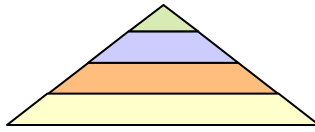
Third – **“Avoid becoming a commodity”**. A commodity is simply an item in which others see no perceivable difference. For example: You are in the market for a new computer. You check out three different brands and discover all the features are relatively the same; there is no discernable difference. How do you decide which one to purchase? Most consumers, according to David Knox, decide based on PRICE because it is the ONLY difference. The perception by consumers is that all real estate professionals are essentially the same. When a seller decides who they want to market their property, they base their decision on price (commission or recommended sales price) because you have not differentiated yourself from everyone else. Add value to your service and demonstrate its benefit to your customer.

When the services you provide are similar to what others provide, you must amplify the details. Don’t let price be your only difference; establish a point of difference. Overwhelm consumers with your competence by actually being better, keeping your promises, being on time and demonstrating your success.

What is more important – more units or more income; quality listings vs. quantity?

Being a good negotiator means being more than a messenger or a fax machine. So many in our industry today, write up the contract for their buyers, (maybe) call the listing agent to let them know an offer is on the way, and then stick it in the fax machine. They become puppets controlled and manipulated by their customers, instead of providing proper counseling to them. Because they don’t take the time to prepare to negotiate in person, there’s no negotiating on

behalf of the buyers or sellers. To be a good negotiator, you must counsel your buyers/sellers, offer advice and help them become involved in formulating a plan that creates a win-win compromise.



Maslow's Hierarchy of Needs

Abraham Maslow, an early 20th Century psychologist, demonstrated how human behavior is shaped by various needs. You may remember from previous psych, science or anthropology classes that according to his hierarchy needs pyramid that people must satisfy needs at the lower levels before they begin striving for the upper-level needs. Understanding these levels can help you better tune into buyers and sellers, reduce their frustration (as well as yours) and improve your quality of service.

At the base of his hierarchy are survival needs (air, food, water). Next are safety and security needs followed by the need for love and belonging. At the fourth level is the need for self-esteem and at the top – a level people reach – is the need for self-actualization.

If you are working with customers who are facing foreclosure, divorce or other conditions that require a quick sale, they are more likely to be thinking about their security than about the size of the kitchen in their next home. Understanding and patience are critical to helping them feel safe. If a safe neighborhood is a high priority, find an area with a strong neighborhood association or watch program or provide them with crime statistics.

Relocating buyers with high security needs may not be ready to be thrust into a home search. They're already dealing with changes in their work environment, schools, social life. Ease them into the search by pointing out highlights of your community. Show them the similarities between your town and the one they are moving from. Buyers and sellers may feel anxious about leaving their current neighborhoods – wondering whether they'll make friends.

First time buyers may express excitement about closing on their first home. Sellers may feel pride about moving up. You can boost their sense of esteem by simply recognizing the leap they are making. Compliment them and provide tips that will make them feel like pros. Help them meet their esteem needs by helping them close by a certain date, finding a home that makes all family members happy etc.

At the highest level, humans have a need to fulfill their potential – to be the best they can be. For many, homeownership fulfills this need.

Understanding these needs will help you to better relate to the emotions of your buyers and sellers. You will then be better able to help them clarify their feelings and desires, assuring them that you want to help them solve their problems.

Philosophies of Negotiating:

- Focus on problems rather than individual personalities
- Focus on people's interest rather than their position. Find out "WHY" something is important to them. Once each party understands "WHY" a particular negotiating point is important, it's easier to come to a "meeting of the minds" and create a win-win solution.
- Teach your customers early on that your negotiating style is to work toward mutual gain.
- Before offering your solution, ask your customer for theirs. People don't resist their own ideas. They only resist ideas that somebody else is trying to foist on them – ideas they don't "own."
- Remember, every time you cheer the loss of someone else's right, it not only sets up bad feelings, but tends to come around in a negative way. Also remember, that once you lock onto a belief, you can no longer see the other person's point of view. Be a third party so you can see both sides.



NEGOTIATING SKILLS, TIPS AND STRATEGIES

As mentioned earlier, the primary skills necessary to become a good negotiator are: Preparation, Presentation, Listening, Asking questions, Patience.

Smart salespeople realize effective negotiation depends on good preparation. They think through their own position and that of their counterpart so they can handle anything that may arise during the negotiating process. Understand what your position is and what you want. Formulate a detailed picture and make a list of specific demands. Knowing specifically what you want will allow you to feel more confident and your counterpart will respond more favorably to your requests. You must also know where you can afford to compromise. No one ever gets everything they ask for, and negotiation is no different. The process requires give and take from both parties so you must be prepared for compromise. Knowing in advance what concessions you are willing to make will help you in not giving up too much, or giving up the wrong things. Know what you **must absolutely have**; what items you'd **like to have**; and what items **would be great to have**. Be prepared with alternatives or options. The more options you generate, the better chance you have of ensuring win-win solutions. Premature judgment, searching for the "one" right answer, limiting your options to "either/or" and limiting solutions to meeting only one party's needs, all act as barriers to generating options.

Understanding your counterpart's position is also important. The better you are at acting as a third party, the more successful you'll be at looking at the situation from the other side. Uncover your counterpart's strengths and weaknesses. Discover what they want, what's important to them, whether they are willing to negotiate, what their degree of flexibility is, what they have to offer you, what resources they have. By taking personal inventory of your position and understanding your counterpart's position, you will develop the necessary confidence that will prevent you from making poor decisions.

As stated earlier, "Negotiate" to some means to talk or to defend their position but most of the best real estate negotiators are also great listeners. They state their case, remain silent and listen. While others are talking, they are acquiring information that is helpful in formulating a strategy

that will result in fewer concessions. The smart negotiator will then ask questions on issues that need clarification, listen and get more information. It is important to avoid “the battle of egos” – to see who can win the most from the other party. This attitude is counterproductive to the negotiating process. Set up win-win situations by examining the merits of each issue and working toward mutual gain for both parties.

Using all your senses to observe and determine the other party’s reactions, flexibility, ability to compromise etc requires face to face meetings. For this reason, it’s best not to discuss offers over the phone. Listen attentively and really hear the other party out fully. Direct your conversation toward making decisions that will solve problems and yield benefits. Stir away from personalities. Don’t allow yourself to be sidetracked. Sympathetic gestures and facial expressions, emphatic phrases work wonders at smoothing the way over rough spots.

A few examples of phrases you might consider using:

I understand	I know what you mean	I’ve been there
I know what you’re saying	I know the problem well	You’re right
I agree	I see your point	That’s only right and reasonable

Never argue money; instead sell the amenities. Money is a HOT, emotionally-charged issue. Remind your buyers about the amenities they said they liked about the home. Take the house away from them by running through their other house choices and remind them that they said they liked this house best. Remind sellers of why it’s important for them to sell (their motivation/urgency). Sell the difference, not the price. Saying the other party countered for \$3000 more is much more palatable than saying they countered to \$150,000.

Never knock the seller’s house. You may have to be strong with your buyer and remind them that you are the negotiating expert and that it’s been your experience that you get “more with honey than vinegar.” Knocking the seller’s home alienates your ability to get them the best price and terms. Once this occurs, the sellers may not even consider future offers, even good ones.



Patient negotiators are generally more successful, particularly when dealing with impatient people on the other side. Patience is the essence of true negotiation. Salespeople often lose because they are impatient negotiators. Rather than learning to negotiate properly and letting the sellers and buyers come to terms, salespeople often become a commodity in the negotiating process. They allow themselves to be manipulated by their buyers and sellers. Being patient allows you to understand the big picture, analyze key issues better, understand the goals of the other side, evaluate trade offs, and test the strengths and weakness of the other side.

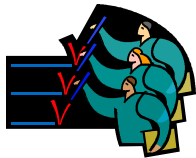
Developing great listening skills is essential to becoming a patient negotiator.

Negotiate With Value

Copyright 2006, 2010 Lori Du Paul, Basics & Beyond RE Institute

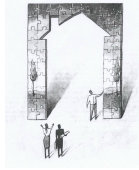
- Listening more means you are talking less. The more talking you do, the more information you are likely to give away and the more outright concessions you are apt to make.
- Listening more allows you to take notes which provide you a record of what is being said and ensures you are paying attention and not letting your mind drift.
- Listening more allows you to ask the right questions in a friendly, non-threatening manner.
- Listening more means not interrupting others. People who frequently interrupt others usually make more concessions. If you have any doubts about statements made, however, be sure to get clarification during the negotiating process – not afterwards when it's too late.
- Listening more means making eye contact. Frequent eye contact is considered to be one of the key elements in effective communication. It allows you to connect with the other party so they'll connect with you.
- Listening more means repeating, summarizing, verifying and querying your counterpart.

Patience is the catalyst that brings the negotiating process back to life when it seems to be faltering. Being patient and thinking things through reduces the possibility of you making unnecessary concessions.



