



A SPECIAL REPORT

This report is being written on the last workday in the month of June 2012. I'm writing it for you because during the months of May and June I did a tour throughout Southern Nevada and California, and did 60 three-hour seminars during a period of 38 days. These seminars were conducted for a group of Brokers who belong to a program called the Executive Management Group and are key customers of my company.

One of the things that I try to do on a regular basis is stay very much in touch with what is going on in the marketplace, so I can give the best advice possible to the Brokers/Agents that we train and coach.

What I want to do in this SPECIAL REPORT is share with you some of what I talked to them about and as importantly, some of what I learned during this tour, because I believe the information is extremely important for any Broker/Manager/Agent that wants to not only survive this crazy market we've had for the last several years ... but also thrive at the highest level. I found the information I learned from my clients to be invaluable and very important and that's why I've chosen to share it with you. I hope you take the time to read the entire report, as lengthy as it is, and as importantly ... I hope that you are able to digest the information and use it for the betterment of your own

business. I'll start with some of the things that I learned during this particular tour.

First ... the apathy among the agents in this business is the highest I've ever seen it during my 37 years of doing sales seminars within the industry. The look of despair on agent's faces ... the loss of hope that so many of them are experiencing ... and the complete lack of productivity that so many agents are experiencing is not only frightening ... or should be frightening to all of us ... but it's also creating an even wider gap between those that are doing business and the huge number of agents doing no business at all. The gap I'm referring to is the widening of the space between those that are listing and selling homes daily/weekly/monthly and the tens of thousands who are simply doing nothing ... and not earning a dime as a result of doing nothing.

Because of the 5 to 6 year recession that we've had in the U.S. (in the Real Estate industry) agents have been beat up physically, mentally, emotionally and financially to the point that many of them simply do not see even a tiny light at the end of the tunnel. In each office that I spoke to, there were a percentage of agents who are following the Mike Ferry Sales System carefully, involved in one of our various coaching programs, attending our seminars and Retreats, and who are succeeding at extremely high and productive levels. Then we have the rest of them. The apathy is where they have given up hope and, as a result, are not willing to change their behavior and try to do the things that I recommend. I see it as being a very disturbing trend that each of us has to address and do something about.

Second ... I've learned, or should I say, it seems to me that the average age of a Real Estate agent has gone up dramatically ... by 10 or 15 years on average in the last 2 or 3 years. Five years ago, we were speaking to a wide variety of agents from their mid-20's to their mid-60's with a huge number of these agents in their 30's and 40's. Today, because of the economy, too many of the young people have moved out of the industry (my daily joke is they're all trying to create an "app" and get rich) and because of the continued layoffs of tens of thousands of people in business and industry throughout the United States ... these people are entering the Real Estate industry somewhat late in life. This is fine ... however, I addressed three questions each day to each audience that I spoke to. Number one ... do you want to earn more money during the second half of this year? Every hand went up. Number two ... do you want to do more deals in the second half of this year? Every hand went up. Number three ... do you believe you have to change your behavior to make this happen? Every hand went up.

I then asked each audience, "Why is changing your behavior so difficult?" There were two answers that I gave them. One, which nobody wanted to hear, is the fact that it's harder to change your behavior as you mature and get older because we become more set in our ways. Unfortunately, our industry is becoming a lot more mature, and aging very fast, which makes taking on the sales behaviors of a successful salesperson very difficult. Or in essence, we have people entering the industry that are set in their ways ... even though the ways they are set in are not productive. Second reason why it's difficult is because we are "Independent Contractors." WE DON'T HAVE TO do

anything that the Broker, Manager or Mike Ferry says ... if we don't want to. Or in essence ... "You can't tell me what to say and you can't tell me what to do because I'm an Independent Contractor!" Or in essence, they are saying, "Don't waste your time telling me how to sell Real Estate, because I'm successfully not selling Real Estate using my own means and I'm not going to change my behavior." Yes, this has been the attitude of our industry for years but it's being accelerated at this time because we're attracting such a large group of people that are more mature and older in their age and because of the third thing I learned during this tour.

