

SELLING REAL ESTATE SERVICES

**THIRD-LEVEL SECRETS
OF TOP PRODUCERS**

ROBERT A. POTTER



John Wiley & Sons, Inc.

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To Amy, Mike, and Matt: Everything I do is for and because of you.

To my clients and students: Thank you for teaching me.

To my friends and colleagues: Thank you for your input and support.

PART I

It's About Winning: Why You?

Congratulations! You made the short list of preferred real estate service providers. The client has decided to design, build, buy, sell, lease, manage, furnish, or finance a property. Now they need to choose the one service provider who will help them get the best outcome with the least risk, effort, time, and fewest surprises. Why should they choose you?

Most sales books and sales training programs teach you how to sell your product or service, but not how to compete and win in the real estate services arena. They teach you how to ask questions, uncover needs, and then position your product or service as a solution. But what happens when the client has already decided to use the products or services that you and your competitors sell, and they are just deciding which service provider to use? They are no longer deciding to use your service. They are simply asking, "Why should I choose you over your best competitor?"

Let's say you are among three competitors selected to present your case in person and answer the client's one remaining question: Why you? Whoever answers that question best in the eyes of the client wins. The others lose. How much do you get paid if you finish second in competition?

So what is the single most important advantage that you would like to communicate as to why this client should choose you over your best competitor?

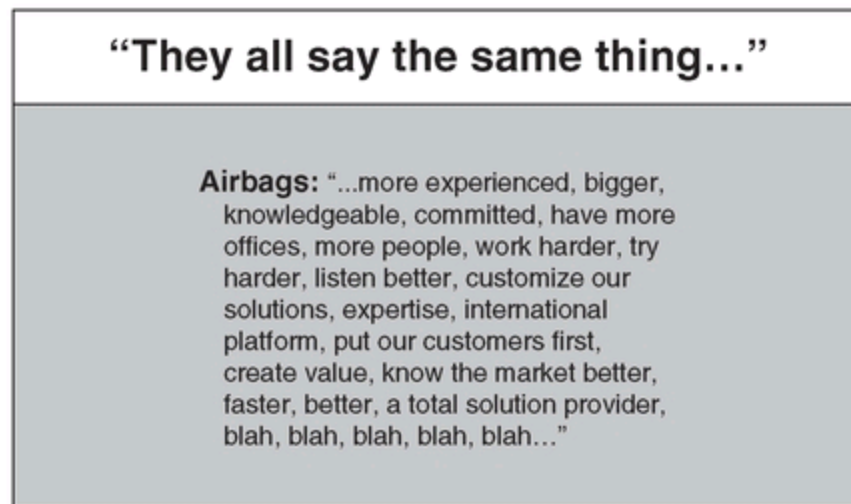
Is it your experience, your people, or is it your process? Is it the way you listen, customize solutions, or add value? Now ask yourself if any of your competitors can say something that the client perceives as similar. If so, then

your offer is what I refer to as an “airbag,” an important but undifferentiated offer. Let me explain.

AIRBAG VERSUS DIFFERENTIATOR

If a car salesman enthusiastically told you to buy his car because it had airbags, would you buy it? Certainly not based on that information alone. It is not that airbags are not important. You probably would not buy a car without airbags, but you would not base your choice on something that everybody offers (see [Figure Pl.1](#)).

[Figure Pl.1](#) Are You Pitching Airbags?



You may be surprised to discover that you, too, are pitching airbags, which is making it more difficult for clients to choose you. Most of the words that you use to sell your services are very similar to words your competitors use. It is not that your airbag message about your experience and capabilities is not important. The client would not have invited you to compete without those capabilities. It’s just that those words don’t help the client choose you because they don’t differentiate you from your competitors. You may

believe that you are better, but how does the client know that if you can't communicate it.

If you don't know or can't explain how you are different and better, then clients will be less inclined to:

- See you,
- Listen to your pitch,
- Share their problems,
- Value your services,
- Choose you over competition,
- Pay you what you are worth, or
- Recommend you to others.

Do you have a compelling value proposition? The lack of a clear and compelling preference value proposition is the single biggest source of career dissatisfaction. It makes your job more difficult and threatens your success.

As real estate markets mature and competition increases, the perceived differences between you and your best competitors decrease. You are probably feeling increasingly commoditized as clients begin to view you and your competitors as pretty much the same. Your win rate may be decreasing. More decisions are being made on price, and competitors are "buying" the business with low-ball bids. But you also may be the victim of your own loss of identity because your message has not evolved with your client's increased choice.

Figure Pl.2 Nondifferentiated Offer.

Non Differentiated Offer

If you cannot clearly communicate your value,
prospective clients will be less inclined to:

- Meet & Listen
- Share & Explore
- Agree & Commit
- Choose you
- Pay you
- Recommend you

But winning goes well beyond a rational message. As the competition advances into its final stages, it's more the emotional differentiators—trust, confidence, commitment, and passion—that drive choice among finalists.