Nice gals and guys finish first. Earlier, we mentioned that many of the skills you need to be a good negotiator, you learned in kindergarten – being polite, considerate, and good mannered. Tips to help you be a better negotiator and follow the “do unto others as you’d want to be done unto” philosophy are:

- Don’t contradict the other side abruptly
- Avoid expressions of fixed opinions
- Sympathize with the other side’s needs and desires
- Be sincerely regretful when you have to take a conflicting position
- Don’t be belligerent or offensive
- Never interrupt
- Be prepared to trade
- Keep the buyers and sellers talking
- Use ALL the variables available as negotiating tools (down payment, type of financing, time of possession, and non-real estate extras...)
- Maintain a professional demeanor
- Don’t oversell.
- Remain calm, listen, continue to ask questions and never become angry
- Never lie or make promises that you cannot keep or break a trust



TOP TEN NEGOTIATING TACTICS

John Patrick Dolan, a highly praised convention presenter and author of “Negotiate Like the Pros” wrote about how to overcome the top ten negotiating tactics. Although everyone uses these tactics, it doesn’t mean that negotiations can’t be fair.



Tactic #1 – **The wince** – an overt negative reaction to someone’s offer. For example, acting stunned or surprised when your negotiating counterpart names their terms. This tactic tells your counterpart that you know your limits, which isn’t under-handed or dishonest. Many times, you’ll be on the receiving end of the wince. You can counter the wince with the next tactic.



Tactic #2 **Silence** - Silence can be your strongest negotiating tool. If you don’t like what’s being said, just sit back and wait. Most people feel uncomfortable when conversation ceases. They start talking automatically to fill the void. If your counterpart understands the importance of silence as well as you, rather than wasting time in silence, restate your offer. Don’t make suggestions or changes; just repeat your terms.



Tactic #3 **The Good Guy/Bad Guy Routine** – This tactic is often used in movies where one party is unreasonable and inflexible while the other acts as if they’re on the suspect’s side. Your best response to this tactic is to ignore it. Don’t play along and don’t allow the good guy to influence your decision if it doesn’t create a win-win solution.



Tactic #4 **Limited Authority** – A variation of the Good Guy/Bad Guy Routine. The person you are dealing with tells you that he or she must have approval of any deals with an unseen higher authority. Two options exist: one, ask to deal directly with this so-called higher authority; or two, test the limits of your counterpart.



Tactic #5 **The Red Herring** – This technique comes from fox hunting competitions, where one team drags a dead fish across the fox’s path to distract the other team’s dogs. At the negotiation table, a red herring means one side brings up a minor point to distract the other side from the main issue. When confronted with this tactic, use extreme caution, and suggest setting the issue aside temporarily to work out other details.



Tactic #6 The Trial Balloon – Trail balloons are questions designed to assess your negotiating counterpart’s position without giving any clues about your plans. For example: “Would you consider trying our services on a temporary basis?” The nice part about these types of questions is they aren’t really offers. They allow you to gain information without making a commitment. When you’re on the receiving end of a trial balloon question, you may feel compelled to answer it thoroughly. Resist this temptation and counter with another question. For example if someone asks, “Would you consider financing the house yourself?” You might respond with, “Well, if I did, what would your offer be?”



Tactic #7 Low-Balling is the opposite of the trial balloon. Instead of tempting you to make the first offer, your counterpart will open the process with a fantastic offer. After you agree to buy, you learn about hidden costs (shipping and/or installation). In the end you probably pay more than you would have at another store. To avoid falling victim to this tactic, ask your counterpart about additional costs before agreeing to any deal.



Tactic #8 The Bait-and-Switch is similar to low balling. For example: The bait might be offering a very good deal for a printer/scanner; the switch is when you visit the store offering the deal, there are none available. You are instead introduced to another more expensive brand. Avoid this tactic at all costs because it will almost always burn you, unless you recognize it.



Tactic #9 Outrageous Behavior can be categorized as any form of socially unacceptable conduct intended to force the other side to make a move. Throwing a fit of anger, bursting into tears, swearing etc. are examples of outrageous behavior. The most effective response is none at all. Just wait for the fit to die down before reacting. Emotionally-charged negotiations can result in disaster.



Tactic #10 The Written Word – when terms of a deal are written out, they often seem non-negotiable when in fact they may still be negotiable. The best defense against this tactic is simply to question everything, whether it appears in writing or not. You may be surprised how many contracts are negotiable when challenged.

Before you enter into your next negotiation situation, make yourself aware of these tactics and how they affect the process.



SOURCES OF NEGOTIATING POWER

In Marilyn Jenning's book, "Bull's-Eye Negotiating", she describes six major sources of negotiating power. Your ability to develop and use these sources of power will positively affect your negotiating abilities.



INFLUENCE

The power of influence in negotiating refers to the ability of "winning the respect" of everyone you deal with in the negotiating process – buyers, sellers, other real estate professionals, lenders, escrow and title representatives, inspectors, appraisers, county officials etc. Maintaining the philosophy that you wish to "build clients for life" will enhance your ability to use influence as a negotiating power. The greater the respect your clients have for you, the more influence you'll have with them and the more comfortable they'll feel about referring others to you. The greater respect you have with other sales associates, the more influence you'll have with them.



REPUTATION

Building trust is the key to developing a good reputation. The best way to build trust is to do business fairly, honestly and straight forwardly with every person with which you deal. There is an ad for Levi Stauss that sums up the importance of reputation. It asks the question: "What's a signature worth? There was a time when a signature was a pledge. It meant that you stood behind your work and were proud of it. In 1873, when people saw the Levi Stauss' name on a pair of jeans, they knew they were looking at quality and durability. For today's families, his signature still guarantees the same thing." Can you say that about your signature - your reputation?



ATTITUDE

It is critical to maintain a positive mental attitude about the task at hand – negotiating. You must believe that your goal is not only justifiable but attainable. Your attitude can dictate the success or failure of your negotiation. A positive mental attitude assists you in appearing confident and will allow you to take control at the beginning of a negotiating session. You have the ability to set the tone by being positive and friendly, instead of threatening and intimidating. You'll find you accomplish much more by maintaining a good, positive attitude.

Even more than experience, confidence shapes your ability to succeed. When your self-assurance wanes, you feel out of sync with clients/customers. And if they sense your tentativeness, they may be reluctant to give you their listing or repeat business. To maintain your confidence level, be prepared for the unexpected. Set aside time each day to prepare for the tough questions that inevitably come. Review your buyer or listing presentation. Know your market and trends. Read real estate related publications. Even when you don't feel confident, you must show it – through your mannerisms, eye contact, sincerity, appearance, voice, and attentiveness. Increase your confidence by being prepared, dressing well, practicing good posture, arriving early, walking with confidence, looking the client in the eye, and giving a firm (not crushing) handshake.

Having a strong inner level of confidence means believing in yourself. To gain more confidence, you need to:



(1) **Focus on what you want** – Choosing positive thoughts, images, and feelings will assist you in focusing on your desired outcome.



(2) **Tame your inner gremlin** – AKA inner critic or inner judge. Don't allow this inner voice to put you down; instead replace it with some positive thought.



(3) **Clear your inner conflicts** – How many times have you told yourself that you need to contact your sphere of influence, and then don't do it? There's a resistance – one part of you is saying "make the call"; the other part is saying "I don't want to intrude or have them think I'm soliciting." Assume the role of mediator and find a solution that pleases both parts.



(4) **Create a successful future self** – Picture yourself as a success by creating a vision that inspires you toward success. Some people put together a collage of photos that inspire them and then place it where they will see it every day. Some rely on inner visualization or meditation. Whatever technique works for you, just remember to take time to do it.

VALUE



(5) **Know that what you have to offer is valuable** – Effective marketing is based on the idea that you know your services are valuable and that you are willing to communicate that on a consistent basis. Rather than simply telling someone that you are a real estate agent with xyz company, why not explain to them that you're the person who handles the details when someone wants to buy or sell a home; you're the one who helps make sure the process goes smoothly!

A Positive attitude = certainty = confidence = decisiveness = more sales and listings



COMMITMENT

You must be committed to not only the person you are representing, but also to your company, the products or services you are selling, ethical business practices, and to your business philosophy. Think about how you have felt when you've visited a store and overheard employees talking among themselves, degrading their company or product. People enjoy working with others who demonstrate pride in what they do and for whom they work.



TIME

There are two aspects of time to consider. The first is to take time in your busy life from the urgent to do what's important in your life. The more time you take for you, the more money you make. The second aspect is to refine the "art of being patient". It is an essential quality demonstrated by all expert negotiators.

Brian Dyson, CEO Coca Cola Enterprises said, "Imagine life as a game in which you are juggling some 5 balls in the air. You name them – work, family, health, friends, and spirit; and you're keeping all of these balls in the air. You will soon understand that work is a rubber ball. If you drop it, it will bounce back. But the other 4 balls – family, health, friends and spirit are made of glass. If you drop one of these, they will be irrevocably scuffed, marked, nicked, damaged, or even shattered. They will never be the same. You must understand that and strive for balance in your life." It's impossible to be patient if you're always in a rush. Learn to balance family and business and take the necessary time to go on vacation; that's when you're best able to replenish your energy and your creativity.