Third ... we are a direct sales/wholesale sales industry that has attracted hundreds of thousands of people into it that have no direct sales/wholesale sales experience. Now, here's an interesting dilemma for you OR it's the best news in the world for you ... depending on your perspective. We have an aging industry ... that is somewhat apathetic because of the difficulties we've all experienced economically operating as Real Estate salespeople and we have no experience in the field of selling ... and we're Independent Contractors, so we don't have to change our behavior. Talk about a dilemma!

I've asked each audience, each day ... "Are we in the retail sales industry or the wholesale/direct sales industry?" Most of the audiences said we're in the retail side. Unfortunately ... we're not. We're in the wholesale or direct sale side, meaning we have to take our products and services out to the public and find people who want to participate in what we do. I then asked each audience each day how many people came into Real Estate from a direct sales background. Interestingly enough ... in each

audience of 100 people, I would have 2 or 3 people who actually entered the Real Estate SALES industry with an actual sales background. I would ask various members of each audience about their background and we would get answers ranging from corporate executive ... to a middle management person in an organization ... to a housewife ...to a school teacher ... to an airline pilot who had now entered Real Estate. I then tried to explain to them why this business would be difficult for them since they didn't have any sales background. Unfortunately, I'm not sure if the majority of this audience really caught on to what I was saying because I received a lot of "blank stares" back at me, which tells me that the people that were involved in The Mike Ferry Organization who were smiling and nodding their heads, and listing and selling property all the time, were receiving the message ... while the majority were not.

Think about what I said when I said "interesting dilemma." We have an industry of non-sales people ... who are aging ... who are Independent Contractors ... who have no basic experience in our industry ... who don't want to change their behavior ... and then the world asks people like me to magically teach them how to be productive. Time and time again I said to my wife Sabrina during our tour, "I've never had as much empathy for Real Estate Brokers in the past as I have today, based on what we're seeing every day."

Fourth ... I asked each audience if it was easier (the key word here is "easier") to list a home for sale or to sell a home to a buyer. Remember, I said "is it EASIER" to list a home for sale or sell a home to a buyer. Virtually 85% of every audience voted it was easier to list a home for sale than to sell a home to a buyer. In each case I smiled, and

then said the following ... Virtually anybody that has the skill to open a lock box, insert the key in the front door, walk into the living room and say to the potential buyer ... “this is the living room” can sell a home. The reason I say this is because buyers buy homes every day in spite of the salesperson. Yes, the agent has to determine the type of home a buyer wants to buy and hopefully be smart enough to have a lender prequalify that buyer ... but then the agent simply has to show them enough homes till they find one they want to buy. The agent shows the buyer the house and the buyer says, “I want to buy it.” This is a ZERO EFFORT-BASED SKILL SALES ACTIVITY ... whereas listing a home for sale takes tremendous sales skills on many levels and for many reasons.

The most important being that a person who is a highly competitive listing agent knows that they are always going to be involved in a highly competitive situation. There are only going to be a handful of agents in every city that really understand the listing process and those agents are aggressively out working to get listings every single day. Why? Because although they have limited competition (remember, everybody thinks listing property is easy) they also know their competition is going to be very good, so they have to work every day at sharpening their skills.

To list property you have to prospect every day or spend the money on a marketing campaign to bring prospects to you every day. You have to be very diligent in your lead follow-up and very strong in your prequalifying process to make sure that that person you’re going to meet with has the motivation to go out and list their home for sale. We then have to be extremely good at the presentation itself ... extremely good at pricing

and then be able to handle difficult objections like ... “I want you to cut your commission.” Listing property requires a high degree of sales skills, whereas showing property, in most cases, requires very little.

I asked each audience ... “If listing property is so easy, why aren’t each of you out listing property every day?” I saw a lot of frowns and a lot of heads drop when I asked this question. Once I went through this scenario with the audiences I asked them if they’d rather be an employer or an employee. The employer is a person who lists property for sale and the employees are the agents working hard to sell it. In the Summer of 2012, while this report is being written, it is absolutely critical that every agent become the employer and do whatever they can to list properties for sale. By doing so, you employ the entire Board of Realtors to come work directly for you and work hard to convince their buyers to buy the home you have for sale. As we’ve all seen over the last 3 to 4 months, this is creating a large variety of multiple offers and enormous competition among agents to go out and sell “the employer’s” listing. I then tell every agent in the audience ... you have only 1 job and that’s to list property.

