

DEFENDING YOUR COMMISSION

By Michael Soon Lee, DBA, CRS

I. THE WAY WE WERE

- A. There used to only be one commission structure
- B. We owned the information needed to market homes

II. WHAT CHANGED?

- A. The Internet Enables The Public To Buy & Sell Homes On Their Own
- B. Consumers Are Demanding Choice

III. THE WAY IT IS

- A. Prevalent Alternative Commission Schemes
 - 1. Full Service
 - 2. Unbundled
 - 3. Bundled
 - 4. Flat fee
 - 5. Straight FSBO

IV. WHY DISCOUNT BROKERAGE?

- A. Some Sellers Are Only Interested In A Discount
- B. Perception That All Brokers Are The Same
- C. Most People Want Value
- D. Some Buyers Want A Kickback

E. Get Buyers To Sign A Buyer-Broker Agreement

V. HOW TO SELL VALUE – NOT PRICE

A. If You Are A Commodity You Must Compete On Price

B. What's A Commodity?

1. How do you avoid being a commodity?

VI. DIFFERENTIATION

A. Differentiate Between “What We Sell” And “How We Sell”

B. Everyone Sells Houses – We Sell Service

1. What are the benefits of our services?

C. How Can You Differentiate Yourself From The Competition?

1. Develop a specific area of expertise

2. Do customer surveys of satisfaction

3. Be responsive

VII. ESTABLISHING VALUE

A. When Is Value First Established?

B. Ask Sellers A Logical List Of Questions

C. Give Sellers A List Of Questions To Ask All Agents

D. Ask Buyers A Logical List Of Questions

E. Never Quote Your Commission Until You Establish Value

F. Focus The Seller On The “Big Picture”

G. How Much Do They Think We Make?

VIII. THE CHALLENGE OF INTANGIBILITY

A. Real Estate Agents Are Intangible

B. How Can We Make Ourselves More Tangible?

IX. CHOOSE THE RIGHT CLIENTS

A. Chose Your Clients Carefully

B. Work With The Best Clients And Turn Away The Rest

1. What are the attributes of sellers you want to work with?
2. What are the attributes of buyers you want to work with?

C. Have A Marketing Plan That Brings More Clients Than You Need

1. Enables you to reject price shoppers
2. Work with the best and turn away the rest

ABOUT THE PRESENTER: Michael Lee, DBA, CRS, has been an agent and broker for over 30 years. He developed a system for clearly demonstrating the value of his services to his clients and has not had to lower his commission in over two decades. In fact, all of his listings are above the average listing commission in his area. He is the author of eight books including, "Selling to Multicultural Real Estate Clients", "Black Belt Negotiating" and "111 Ways to Justify Your Commission. Dr. Lee has spoken at thirteen National Association of Realtors conventions, at six National Association of Homebuilders conventions and for most of the major real estate franchises across the country. His most popular programs include, "Defending Your Commission", "20 Leads Under \$20 That Really Work", "Black Belt Negotiating", "How to List Buyers" and "Winning Listing Presentations". He holds MBA and DBA (Doctor of Business Administration) degrees, His email is: MichaelSoonLee@gmail.com and his phone is: (925) 864-8848.

*Nothing in this program should be considered tax or legal advice. Please consult your own advisors, as appropriate.