Practice extreme self care and self maintenance – Dr. Steven Covey talks about "sharpening the saw". It's pretty difficult to sharpen a saw while it's in use. He recommends taking an hour a day for making sure that your physical, emotional, mental and spiritual needs are met. Maybe taking an hour a day is beyond your reach at the moment. Then think about what small steps you can take to improve your energy level and vitality. Remember you are your business and only you can take care of it. Thirty minutes a day of meditation, exercise, stretching, or spiritual reading can do wonders toward improving your outlook.



KNOWLEDGE

"Just as a person who doesn't read is no better than a person who can't, people who don't use their knowledge, are no better off than those with none at all." Knowledge is power but only when it's put to use! Become knowledgeable of the real estate industry, of your company and its

programs, of the market you are servicing, of the skills necessary to understand and work effectively with people.

When you use these negotiating powers effectively, you don't have to resort to sleazy tactics to trick or manipulate people. There are some tactics or tools that expedite the negotiating process; others that are used to take advantage of people INCLUDING YOU! You must be able to differentiate between them.



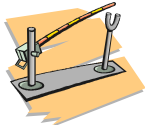
UNDERSTANDING & HANDLING REJECTION & RESISTANCE

“No” means “Maybe” according to Jack Perry, renowned author of “Jack, You’re Fired”.

We are faced with all types of rejection everyday. Successful people, however, know they need to embrace rejection instead of shy away from it. Think of rejection as only a temporary setback. Don't allow it to overpower you or take up permanent residence in your psyche. Where would we be today if people like Henry Ford, Thomas Edison, Abraham Lincoln and others allowed rejection to stop them? **The fear of rejection is even more dangerous than rejection itself.** That fear can prevent you from taking the necessary risks that could lead you to true success. Trying to escape the pain of failing by not trying only means you lose the opportunity to learn lessons that can propel you toward great success.

Change the way you think about rejection and success will follow. Stop taking rejection personally. It's not a personal attack. According to Jack Perry, 50% of salespeople allow rejection to stop them completely after the first “no”. Of the 50% who don't give up, half of them cease all sales efforts after the second “no.” Rather than considering how to approach their prospect again, they simply hand over the opportunity to their competitor.

Since rejection exists only in your mind, redefine it. Rejection is only temporary. View rejection as a stimulus that allows you to continue toward your goal. When a prospect rejects your services, they simply want you to tell them more, give them a reason to say “yes”, connect the value to your prospects. Did you ask the right questions to understand what they need/want; did you discover and address their “real” concerns. Don't allow rejection to kill your initiative. Instead, use it as a sling shot to propel you toward your great goals.



Don Hobbs, of Hobbs & Hearder, a marketing firm in California, identified **four major internal hurdles** you must avoid if you are to achieve true success in your life. These hurdles can also affect your ability to negotiate successfully. These barriers are:

(1) **FEAR** – we all have irrational fears about all kinds of things. They constantly weigh you down and prevent you from achieving your true potential. The likelihood of these fears being realized is slim and unfounded.

(2) **COMPLACENCY** – Instead of comparing yourself with other agents, compare yourself with what's possible for you. Ask yourself whether you're doing everything you possibly can to ensure success in life and at the negotiating table.

(3) **INDECISION** – Jim Rohn calls indecision “the thief of opportunity and enterprise.” Success isn't convenient; it requires planning and action. Are you willing to make decisions and take the necessary steps to be successful or would you rather make excuses. Excuses will always allow you to rationalize why you're not more proactive and successful.

(4) **DOUBT** – Doubt is the polar opposite of positive thinking, according to Rohn. Questioning something periodically means you simply need clarification to get yourself back on track. But allowing negative thoughts to turn you into a chronic skeptic is counter productive to your success.



CATEGORIES OF RESISTANCE: OBJECTION, DOUBT & INDIFFERENCE

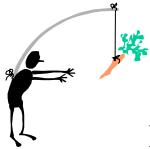


Objections aren't roadblocks, red flags, or stop signs. They're an opportunity to learn more about your prospect's truth so you and they can decide whether the solution you're offering can solve their concerns. Objections are an opportunity to learn whether your prospect is a match for what you have to offer. Instead of challenging or denying how they view things by simply defending your company or services, validate their viewpoint and invite them to tell you more about their concerns. Consider a different mindset where you look at “objections” as “concerns” and your sales conversations will become effortless and relaxed.

How do you recognize a concern? A concern is a “yes”, followed by a “but.” Most sales associates believe this is the only category of resistance. Examples include: Yes, I like this house, but the roof is too old. Yes, I want to buy this house, but the bedrooms are too small. Yes, I would like to list with you, but your commission is a little high. Yes, I would like to list with you, but we need more money. In order to respond to a concern, the positives must outweigh the negatives. You know there are negatives to staying in real estate. So why do you stay in it? The negatives don't go away; the positives simply outweigh the negatives. This concept is true with your customers. Don't try to overcome their concerns. Help them see that the positives outweigh the negatives.



Earlier we discussed **Doubt** and how it affects your ability to “be all you can be”. Let’s briefly discuss doubt as a form of resistance in a negotiating situation. Doubt means the other party doesn’t believe what you’re saying. Validate their viewpoint by engaging them in conversation. Once you’ve determined what it is and why they doubt you, gently offer them evidence that supports what you’re saying. For example: A CMA demonstrates what other people are willing to pay for similar homes. Explain that a CMA is simply an x-ray of what the market will bear at any given point. Some sort of evidence is required to handle doubt.



Indifference is the most difficult category of resistance with which to deal. You can’t overcome indifference with positives or evidence. You must probe their indifference to discover if they’re truly motivated. You must determine what they’ll do if something doesn’t happen. For example: If they say, “we don’t have to move,” ask “what happens if you don’t move?” If they respond, “If it is meant to be, it will be”, they’re most likely not motivated enough and you must be willing to let them go.

With each of these categories of resistance, you see that you must respond differently.

Remember, rejection or resistance does not mean the deal is lost. If you think that, then that’s exactly what will happen. You’ll give up and lose the customer or lose the sale. An objection is simply an indication that you have not given your customer enough information. They don’t understand what the value is to them. It’s an invitation for you to offer more information or ask more questions. Some of the most common concerns you’ll hear in your career are:

“Your commission is too high.” .

“Other agents would sell for more.”

“We need to think about it.”

“Can’t we initially list it at a higher price?”

“The contract term is too long.”

It’s important that you address buyer’s and seller’s concerns when it is keeping them from making a decision that’s **in their best interest**. The concern will not go away if you simply try to ignore it.

There are several steps that will assist you in dealing with your customer’s concerns. **Acknowledging their concern** by restating it gives them an opportunity to evaluate it in their minds. **Expressing your understanding or empathizing** with them (when appropriate) assures

them that you understand their concern. If your buyer or seller has expressed a concern but in vague terms, you must have them articulate their hidden concerns so you are not assuming incorrectly. For example: A seller might say “we could sell our home ourselves and save the commission.” You could then reply, “Yes, you could sell it yourselves but have you considered...”. **Isolating their concerns** will help you determine if they have one or several issues and which is most important. For example: If a buyer says to you “we like this house, but we don’t like the carpet color.” You might respond “Other than the carpet color, would you consider buying it?” Before offering your solution, take the time to **ask them how they might solve their concern.** This allows them to take ownership of the solution. People seldom reject their own solutions. Of course, there will be times when your customer will need assistance in understanding the facts and alternatives. Then you need to **recommend your solution,** remembering that the decision must always be theirs. Finally, you must **close** again to determine if there are other concerns. This process must be repeated with each concern.

Realize that sometimes people will offer a fake objection because they don’t want to say the truth – that they simply don’t like you. Don’t feel so bad; you won’t click with everyone. That’s a fact of life. You simply need to move onto the next prospect. Refer these people to someone you believe can assist them.

When you’re able to really listen to what clients and prospects tell you – not just the words, but the meaning behind the words, you can successfully help them overcome virtually any concern. The key is to be open to their feedback and to view concerns as invitations for more information rather than as deal breakers.

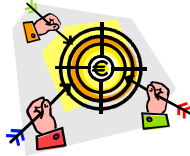


AVOID DEADLOCKED NEGOTIATIONS

You may have heard the phrase: “That’s my buyer’s final offer! Tell the sellers they can take it or leave it!” This is an excellent example of negotiating yourself into a deadlock situation.

The best strategy is to submit your final offer without a hint of finality. If it’s rejected, resubmit it but with an apology that you can do no better. Create an atmosphere for negotiating, not of finality. Many times a final offer really isn’t a final offer. Challenge yourself to find out where the problem lies and try to resolve it. If the disagreement is objective and quantifiable, it’s easier to resolve than if it’s emotionally based. If there are several issues, work from the easiest to the most difficult. An emotionally-based disagreement is characterized by yelling, crying, or silence and the use of words like “insulted.” Offer your sympathy and understanding. If you’re the listing agent, explain that oftentimes a buyer’s initial offer doesn’t meet all the needs of the seller. Let them know this is their opportunity to respond. You must be seen as an ally or your negotiating efforts will have no effect. With emotional issues, your message is less important than how it’s delivered.