That’s just some of what I’ve learned.

Now what I want to share with you is why the Real Estate market we have today in the Summer of 2012 in the United States is the strongest and best market we’ve had in many, many years. There are 7 specific reasons why the market is good today and what I asked every agent that I spoke to, and I spoke to thousands during May and June, was to do the following ...

First and foremost re-read this list of 7 reasons why it's a great market 50 times a day so you can convince yourself that it's a great market, which will pull you out of the doldrums you're experiencing, and get you out of the apathetic state of mind you may be in, and get you out in the marketplace where the buyers and sellers are roaming around every day. I then asked every agent to call all their Past Clients and Center of Influence (a minimum of 100) over the next 30 days and tell everybody with a giant smile on their face and very enthusiastically why this is a great market. Listen to me ... reports say there will be any place from 4.5 to 4.9 million sales this year in the U.S. The public wants to hear some good news ... we have to be the bearer of that good news ... the mere fact that we're out talking to people sharing this good news is going to trigger the motivation in a certain number of those people to buy or sell Real Estate and they're going to do that with the person who shares that good news with them. We want that to be you.

Here are the 7 reasons why it's a great market. Number one ... interest rates are extremely low and expected to stay that way for a prolonged period of time. Number two ... the banks have money to lend and are lending it. Number three ... prices, in most cases, are incredibly low. Number four ... inventory is incredibly low ... and each of these factors creates demand in the marketplace. When demand is created, things start to happen. If we take the natural demand in the market, along with great salespeople telling the world why it's a great market, we can improve the quality of our individual businesses almost instantaneously. Number five ... there is a tremendous number of buyers in the market because of the above four points. Number six ... appraisers are

playing nice for the first time in a long time. Number seven ... there is a national election coming up the end of 2012 and in most cases whenever there is a national election, everything starts to percolate and get better in the economy.

Soooo ... now is almost a perfect market for any Real Estate person who has the capability of understanding what I've written in this report and is willing to go do something about it. If you're willing to participate in this market you can anticipate more business coming to you very quickly. If you don't anticipate, whatever bad experiences that you've had over the last several years will simply continue.

The next part of this lengthy report revolved around the 5 things that I suggested agents do to go out and take more listings in the marketplace we're involved in today. I think all of us know and understand that in mid-2012 taking a listing that is even reasonably well priced is going to mean a commission check in the next 30 to 60 days. I told every agent that virtually 75% of every day needs to be spent trying to find listings, and the balance of your time working to get them sold. The good news is almost any listing you take in today's market is going to sell. There are 5 things that an agent can do to start taking more listings today.

First ... accept the fact that I can only become a Superstar or top producer when I become a strong listing agent. This was a very difficult one for a lot of people in the audiences to accept because we have different definitions of what a top producer or Superstar is. My belief is that every one of you, if you choose to, can become a 50+

deal a year Real Estate sales agent. The problem is we'll rarely, if ever, find an agent doing more than 20/25 deals a year, who is working with buyers all the time, ever become more productive than that. Nearly every top producer that we coach, train, or that I've heard about throughout North America is a powerful, strong listing agent. I asked each agent to write down the following words next to this first thought. Mindset ... it's a complete shift in your mindset going from working with buyers to working with sellers. Discipline ... to develop the discipline to work every day at finding listings, versus driving buyers around. Work habits and schedule ... as you know, the work habits and schedule of listing agents is completely different than the work habits and schedule of an agent working with buyers. The only way to become a 50+ deal a year producer is to list property.