The objective of Third-Level Selling is to help you find value in the minds of your clients and then align and communicate a client-centric value proposition in order to make it easier for them to choose you.

We will do that by showing how and why clients choose among alternatives and how elite commercial real estate providers build preference and partnership. The bottom line is that you will win and retain more clients.

Chapter 1

Third-Level Selling

When buying your real estate services, do prospective clients view you as a vendor, a preferred provider, or a strategic partner?

Vendors pitch their capabilities. Preferred providers position against competition. Third-Level providers build a partnership with clients.

Elite real estate service providers, the top 5 percent, have the biggest and most profitable clients. They rarely compete on price, and they do well in good and bad markets. What do these elite providers do differently than the rest of us to win new clients and retain the ones they have?

The short answer is that they engage clients at a deeper personal and professional level, a Third-Level that leads to greater success and career satisfaction and less price competition. In this book we will identify and then show you how to master the attitudes and communication skills these elite providers employ to build strategic partnerships, win new business, and retain committed clients.

VENDOR DIFFERENTIATION VERSUS CLIENT DIFFERENTIATION

From the client's perspective, top competitors pretty much look the same. On the other hand, clients feel that their situation, project, property, people, preferences, and process are unique. Most professionals who sell real estate services are wasting time trying to force clients to recognize and value increasingly nuanced differences in their capabilities (I call this "vendor differentiation.") Elite, Third-

Level service providers create client preference by finding and aligning to what is unique about the client, the project, client preferences, and process (I call this “client differentiation.”)

Once clients narrow their options to a short list of highly capable alternatives, nuanced differences in capabilities cease to be a factor in their final choice. At this level everybody is qualified. Instead, clients want to work with someone they know and trust, someone who knows *their* industry, *their* market, *their* company, *their* situation, *their* property, *their* preferences, and *their* process better. In other words, instead of wanting to know more about you, they want *you* to know more about them. They don’t want to work with a vendor. They want to work with a strategic partner. If you can find and align to that uniqueness, the client will view you as a strategic partner and not just another vendor.

A Tale of Three Landscape Architects

I can demonstrate Third-Level Selling on a small scale with a personal experience. My wife and I decided to remodel our backyard. We had lived in our house in Marin County near San Francisco for 16 years. When we moved there, our first child was two years old, and we initially designed the yard for little children. Now with an 18-year-old and a 13-year-old, we had clearly outgrown the yard.

We wanted a yard that had a pool, a grill area, a sport court, and lots of room for my wife’s roses. We were advised to use the services of a landscape architect because otherwise, we were told, there was a risk we would lower the value of our property if we didn’t do it right.

Figure 1.1 Old Backyard



Figure 1.2 Then, Son Mike, Age 2 with Mom, Amy.



Figure 1.3 My Son, Mike Now.



Since I did not know any landscape architects, we did what most clients do. We got referrals from friends and invited a short list of three top professionals to meet with us. The way these three service providers competed for our business illustrates the major themes in Third-Level Selling. See if you can identify the approach that most closely resembles yours.

The Vendor-Pitched Capabilities

When the first provider came over, we sat at the kitchen table where we looked through his brochure and asked him questions. He showed us some great pictures, gave us some good ideas, and made us feel he was well qualified. Unfortunately, he was also very expensive, which caused us to rethink the whole venture, but we continued.

The Preferred Provider Positioned Against Competition

The next day the second landscape architect came by. Once again we sat at the kitchen table to review her brochure. There were great pictures, good ideas, and solid qualifications. She told us how she was different and better than her competitors. She said her clients liked the way she managed the process and that her way of working would mean less work for my wife and me. She also showed us a chart that indicated that she did more projects than anyone in our area, and she provided some nice testimonial letters.

I preferred her over the first vendor because she could potentially reduce my workload and because she had done more work in our area. However, I could not tell if she was really better than the first guy or just better at presenting

her capabilities. But at least now we had two capable providers, which would give me some price or service leverage. If her price were similar to the first architect's price I reasoned, then I would choose her.

The Third-Level Provider Established a Partnership by Differentiating on Us

Instead of sitting at the kitchen table, the third landscape architect asked if we could walk around the backyard. While doing so, he asked how long we had lived in the house, where we came from, how many kids we had, what ages, boys or girls, what sports they played, how my wife and I liked to entertain, how the neighbors felt about outdoor music, and whether there would be little children in the yard.

He asked how we liked the large willow tree that covered the yard, and did we know how much its leaves and roots would impact the pool. He told us that he was able to look up our property at the county office before coming over. He said we had a drainage easement that would require a 10-foot setback, which would change the preferred location of the pool.

When we told him there would occasionally be little children in the yard, he suggested putting an automatic cover on the pool for safety. That would also dictate the shape of the pool.

He asked us about budget and time frame. He continued this for about 45 minutes. We then worked together to draft a rough plan of the yard, and he gave us a range of prices and alternatives.

Whom do you think we chose?