To avoid deadlock negotiations, be nice and never use a threatening tone. Never give a take-it-or-leave-it ultimatum and treat the other salesperson as an ally, not as an opponent.



THE IMPORTANCE OF TRIAL CLOSES

In today's competitive marketplace, your responsiveness to a customer often determines whether the sale is made or lost. There won't be a sale if the customer doesn't trust you, if they're not excited with your solution, if they can't see what's in it for them or if you can't help them clarify the pros and cons.

The trial close is a great test of whether you're on track or not. Trial closing questions can help you test your customer's reaction at any time during the sales process. These questions can help you find out what they think and feel about your service and whether you need to adjust. Unfortunately, trial closing is one of the most underutilized strategies in selling...even though it is one of the most powerful. It can tell you when to ask for the decision.

A trial close is a test to see how near your customer is to making a decision. The trial close is an **opinion-asking question**: "Where would you place your sofa?" The close, on the other hand, is a **decision-asking question**: "Would you like to go back to the office to see how your offer looks on paper?" The trial close is like a report card that tells you how your customers are accepting your solution.

Often a salesperson learns about new concerns when they try to close the sale. This is usually because the customer wasn't encouraged to express their feelings during discussions/showings. Trial closes can help you elicit comments with the use of questions: "What do you think of ...?" "How would that affect your ...?" This type of questioning can flush out customer's thoughts and feelings. You get a reading of how much they like the home or your services.

Though you may initially feel uncomfortable asking your customer how they feel about a home or your service, you run little risk with trial closings. Closing, however, on a buying signal can get you in trouble. There is little penalty for getting a cold response on a trial close; it's only an opinion.



The trial close can be used any time during the selling process to test the waters. The purpose of the trial close strategy is to help you know when to close for the sale. Sometimes the answers you get are so strong that you won't have to close at all – you'll just naturally write the order. If you're not trial closing, you may inadvertently try to close before the customer is ready to buy or list. Once a negative response is given, you may feel compelled to defend it which leads to sales pressure. Closing too late can be as big a problem. You have overstayed your welcome and perhaps missed your opportunity. An attempt to close too late is likely to get a negative or stalling response.

The best solution is to trial close early and often, rather than too little, too late, so you don't miss your customer's peak desire. Don't be afraid of finding out what your customer is thinking and

feeling. If you can successfully bring your customer's opinions out into the open early, you've given yourself an opportunity to adjust your presentation and greatly increased your chance of closing the sale.

If you use trial closes throughout the interview, chances are you will have learned long before the close just what your customer wants, thinks and expects of you. When you know when your customer is ready to make a decision, the close will become the logical end of the discussion and will happen without a lot of effort on your part.

Some examples of trial closes you might consider using with a buyer include: "I noticed you like the swing set; should we ask for it in the offer?" "Do you want to take possession at the end of this month or next?" "What is a convenient day for a home inspection?"

Examples of trial closes you might consider using with a seller include: "Do you have a key ready tonight?" "Where in the yard would you like the sign placed?" "Is this Tuesday all right for the Broker's Open?"

By taking the time to develop a relationship, asking good questions and listening closely for clues as to what your customer wants and needs, you will be able to close more. This consultative approach helps you better understand your customer's current situation, establish rapport, reinforce your credibility, and motivate and sustain your customer's interest.

The trial close measures the temperature of your prospect or customer's desire!

A FEW CLOSING TECHNIQUES



Positive and Fair – Rather than trying to prove the other side wrong, present your position as positive and fair. For example: Explain the purpose for your reviewing a CMA is to demonstrate that your buyer is making a fair offer. Ask sellers if based on the data you present which they've analyzed, wouldn't they agree your Buyer has made a fair offer. If the CMA supports the asking price, you can use this same technique to convince buyers that a seller's asking price is fair.



Gambling or Buy-Back – Point out to sellers that if they accept an offer, their home is sold NOW! If they don't accept it, they're gambling that this buyer will pay more. If the buyer decides to buy something else, the seller is gambling that another buyer will agree to pay more.



Time Element – Point out to sellers that their home has been on the market for XX months and it's taken this long to find someone who wants to buy it. If they let these buyers get

away, the odds are pretty good that it might take another xx months to find someone else who wants to buy it.



Peace of Mind – This technique is effective with out-of-area buyers facing deadlines. They don't have to return for another house hunting trip. They can get their kids registered in schools. They can begin making moving arrangements and get on with their lives.



Concessions – The proper “exchange” of concessions is considered one of the most effective negotiating techniques. Note the difference between “exchange” and “making or giving outright concessions.” You don't want to give up something without receiving something in exchange. Further, you should attempt to get something in return that is of equal or greater value than what you're giving up.



The Written Word – Start writing and filling out the purchase or listing agreement. If your buyers don't stop you, keep writing. They have every opportunity to stop you or slow you down. If they don't jump on this opportunity, keep writing. If they do try to slow you down with a concern, help resolve it and move on.



NEGOTIATING WITH AND ON BEHALF OF YOUR BUYERS

When your buyer says “I'd like to think it over,” you've just been hit by **The Stall!** The good news is that your buyers have some desire to make an offer with you. They've come this far in the sales process with you. The bad news is something is stopping them from buying now. Stalls normally mean your buyers do not have enough reason to buy NOW – they don't sense any real urgency. You need to better explain why timing is so important.

It's time to key in on the buyer's positive emotions. The buyers will buy only when they feel a strong positive benefit. Your job is to discover what those benefits are and help them focus on them. Before taking them out looking at homes, you (hopefully) took the time to ask them questions that helped you determine their wants, needs, urgency, motivation, ability to pay etc. (Hopefully) you also continued asking them questions while showing homes to determine if there were any changes in their wants, needs, urgency and motivation. Now's the time to remind them of the reasons for going out and looking at property with you. Try to find out why they need more time to “think about it.” Once you understand their reluctance, you may need only remind them of the benefits (the things they said they liked about the property), to show them that it's in their best interest to make an offer now. It's up to you to create the sense of urgency

by selling their concerns back to them. If it's a legitimate stall, it may require further analysis of their needs. In this case, close for the next appointment and keep their interest and involvement high.

The way you present a sales offer sets the tone for many things – how it will be accepted, whether the sellers trust that you know what you are doing, whether the other agent wants to work with you, and whether you are representing your buyer's best interests. Negotiating skills are an important part of your business. Learn to present your offers like a pro. After you have written an offer, there is a sequence of events that takes place.

- First - secure the Earnest Money
- Notify the listing agent that you have an offer to present. This is a great time to ask for any documents you may need to provide the buyer or attach to the offer (for example: Lead Based Paint Disclosure, Seller Disclosures, the last vested full legal description etc)
- Prepare for the presentation of the offer. Updating a CMA that substantiates the offer, preparing a list of possible concerns you think the sellers might have regarding the offer as well as your responses and preparing any other documents that might support your offer.
- Practice your presentation.
- Listing agent contacts/arranges for a time and place to meet with sellers for presentation of the offer.
- Listing agent notifies you of date, time and place of presentation.
- Present your offer.
- Once you have presented your offer, it's best not to comment on it or add to it. Remember, silence is an excellent negotiating strategy; you don't want to lose its effectiveness by adding additional comments.



INVOLVE THE OTHER AGENT -

There are many reasons to involve the other agent. The listing agent knows the sellers best so you want to make him/her your ally. Let the listing agent know that your clients are serious and are waiting to hear an answer. Let him/her know that you are looking forward to working with him/her. When you make that first phone call, setting the right tone is critical to enlisting the cooperation of the listing agent. Be sure that you give him/her a number where you can be reached in case there are any questions and to notify you of the presentation time.

If you are not presenting the offer to the seller in person, you should attempt to get a time when the offer is being presented so that you can let your anxious buyers know when they might receive a response. You might also want to prepare a brief background sheet letting the other agent and the sellers know a little bit about your buyers. It will help to humanize your buyers to them.



INVOLVE THE SELLER -

There are many reasons to involve the seller during the presentation. Hopefully you will be able to present your offer in person to the seller. Try to control the situation by first recommending a table to sit at and have the sellers sit directly across from you so that you can focus on all parties. Having one seller on either side of you is distracting and you may tend to focus on one more than the other which can have a negative effect on your offer.

Practice your presentation before you deliver it. To build good negotiating skills takes practice. The more you practice, the better you will be. Presenting offers in this way involves all parties and gives you much more to go on should there be a counter offer. Good negotiating skills are simply practicing good people skills. Make everyone involved feel important.

Begin by thanking the sellers for having their home available for showing, or having it in lovely condition, or anything positive. Briefly tell the seller and agent about your buyers. You don't want to provide too much detail, but again, enough to humanize them. When presenting your offer, be sure to ask if there are any questions after covering each major point. Write the seller's responses to any questions you might ask during the presentation. Sit back and listen. If questions are asked, answer them briefly. If there are concerns, let them express them without interruption. You want them to express all their concerns. End the session by pointing out the positives of your offer once again.