Second ... an agent will never get a lot of listings until they become a master at presenting themselves to the public during a listing presentation, and a master at presenting the services they offer. We have to look, act, walk and talk like a professional salesperson. We're there with the purpose of listing a home that could be worth \$300,000 ... \$400,000 ... \$500,000 and we're asking a seller to pay us a 6% commission, which on \$500,000 is a pot full of money, and we're sitting in front of them in completely unprofessional attire making an unprofessional presentation and wondering why they give us a lot of objections or list with someone else. When you go on a listing presentation, the moment they open the door to let you in they start judging you based upon your professional appearance and then you open your mouth and they really judge you. I asked every agent to write down these two words "canned

presentation.” I asked them why those words bother agents so often and they gave me lots of great reasons why agents won’t use canned presentations. Yet every professional person, and every professional salesperson in every profession, always uses a canned presentation. However, because we’re Independent Contractor’s, we can go out and “wing it.” The agents we coach and train will list 7 out of 10 properties after they make a presentation and from statistics I’ve read, the average takes 2 to 3 listings. Look at how much money you’re losing because of your inability to present yourself and your services in a professional manner.

Third, we have to overcome all of the fears we have regarding prospecting. It’s simply time for all of us, as an industry, to grow up about the issue of prospecting. Every sales industry requires that the sales people prospect every day ... its part of the process ... it’s what salespeople do. The fact that we have every excuse in the world and every story about words like “rejection” ... we actually believe we don’t have to prospect or we can’t prospect. A lot of this stems from a lack of leadership in our industry ... a lack of accountability ... a lack of strong coaching ... the fact we’re Independent Contractors ... and the fact that we don’t come to Real Estate with any sales experience. It’s actually kind of sad, isn’t it, to think that we have a majority of all people in a sales field that don’t understand the fundamentals of selling, which is prospecting.

Fourth ... we have to overcome the fear of handling large multiples of transactions at one time. Great listing agents are capable of taking 4/5/6/10 listings per month. They are capable of handling that same number of listings selling in a given month, which

means they are capable of dealing with the large multiples that revolve around having a lot of listings and pendings taking place simultaneously. Most agents deal in what I call “singles.” They take one listing ... wait for it to sell ... wait for it to close ... go out and take another listing. Top producers have learned to deal with the stress that goes with dealing in multiples. You can learn how to deal in multiples if you understand the sales process and understand the value of delegation. When you do those two things, you can sell 50/100+ homes per year through listing property.

Fifth ... you have to accept the fact that if you choose to become a Superstar or a top producer there a lot of people that won't like you as much as they used to. It's sad, but it goes with the territory. People don't like people that produce dramatically more than they produce. This is called life ... or at least life in the big city! Isn't it sad because you make the decision to become a highly productive sales agent and make a lot of money that other people will criticize you, condemn you and complain about you? Here's what I said to the agents ... “Your business and personal goals have to be more important to you than what people say about you.” When they are, you will succeed at the highest level.

At the end of each of these seminars I did in May and June I took 5 minutes and asked each attendee to sign up and go to our Superstar Retreat in July in Las Vegas. I'm going to ask each one of you that's read this report to call my office at 1-800-448-0647 and sign up to attend our Superstar Retreat in Las Vegas. During those 4 days at the Retreat, I'm going to give each attendee over 200 separate ... specific ... sales ideas to

improve productivity. If you are an agent that is feeling the grind of this market, and you're not succeeding at the level you would like to, you need to do whatever it takes to be there. My job is to teach you how to do it, which I am capable of doing, and your job is to do what I teach. Be at that Retreat ... sit among thousands of people that are enormously successful in Real Estate ... listen to them ...listen to me ... and let's make the second half of 2012 the best 6 months of your entire life.

If you're an agent, print it this report ... staple it ... read it every day until you have these ideas pounded into your subconscious mind. Give a copy to somebody that you respect in the Real Estate business. If you're a Broker/Owner/Manager, print this report and make copies for every agent in your office, sit in front of them and make them read it. Don't let them off the hook by putting a copy on their desk or in their mail slot or handing them a copy and walking away. Take them through this report line by line...it's the best investment of time that you can make in your sales team. Answer their questions ... work to keep them on track ... and get them to the Retreat.

If you have questions for me personally, my email is mike.ferry@mikeferry.com. Thanks for reading ... thanks for participating ... the public thanks you for being a great agent.

Mike Ferry