

Best Practices 12/4/07

David Bracy on QHT and Door Knocking

When you get a Y?N sign permission at the door, you can count on affecting penetration (show-ups) at the QHT.

The target is 600 Y/N permissions. Then you can count on 10%-25% (60-150) show-ups at the QHT. If there are 4 agents then each gets 150 Permissions.

They get about 80% yeses.

The reality is more like 250 yeses. The agents want the results, but they are less excited about doing the work. [Surprise!]

In Chicago, where David is, the Velocity Marketing ratios have changed dramatically, from a typical 4:1 to as high as 56:1

We want to make the QHT a real advantage for the seller and the Listing agent.

When there are 40-60 people coming through the QHT and there are 4-8 Agents showing during the QHT, we are confident of getting offers if the property is priced right. Resist having them show other times because the “now” buyers are influenced by all the activity. The Listing agent can also call other meaningful buyer-agents in the area urging them to show the house on the weekend.

That means that when the conditions are met, the Listing agent can go back to the seller with a compelling reason to adjust the price. David suggests a 10% price reduction or take it off the market. If the seller thinks it is worth more than the buying market thinks it is worth, then *they* are the buyer and should move back in and forget about selling it.

It is often a probing issue. Probe the seller to see what is important and address that.

Story: The market has dropped after August. The first QHT held after that was September.

38 stops with no Realtor showing. Didn't sell.

A seller probe revealed that the issue is peace of mind. He just wanted to get on with life. He dropped the price and got 2 offers.

Supply and Demand is a force in the market. When there are properties on the market that are not really for sale, it increases the apparent supply and makes it worse. We need to help them find the real price so they can choose what to do...sell it or take it off the market. Either one works. Just get there as quickly as possible and stop wasting your time.

This required REALLY doing the QHT properly.

What is the role of Door Knocking?

1. Get a LOT more info-gathering buyers into the home and the opportunity to have drop-bys and appointments.
2. Get more decision-making [now buyers] into the home while there are others there and higher excitement.
3. Find the right price.

Another Story:

FSBO who had over built for his area. He was asking in the \$800 and all the buyers for the area were in the \$550 range.

They did a QHT had a ton of people through, good number of Realtors...No sale. Couldn't drop the price. Advised him to move back in. Dropped the listing.

Q: What is the Y/N permission at the 600 doors?

A: When you just give the invitation and go on to the next door, you don't spend enough time with the person. When you ask for Sign Permission, you have to spend more time and actually get their attention and engage them in conversation. So getting the Yes and initials creates a more likely stop-by.

200 => 20-50 people depending upon the VM ratios.

600 is how they train the QHT. Realty is more like 200-350 per group.

Q: How much time does it take?

A: Seasoned agents cannot spend as much time on it. They're involved with appointments, showings and listings. Inexperienced agents have nothing more productive to do.

In the City, can talk with 7 per hour during the day and 10 per hour in the evening.

In the Burbs, can talk with 10 per hour during the day and 15 per hour in the evening.

When there are a lot of renters (as in the city of Chicago) they still show up at the QHT.

They had the show-ups dropping. Invigorated Door Knocking and Sign Permission drove it back up and the number of appointments rose with it.

Q: What do you do with the people who fight with you about doing the work?

A: David has to ask, "Then what are we doing working together?" If they want to fight with him, he choose not to work with them. He doesn't collect the note, he just lets them go.

Q: What is the relationship between VM ratios and the turn out?

A: When the Seller:Buyer ratios are higher, like 15:1 then then expect about 10% of the Yeses to show up. When the ratios are lower, such as 4:1, then expect closer to 25%.

Q: What about the people who were in the program when it started. Not the newly recruited ones. They are burnt out on QHT, they are losing their enthusiasm.

A: You can't give them enthusiasm or commitment. You can only direct them. Group them with new people.

David:

The changing market is hurting even our experienced agents. The ones who generated the full Jelly Bean Jar are the only ones who are getting through it. If I could go back, I would hold them to building the Jelly Bean Jar. The ones who did are still ok.

In the earliest stages of the program, focus on the Jelly Bean Jar.

Q: They get a mixed message. One is to build it to 200 people. Then they are told to drop them if they don't respond for three times.

A: Before they drop them...Go by to see them and invite them to the next QHT. Double-team. Give yours to her and you take hers. Keep the QHT stops forever, some of the permissions are just polite.

Q: Some are just running out of money. What about them?

A: The one's who have built their Jelly Bean Jar quickly are finding that it kicks in around 6 months. By nine months they should be on track. You should be able to tell if they are going to make it by six months. If they are not willing to do the hard work...QHT till they get 200 JB then they aren't going to make it.

Doug's example agent:

She spend 1.5 hours per day, 5 days per week. (7.5 hour per week)

She generates 3.5 appointments per hour (**That works out to over 5 appointments per DAY and 26 appointments per week!**)

David did a QHT workshop in a real house.

Went over the Survey questions and how to use them

Practiced the scripts as well. They work on spending more time with the prospect. If they can spend 45 minutes, they are most likely to get a probing appointment.

Also cover the Door Knocking and permission gathering.

This is done with graduated agents who have need to get back to QHT and filling their Jelly Bean Jar after the JTM.

He challenges the people who say no one came to their QHT. Asks for the permission sheets. He expects 10% of the yeses. It is not necessarily just the people who initialed, it is just a way of calculating.