TIPS FOR OBTAINING A SALABLE OFFER:

If your buyer insists on making a low offer, push hard for

- (1) No contingencies
- (2) Close at the seller's convenience
- (3) Offer terms that cash the seller out
- (4) Don't add unusual clauses and
- (5) Don't make requests for the seller's personal property.

Each complication introduced into low offers cuts in half its chances of being accepted. If you have to present a low price, fight hard to eliminate every other negative.

Do your homework before you take buyers house hunting. Show them only properties they can afford. It will help eliminate the possibility of them offering a lower price simply because they don't qualify for the higher payments of a more expensive home.

Type the offer if practical. Your offer will appear more professional and if and when it must be faxed, it will maintain clarity.

Get a sufficient deposit to demonstrate to the seller that your buyers are serious about purchasing their home. Be sure to give a copy of the offer to your buyers before they leave you – this is their receipt for the earnest money they've provided you. You also want to advise your buyers of

the possible responses that may be made by the seller – accepting, rejecting, or proposing a counter offer.

Finally, you want to stop talking and listen.



NEGOTIATING WITH SELLERS

Why do agents agree to cut their commission? Many new agents think they must to compete. Many experienced agents do it because they are desperate. Too often what happens is agents “stick it” to the nice people who wouldn’t think of asking them to cut their commission by charging them the full commission. But they let the “not so nice” people get by with cutting their commission. If you do this, it begins a succession of other compromises you’ll be making for the duration of your relationship. Then what happens when the nice people discover that you cut your commissions for the “not so nice” people. At this point **you** have an integrity problem.



If you were asked how price ranks in the customer’s mind when considering a sale, what would you say? First? Second?. According to “The Selling Advantage” newsletter, many surveys have shown that both private business and government rank price only as the sixth most important consideration. In today’s competitive world, a price concern is the quickest way for a prospect to get rid of a salesperson.

Often, price is more of a problem in the salesperson’s mind than the prospects. Top sales professionals have learned that most customers start out price-conscious, but end up becoming value-conscious when the salesperson has taken the time to explain the value or benefit.

Value is the emotional combination of price, quality, and service.

Your role is to influence customers as to why they are better off with the benefits and values you and your company offer.

Two primary areas you must be prepared to negotiate with all sellers deal with Price. They are: Pricing the home for sale and your Commission. Thorough preparation and research are paramount to your ability to successfully negotiate these two points.

Let’s discuss your commission –

The prospect is always asking, “What’s in it for me?” The answer is not features, but rather benefits and reasons to work with you. Rarely is any one feature the deciding factor, but one benefit may be. The prospect’s decision will be based on perceived value in relation to price. Values or benefits are not in the product but in the prospect’s mind. You have control over presenting the prospect with enough reasons to list with you.

Negotiate With Value

Copyright 2006, 2010 Lori Du Paul, Basics & Beyond RE Institute

Selling (like buying) is an emotional process. The strongest emotions often are based on past negative experiences involving service. Ask questions to find out your prospect's past dissatisfaction with service and show how you will do better. Your commission can be higher than the competition as long as the prospect feels it is justified in terms of the values and benefits offered. Don't be afraid to bring up your commission before the prospect complains about it. You can soften its effect by bringing it up as a benefit and demonstrating your value. If you try to sell your commission without discussing value, you are vulnerable to losing the listing when someone with a lower commission or better service comes along.



Getting the commission you believe you deserve means (1) creating benefits rather than competing for lower commissions, (2) selling visions and ideas, not just your services, (3) creating visual images of the prospect enjoying your services and (4) training yourself to sell value – the combination of price, quality and service.

You must take the time necessary to not only understand your value but also to articulate that value – to buyers as well as sellers. One way of establishing value is by letting them know your production results and how your service is different. Self-esteem and confidence in your abilities will allow you to come from a position of strength. So where do you get this power? From prospecting. As mentioned earlier, having a pipeline of prospects makes it much easier to say “no” when you're unable to convince a seller of your value.

Sometimes, when sellers don't want to pay your full commission, they're right. You're just not worth it. If you can't demonstrate that you have the experience, focus, dedication and skills to get them the best deal possible, then they're correct to question your fee. To convince sellers that you're worth full price, you need to outline your marketing strategy, highlight your experience and set yourself apart. Following are three lead-ins for overcoming commission concerns:

1. “Let me show you the proven methods I'll use to position your home. We'll locate buyers through demographically focused lead generation. These strategies can create multiple buyers, which can lead to multiple offers and less price negotiations.”
2. “Let me show you how working with me can bring you a better price. According to our multiple listing service, homes sell for an average of 96% of list price. My average is 98% of list price. Apply that 2% to your \$150,000 home and you'll see a \$3,000 increase in net proceeds.”
3. “I understand that Brand X will do it for less. However, when you buy something, you look at all the features for comparison, right? Let's look at a comparison chart that shows how I stack up against my competitors. The chart covers number of For Sale signs up, years in the business, testimonial letters, proven lead generation systems, number of buyer contracts in force. (Walter Sanford, Realtor Magazine)

When you cut your commission, everyone wins but you! When you cut your commission while doing a listing presentation, you lose the seller's respect and confidence. From that moment on, the seller is in control.

Properly selecting words you use to convince the customer to move forward is critical. Too often, many of us “wing it” without spending the time to properly craft a question. When the question is delivered well, it will elicit the response you desire. You must think, write and rewrite your words, especially the key words you will be using to convince the seller that you are the best choice for them to hire. Polish your presentation through practice.

Using emphatic phrases (both with buyers and sellers) helps soften your position and smooth your negotiating process. Some examples might be: “I understand,” “I know what you mean,” “I’ve been there,” “I know what you’re saying,” “I sympathize with that,” “I know the problem well,” “You’re right,” “I agree,” “I see your point,” or “that’s only right and reasonable.”



One key area in your presentation should be your ability to remain silent. As discussed earlier, too many sales people fear the dead space in a conversation and think they have to fill it. That need to fill the void will keep you from greatness in sales. The void of silence after a question allows your customer or prospect to think. Let the power of the pause take over. Let your question resonate wherever you are making your presentation. If you step into the pause you invalidate, or soften, the last question. You can learn valuable information about your client at that moment. The power of silence is deafening. Take advantage of it. This is when the sale is made.

David Knox says - Many agents make the mistake of discussing the competitive market analysis and price before they have asked the seller to commit to work with them. They’ve established the seller has genuine motivation for selling and presented their marketing plan. At this point, they should place the ball in the seller’s court and explain to them “If you would like to list with me then we can move onto the final step which is to establish an asking price for your home.”

Oftentimes, sellers may insist they have to know what price you’ll be suggesting before they hire you. You can let them know that “you’re happy to compete for their listing, but that you don’t want to bid for it.” Simply asking them “what happens if another agent comes in and says they’ll list it at a higher price, will you go with him/her? Selecting an agent based on price is unfair to both of us. How do you think buyers decide the value of property? How did you decide what you were willing to pay for your home when you bought it?”

Asking them what criteria they are going to use to select an agent will again let you know whether they are going to select their agent based on price. And once again, you can remind them that you don’t mind competing for their listing, but you won’t bid for it.

Once they've decided to hire you, then you can review in detail, how you determined the suggested asking price. Let them know that your research demonstrates what the buyers are willing to pay for homes similar to theirs in today's market.

“Real estate companies offer a range of commissions. My company isn't a discount company. Instead, we've chosen to provide a full-service plan that helps sell your house for the highest amount of money with the least inconvenience.”

TOOLS TO CONSIDER USING DURING YOUR LISTING PRESENTATION

Several questions are in the mind of the seller, sometimes they're able to articulate them to you; sometimes not! Whether they can or not doesn't matter. The questions are there and you must be prepared to answer them during the listing presentation.



“What will you do to get my house sold?” One method of addressing this question is to present a thorough Marketing Action Plan. Involve the seller with your proposal. Discuss the standard services offered by most companies (that you will also provide). Then present your specialized or exclusive services available through your company. Finally, present the additional customized services you will personally provide. These are the services that differentiate you from other companies/agents. Don't forget to discuss what the seller's role will be in this process.

C | M | A

“How much is my house worth and what will I get (net)?” Use a CMA to discuss the strategic pricing of their home. Use this in conjunction with the Competitive Price Lines (CPL) to provide an excellent visual of where the home should be priced. Discuss the importance of pricing their home competitively. Let them know the current market conditions and their impact on price, terms, and time on the market. Present a price range and let the Sellers set the price. Use a Net Proceeds Sheets to demonstrate to sellers what they will “net” from the sale.

“How long will it take to sell my house?” Address this question by using graphs or data to show days on the market for their market area.



“Why should I list with you?” Demonstrate the advantages of listing with you. Show them how listing with you and your company will benefit them. Provide facts regarding the company and your performance statistics. Provide a personal profile page that outlines your achievements and accomplishments.

“How much is your commission?” You must show value by making a thorough and convincing presentation. Learn and practice dialogues on “Protecting your commission.” Stand firm.

“How long have you been in the business?” If you’ve not been in the business long, you may have to tell the sellers “I’ve not been in the business very long and that’s probably the very best reason why you should list your home with me. I have just completed a very comprehensive training program. I have committed myself to succeed in real estate sales, and the fact that I’m just starting out means I have more time and energy to work on marketing your home than I’ll ever have again. Besides, you’re not just hiring me, you’re hiring the entire XYZ team and it’s that teamwork that gets the job done.”



“We may sell our home ourselves and save the commission!” Let the sellers know that they could actually lose money by selling their home on their own rather than listing with you. Ask them if you could show them some statistics that prove this point, would they still sell the home themselves. Then proceed to tell them how most buyers interested in buying homes that are “for sale by owner” are interested in saving money too. When they come to look, they immediately deduct the commission you would have paid from the price you quote them. You could end up struggling to save that commission and still have to deal with all the work involved in marketing your home and bringing the sale to a close. You may ultimately end up netting less from the sale of your home than you would by listing with me and paying a commission. Then show them the Net Proceeds Sheet.



“We have a friend in the real estate business that we may list with.” Let them know that you understand and respect their sense of loyalty to their friend but then let them know that it’s important for them to compare the services that you can provide with what their friend can offer. Tell them that you understand that the sale of their home represents an important investment for them. Offer to review your Marketing Action Plan. Ask them if after they’ve reviewed your plan and they discover that you could do a better job for them than their friend, would they still be committed to listing with him/her.

“I’m going to talk with other brokers before I decide.” Let them know that when they talk with other brokers, they need to make sure they have prepared a marketing plan.



SELLING VALUE, NOT PRICE!



We are all aware that with so many real estate activities available online, both buyers and sellers are demanding that professionals in our industry prove their worth or cut their commissions.

To convince sellers that you are worth full commission, you need to outline your marketing strategy, highlight your experience and set yourself apart.

Michael Lee, author of “Opening Doors: Selling to Multicultural Real Estate Clients” and a national real estate speaker emphasizes the importance of being unique, selecting your clients carefully, setting high standards, competing on value, not price, and creating value in your prospect’s eyes.



1. **BE UNIQUE** - If there is nothing that differentiates you from your competition, you become common (or as David Knox says – a commodity). According to Mr. Webster, the word common is defined as “ordinary or not special” and as mentioned earlier, consumers select commodities by the only thing that differentiates them – by price. Take inventory of your skills, experience and knowledge. Are you a specialist in some geographical area or type of property? Are you an expert in IRS Code Section 1031 exchanges or first-time homebuyers? Have you completed special classes, earned special designations that offer value to your customers? Maybe you’re a “certified home staging expert,” “a vacation or second home specialist,” a military markets specialist,” “a certified new home specialist.” Couple these services with your expertise as a real estate professional to form a unique combination offer that adds value. Does your company offer special services that would benefit your customer? Are you familiar with them and can you demonstrate their value?

Do you spend time telling prospects the things you have to offer? How much time do you spend telling them what they can’t get anywhere else? What is one unique service that they won’t turn down because they can’t get it with another agent? Unique services are hard for another agent to duplicate and developing a unique service doesn’t have to be difficult, says Will Dylan, a professional marketer with a major corporation. Make your offer unique or relatively unique in YOUR market, and ensure that the uniqueness is perceived as valuable by your prospects.

Your unique value proposition – the services that set you apart and that customers can’t get from anyone else – is what helps you get contracts/agreements signed.

2. **CHOOSE YOUR CLIENTS CAREFULLY** – If a real estate transaction is going to close successfully, the real estate professional should be in control, not the client. To begin controlling your practice, write down the attributes of the people you want as clients and then go out and get them through targeted marketing. Choose people with whom you will enjoy spending time. Real estate is far too difficult to work with people you don’t like just to earn a commission. Be selective; it raises your perceived value.



3. **SET HIGH STANDARDS** – If people have to qualify to work with you, your value increases. You will always find sellers who want you to give them a listing presentation and have no intention of ever listing with you – those who are thinking

FSBO or discount brokers or buyers who will waste your time looking and then purchase through a FSBO or relative. Asking motivational-type questions will help you determine how serious and motivated they are and whether they will meet your high standards.

- 4. COMPETE ON VALUE, NOT PRICE** – Michael Lee states, “No disrespect intended to any real estate business model but it doesn’t take any special skill, experience or knowledge to compete on price. All you have to do is be the cheapest. The way to get paid what you’re worth is to visibly demonstrate your value to your clients. Competing on price does not create value.

VALUE



- 5. CREATE VALUE IN THE EYES OF CLIENTS** – Oftentimes, buyers and sellers believe that we do very little to earn our commissions. This is our fault because we should be educating them about how hard we work before ever accepting them as clients. Included at the end of this lesson is a list prepared by the Orlando Regional Realtor Association. This list contains 180+ various actions, research steps, procedures, processes and review stages we complete in a successful residential real estate transaction. Depending on the transaction, they may take minutes, hours, or even days to complete. Some may not be needed at all. They reflect, however, the level of skill, knowledge and attention to detail required in today’s real estate transaction. Clients are astounded by the number of actions we perform to help them buy or sell a home, if we take the time to educate them.

So how do you articulate your value? Let your prospects know that you’ll be an objective negotiator who will get them the best price and terms possible in the market and in a timely fashion. Let them know how they will benefit from your knowledge of competent inspectors, contractors, landscapers, designers, stagers etc – all of whom they might want to hire to get their home ready to list. Let them know that you belong to a relocation network that refers potential buyers moving to the area and that means you can reach qualified transferees, who are among the most motivated buyers. Let them know that they are getting your services and creativity without having to share the overhead – office lease, employee payroll, technology support, file management, telephone/internet expenses etc.

Removing aggravation for them is another way of reinforcing your value. Think about what you could remove from a typical real estate experience that is perceived as positive for clients. For example: A thorough cleaning of their home in preparation for listing it takes time and effort. Consider providing a few hours of free cleaning services with the listing. When you do this you are removing the painful, time consuming job and positioning yourself as having a unique value. If they choose another agent, they give up the extra service you offer which could decrease their frustration level.

When describing your services to prospects, you must be able to communicate the value you bring to each transaction and how it will benefit them.



6. **EDUCATE YOUR CLIENTS ABOUT HOW MUCH YOU MAKE** - The average person firmly believes that Realtors put six percent or more into their pockets from every house sold. They're clueless about how the commission is usually split between listing and selling brokers or how much overhead and expenses you pay to run your business.
7. **PROVIDE VALUE THAT NO ONE ELSE OFFERS** – What do you offer buyers and sellers that NO ONE else does? The list at the end of this lesson are actions that most of us perform, many of which the public is unaware of. But what additional items do you do that sets you apart from the competition?
8. **REJECT PRICE SHOPPERS** – According to Lee, studies show that only 15-18% of people make their decision to purchase a product or service primarily based on price. This means that the majority of real state clients appreciate value and are willing to pay for it – IF THEY SEE IT.

“When you’re not practicing, remember that someone, somewhere is practicing, and when you meet him, he will win! Take the necessary time to polish your presentation so you can effortlessly address the benefits of why they should do business with you.”



COMMON BUYER AND SELLER CONCERNS

There are several factors that buyers and sellers are confronted with in determining whether they will agree/accept or reject your services or an offer. Sellers will be evaluating time on the market, competing homes, previous offers (if any), whether prices are going up or down, and what kinds of financing are available. Buyers will be evaluating how long they’ve been looking, whether other homes they like are available in their price range, whether they’ve lost other homes to competing buyers, whether it’s a buyer or seller’s market, and what types of financing and costs remain available to them. These influencing factors will determine how important their concerns are. Following is a list of common buyer and seller concerns you must first understand what they are really saying and then be prepared to respond to:

BUYERS

- We just want to drive by!
- We don’t think the house is worth the money!
- We want to make a low offer!
- We don’t feel like this is the time to buy!
- I don’t like the neighborhood!

Negotiate With Value

Copyright 2006, 2010 Lori Du Paul, Basics & Beyond RE Institute

- The home is too far from the schools!
- The taxes are too much!
- The home is run down!
- The yard is too small ... to big!
- The interest rate is too high!
- We want to think it over!
- My relatives (friends) must see it first!

SELLERS

- If I list my home with you and buy my next home from you, will you cut your commission?
- I have seen this marketing plan from many different agents – what makes yours different?
- Why is your price so much lower than the other agents that we have talked to? They have comps that show higher prices than yours.
- How much advertising will you do because I want a lot of advertising?
- I want to find a house before I put mine on the market!
- You don't handle homes in our price range!
- I need to net this amount in order to move. I have to be at my new job in 90 days, but I can't afford to buy and new home if I take a loss!
- If I have to sell at that price, then I will sell it myself!
- We can always come down in price later, can't we?
- We aren't quite ready yet; we need to finish a couple of projects around the house before we put it on the market!
- Will you cut your commission, other agents will?
- Why should we choose you?
- We want to think it over!
- We want to try selling it ourselves!
- We have a good friend in the business!
- Your office not close to our home!
- We'll list after the holidays!
- We're already committed to another agent!
- We want to wait for the market to come back before we try to sell it again!
- This offer is too low. We're going to wait for a more reasonable offer!
- Why is the price that you're recommending lower than what other agents are saying?
- How many homes have you sold in my neighborhood?
- I have one more agent I want to interview before deciding!



YOUR CRITICAL ROLE

If you are a full service real estate brokerage, you will recognize many of the activities shown below that reflect the typical actions, research steps, procedures, processes and review stages that you take to ensure a successful transaction closing. Many of the most important services and steps you perform are behind the scenes and are viewed as part of your professional responsibility. But, without them, the transaction could be placed in jeopardy. Learn to educate your buyers and sellers so they understand the value of working with you. This list of 180+ activities was prepared by the Orlando Regional Realtor Association.



PRE-LISTING ACTIVITIES

1. Make appointment with seller for listing presentation.
2. Send seller a written or e-mail confirmation of listing appointment and call to confirm.
3. Review pre-appointment questions.
4. Research all comparable currently listed properties.
5. Research sales activity for past 18 months from MLS and public records databases.
6. Research “Average Days on Market” for this property type, price range & location.
7. Download and review property tax roll information.
8. Prepare “CMA” to establish fair market value.
9. Obtain copy of subdivision plat/complex lay-out.
10. Research property’s ownership & deed type.
11. Research property’s public record information for lot size and dimensions.
12. Research and verify legal description.
13. Research property’s land use coding and deed restrictions.
14. Research property’s current use and zoning.
15. Verify legal names of owner(s) in county’s public property records.
16. Prepare listing presentation package with above materials.
17. Perform exterior “Curb Appeal Assessment” of subject property.
18. Compile and assemble formal file on property.
19. Confirm current public schools and explain impact of schools on market value.
20. Review listing appointment checklist to ensure all steps and actions have been completed.



LISTING APPOINTMENT PRESENTATION

21. Give seller an overview of current market conditions and projections.
22. Review agent’s and company’s credential and accomplishments in the market.
23. Present company’s profile and position or “niche” in the marketplace.
24. Present CMA results to seller, including comparables, solds, current listings & expireds.
25. Offer pricing strategy based on professional judgment and interpretation of current market conditions.

26. Discuss goals with seller to market effectively.
27. Explain market power and benefits of Multiple Listing Service.
28. Explain market power of web marketing, IDX and Realtor.com.
29. Explain the work the brokerage and agent do “behind the scenes” and agent’s availability on weekends.
30. Explain agent’s role in taking calls to screen for qualified buyers and protect seller from curiosity seekers.
31. Present and discuss strategic master marketing plan.
32. Explain different agency relationships and determine seller’s preference.
33. Review and explain all clauses in Listing Contract & Addendum and obtain seller’s signature.



ONCE PROPERTY IS UNDER LISTING AGREEMENT

34. Review current title information.
35. Measure overall and heated square footage, if applicable.
36. Measure interior room sizes, if applicable.
37. Confirm lot size via owner’s copy of certified survey, if available.
38. Note any and all unrecorded property lines, agreements, easements.
39. Obtain house plans, if applicable and available.
40. Review house plans and make copy.
41. Order plat map for retention in property’s listing file.
42. Prepare showing instructions for buyers’ agents and agree on showing time window with seller.
43. Obtain current mortgage loan(s) information: companies and loan account numbers.
44. Verify current loan information with lender(s).
45. Check assumability of loan(s) and any special requirements.
46. Discuss possible buyer financing alternatives and options with seller.
47. Review current appraisal if available.
48. Identify Home Owner Association manager if applicable.
49. Verify Home Owner Association Fees with manager – mandatory or optional and current annual fee.
50. Order copy of Homeowner Association bylaws, if applicable.
51. Research electricity availability and supplier’s name and phone number.
52. Calculate average utility usage from last 12 months of bills (or order from utility companies).
53. Research and verify city sewer/septic tank system.
54. Water System: Calculate average water fees or rates from last 12 months of bills.
55. Well Water: Confirm well status, depth and output from Well Report.
56. Natural Gas: Research/verify availability and supplier’s name and phone number.
57. Verify security system, current term of service and whether owned or leased.
58. Verify if seller has transferable Termite Bond.
59. Ascertain need for lead-based paint disclosure.
60. Prepare detailed list of property amenities and assess market impact.
61. Prepare detailed list of property’s “Inclusions & Conveyances with Sale”.
62. Compile list of completed repairs and maintenance items.

63. Send “Vacancy Checklist” to seller if property is vacant.
64. Explain benefits of Home Owner Warranty to seller.
65. Assist sellers with completion and submission of Home Owner Warranty Application.
66. When received, place Home Owner Warranty in property file for conveyance at time of sale.
67. Have extra key made for lockbox.
68. Verify if property has rental units involved. And if so:
69. Make copies of all leases for retention in listing file.
70. Verify all rents and deposits.
71. Inform tenants of listing and discuss how showings will be handled.
72. Arrange for installation of yard sign.
73. Ensure seller completes Seller Disclosure Form and place in listing file.
74. Complete “new listing checklist”.
75. Review results of Curb Appeal Assessment with seller and provide suggestions to improve salability.
76. Review results of Interior Décor Assessment and suggest changes to shorten time on market.
77. Load listing into transaction management software program.



ENTERING PROPERTY IN MULTIPLE LISTING SERVICE DATABASE

78. Prepare MLS profile sheet – agent is responsible for “quality control” and accuracy of listing data.
79. Enter property data from Profile Sheet into MLS Listing Database.
80. Proofread MLS database listing for accuracy – including proper placement in mapping function.
81. Add property to company’s Active Listings list.
82. Provide seller with signed copies of Listing Agreement and MLS profile sheet data form.
83. Take additional photos for upload into MLS and use in flyers.



MARKETING THE LISTING

84. Create print and internet ads with seller’s input.
85. Coordinate showings with owners, tenants, and other Realtors®. Return all calls – weekends included.
86. Install electronic lock box if authorized by owner. Program with agreed-upon showing time windows.
87. Prepare mailing and contact list.
88. Generate mail-merge letters to contact list.
89. Order “Just Listed” labels and reports.
90. Prepare flyers & feedback faxes.

91. Review comparable MLS listings regularly to ensure property remains competitive in price, terms, conditions and availability.
92. Prepare property marketing brochure for seller's review
93. Arrange for printing or copying of supply of marketing brochures or fliers.
94. Place marketing brochures in all company agent mail boxes.
95. Upload listing to company and agent internet site, if applicable.
96. Mail out "just listed" notice to all neighborhood residents.
97. Advise Network Referral Program of listing.
98. Provide marketing data to buyers coming through international relocation networks.
99. Provide marketing data to buyers coming from referral network.
100. Provide "special feature" cards for marketing, if applicable.
101. Price changes conveyed promptly to all internet groups.
102. Reprint/supply brochures promptly as needed.
103. Review loan information and update in MLS as required.
104. Send feedback e-mails/faxes to buyers' agents after showings.
105. Review weekly market study.
106. Discuss feedback from showing agents with seller to determine if changes will accelerate the sale.
107. Place regular weekly update calls to seller to discuss marketing and pricing.
108. Promptly enter price changes in MLS listing database.



THE OFFER AND CONTRACT

109. Receive and review all Offers/contracts submitted by buyers or buyers' agents.
110. Evaluate offer(s) and prepare a "net sheet" on each for the owner for comparison purposes.
111. Counsel seller on offers. Explain merits and weakness of each component of each offer.
112. Contact buyers' agents to review buyer's qualification and discuss offer.
113. Fax/deliver Seller's Disclosure, Lead Paint Disclosure, Legal Description of property to buyer's agent or buyer upon request and prior to offer if possible.
114. Confirm buyer is pre-qualified by calling Loan Officer.
115. Obtain pre-qualification/approval letter on buyer from Loan Officer.
116. Negotiate all offers on seller's behalf, setting time limit for loan approval and closing date.
117. Prepare and convey any counteroffers, acceptance or amendments to buyer's agent.
118. Fax copies of contract and all addendums to escrow company.
119. When offer to purchase is accepted and signed by seller, deliver to buyer's agent.
120. Record and promptly deposit buyer's earnest money in escrow account.
121. Disseminate "under-contract showing restrictions" as seller requests.
122. Deliver copies of fully signed contract to seller.
123. Fax/deliver copies of contract to selling agent.
124. Fax copies of contract to lender.
125. Provide copies of signed contract for office file.
126. Advise seller in handling additional offers submitted between contract and closing.
127. Change status in MLS.
128. Update transaction management program.

129. Provide credit report information to seller if property will be seller-financed.
130. Assist buyer with obtaining financing, if applicable and follow-up as necessary.
131. Coordinate with lender on Discount points being locked in with dates.
132. Deliver unrecorded property information to buyer.
133. Order septic system inspection, if applicable.
134. Receive and review septic system report and assess any possible impact on sale.
135. Deliver copy of septic system inspection report to lender and buyer.
136. Deliver well flow test report copies to lender & buyer and property listing file.
137. Verify termite inspection ordered.
138. Verify mold inspection ordered, if required.



TRACKING THE LOAN PROCESS

139. Confirm verification of deposit & buyer's employment have been returned.
140. Follow loan processing through to the Underwriter.
141. Add lender and other vendors to transaction management program so agents, buyer and seller can track progress of sale.
142. Contact lender weekly to ensure processing is on track.
143. Relay final approval of buyer's loan application to seller.



HOME INSPECTION

144. Coordinate buyer's professional home inspection with seller.
145. Review home inspector's report.
146. Enter completion into transaction management tracking software program..
147. Explain seller's responsibilities with respect to loan limits and interpret any clauses in the contract.
148. Ensure seller's compliance with Home Inspection Clause requirements.
149. Recommend or assist seller with identifying and negotiating with trustworthy contractors to perform any required repairs.
150. Negotiate payment and oversee completion of all required repairs on seller's behalf, if needed.



THE APPRAISAL

151. Schedule appraisal.
152. Provide comparable sales used in market pricing to Appraiser.
153. Follow-up on appraisal.
154. Enter completion into transaction management program.
155. Assist seller in questioning appraisal report if it seems too low.



CLOSING PREPARATIONS AND DUTIES

156. Ensure contract is signed by all parties.

Negotiate With Value

Copyright 2006, 2010 Lori Du Paul, Basics & Beyond RE Institute

157. Coordinate closing process with buyer's agent and lender.
158. Update closing forms & files.
159. Ensure all parties have all forms and information needed to close the sale.
160. Select location where closing will be held.
161. Confirm closing date and time and notify all parties.
162. Assist in solving any title problems (boundary disputes, easements, etc) or in obtaining Death Certificates.
163. Work with buyer's agent in scheduling and conducting buyer's final walk-thru prior to closing.
164. Research all tax, HOA, utility and other applicable prorations.
165. Request final closing figures from closing agent.
166. Receive and carefully review closing figures to ensure accuracy of preparation.
167. Forward verified closing figures to buyer's agent.
168. Request copy of closing documents from closing agent.
169. Confirm buyer and buyer's agent have received title insurance commitment.
170. Provide "Home Owners Warranty" for availability at closing.
171. Review all closing documents carefully for errors.
172. Forward closing documents to absentee seller as requested.
173. Review documents with closing agent.
174. Coordinate this closing with seller's next purchase and resolve any timing problems.
175. Have a "no surprises" closing so that seller receives a net proceeds check at closing.
176. Refer sellers to one of the best agents at their destination, if applicable.
177. Change MLS status to Sold. Enter applicable information.
178. Close out listing in transaction management program.



FOLLOW UP AFTER CLOSING

179. Answer questions about filing claims with Home Owner Warranty company if requested.
180. Attempt to clarify and resolve any conflicts about repairs if buyer is not satisfied.
181. Respond to any follow-on calls and provide any additional information required from office files.

“We earn our money by helping clients maximize value when we sell their house, minimize costs when purchasing a home, save them time during a transaction, reduce their liability and much more. If potential clients don't appreciate this, then feel free to refer them to your competition. You don't need every seller or buyer to be successful in real estate!

If you are interested in furthering your education relating to the subject of “Negotiation”, I recommend the following readings, some of which further explore the principals, tips and strategies contained in this lesson.

“Bull's-Eye Negotiating” by Marilyn Jennings; “How to List and Sell Real Estate in the 90's” by Danielle Kennedy; “Negotiate Like the Pros” by John Patrick Dolan; “How to Negotiate in Tough Situations” by David Knox; “Opening Doors: Selling to Multicultural Real Estate Clients” by Michael Lee

SELF-STUDY EXAMINATION



NEGOTIATE WITH VALUE

Basics & Beyond Real Estate Institute
4235 SE Mile Hill Drive
Port Orchard, WA 98366
360-871-2332 x203
lori@cbparkshore.com

You must score at least 70% to receive CE Credit. Answers must be legible. When you have completed the exam, mail it to the address shown on the cover the exam with your \$35 tuition fee.

1. “Letting go of your attachment to the outcome” is one of the principles of negotiating. Having _____ is one method of subscribing to this philosophy.
2. “To avoid becoming a commodity”, you must be able to _____ from other sales associates.
3. According to Maslow’s Theory of Hierarchy, there are 5 levels of needs. Understanding these needs and where your buyers and sellers are in relationship to this pyramid is critical to effectively working with them. These 5 levels are:
 - a. _____
 - b. _____
 - c. _____
 - d. _____
 - e. _____
4. T or F Premature judgment, searching for the “one” right answer, limiting your options to “either/or” and limiting solutions to meeting only one party’s needs act as barriers to generating options.
5. Developing great listening skills is essential to becoming a patient negotiator. Listen more means: (name 3 of the 6 discussed in this lesson)
 - a. _____
 - b. _____
 - c. _____
6. An overt negative reaction to someone’s offer is
 - a. The Red Herring
 - b. The good guy/bad guy routine
 - c. The wince
7. Any form of socially unacceptable conduct intended to force the other side to make a move is
 - a. The good guy/bad guy routine
 - b. Outrageous behavior
 - c. Trial balloon
8. Questions designed to assess your negotiating counterpart’s position without giving any clues about your plans is
 - a. Trial balloon
 - b. The wince
 - c. The Bait and Switch
9. One of the strongest negotiating tactics is: _____
10. Building trust is the key to developing a _____.
11. T or F Experience more than confidence shapes your ability to succeed.
12. T or F Picturing yourself as a success by creating a vision that inspires you toward success is one means for gaining confidence.
13. A positive attitude equates to certainty which equates to confidence which equates to decisiveness which equates to _____.

Negotiate With Value

Copyright 2006, 2010 Lori Du Paul, Basics & Beyond RE Institute

14. Practicing extreme self care and self maintenance is an example of this source of negotiating power:
 - a. Commitment
 - b. Knowledge
 - c. Time
15. T or F Trying to escape the pain of failing by not trying only means you lose the opportunity to learn lessons that can propel you toward great success.
16. T or F The fear or rejection is not as dangerous as rejection itself.
17. Name the 3 of the 4 major internal hurdles you must avoid if you wish to achieve true success in your life:
 - a. _____
 - b. _____
 - c. _____
18. The most difficult category of resistance to deal with is: _____
19. An opinion-asking questions is an example of a: _____
20. "Would you like to go back to the office to see how your offer looks on paper?" is an example of a: _____
21. T or F You should limit the use of the trial close as it may make the customer feel uncomfortable.
22. Not wanting to give something up without receiving something in exchange, usually of equal or greater value is what type of closing technique:
 - a. Peace of Mind
 - b. Concessions
 - c. Positive and Fair
 - d. Gabling or Buy-Back
23. Name 3 reasons you want to involve the other agent when negotiating on behalf of your buyer:
 - a. _____
 - b. _____
 - c. _____
24. If your buyer insists on making a low offer, you should push hard for:
 - a. No contingencies
 - b. Offer terms that require the seller to carry back a portion of the price
 - c. Request personal property not offered in the listing
25. T or F Value is the emotional combination of price, quality, and service.
26. Getting the commission you believe you deserve means:
 - a. Creating benefits rather than competing for lower commissions.
 - b. Selling visions and ideas, not just your services.
 - c. Training yourself to sell value.
 - d. All of the above
27. T or F Unique services are hard for another agent to duplicate.
28. T or F Being selective with whom you will work raises your perceived value.
29. T or F Your value does not increase if you require prospects to qualify to work with you.
30. T or F Removing aggravation for your customer is another way of reinforcing your value

MANDATORY COURSE EVALUATION

Please answer the following questions and submit with your course examination and fee.

I certify that I read the material in this booklet on the date indicated below.
 I certify that I completed the quiz for the course and used the attached answer sheet.
 I certify that I completed this course evaluation and signed the form below.

Why did you choose to take this course? Circle all that apply
 Topic Time Cost Ease Other _____

A "clock hour" according to Washington State Department of Licensing is 50 minutes. This 5-hour course should take approximately 5 hours to complete (including exam). How long did it take you to complete this course? _____

Comments:

1 – not at all 2 – somewhat 3 – Yes 4 - Absolutely

Will the material you learned improve your performance?	1	2	3	4
Was the course material easy to follow?	1	2	3	4
Was the course material relevant to your profession?	1	2	3	4
Was your objective met by taking this course?	1	2	3	4

What course material was most interesting? _____

What are 3 things you learned from this course?

1. _____
2. _____
3. _____

Would you take another correspondence course from Basics & Beyond Real Estate Institute?
 Yes/No Why/Why not? _____

Print Name: _____ **Signature:** _____

E-Mail Address: _____ **Phone:** _____

Name of Class: NEGOTIATE WITH VALUE

Date Completed: _____ **Your renewal date:** _____