
The JTM™ Group Recruiting Manual



QUANTUM
MANAGEMENT
SYSTEMS

The
Quantum Management Systems
Recruiting Manual for:

The Journey to Mastery™

Quality is never an accident. It is always the result of intelligent effort.
There must be the will to produce a superior thing.
—John Ruskin

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SCRIPT FOR ANSWERING CALLS FROM ADS

SLOW DOWN!!

Answer with "hello."

Track media source through "name."

When returning call: When would you have **two minutes** to talk to me on the phone?

As you know, my name is (NAME) and I'm the Director of Career Development with Coldwell Banker. We are currently seeking **motivated** individuals interested in entering the real estate field. For the person with the right **focus** and **work ethic**, we are willing to invest the **time** and **dollars** necessary to get them **licensed** and **teach them** how to succeed in real estate. With that in mind, may I ask you three questions?

1. If we hired you, would you be able to make a **full time commitment** to real estate in approximately 45 to 60 days?
2. Are you clear that real estate is commission income based?
3. For the first 6 months to a year you would be working weekends and some nights...will that work for you and your family?

We are conducting an interview on: _____ for your area; or you could come to: _____, in _____ (Location 1 or Location 2) on _____.

Which would be better for you?

Ok, great....

What you need to know is that the meeting is an interview and it is conducted in a group. You are not competing with anyone there, as we will recruit many who meet our qualifications. You should come dressed appropriate to an interview and be prepared to answer the following three questions:

What do **you** think it takes to be successful in real estate?



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What **obstacles** do you see in your way of entering the real estate field?
If **you** were Coldwell Banker, would you invest in you and why?

OK, Mr. (Ms.) _____, I'm adding you to my list of people for the (date/
time/location) group interview. **You** can count on your time being well
spent. Seating is limited, if you commit to a seat you will be taking one away
from someone else. So...you can count on us, can **we** count on you to be
there? Terrific.

Let me review the logistic details; do you have a pen?

It is at: (location)

It is at: (time)

Now one more detail. We will need to contact you one more time to button
down our final detail. We need a time and a phone number to reach you
on: _____ or _____;

What date and time can we reach you? Think of this as an appoint-
ment: _____.

What is the phone number for that appointment. (We will be discreet if this
number is sensitive). Phone Number; _____

Ok, wonderful,

I will personally See you there. If you have any questions, feel free to call me
at this number.

I'll see you at the interview.



Confirmation Script

Hello, This is _____with_____ (company). I am calling to confirm your participation in our interview tomorrow _____(date) and I would like to button down a few details, do you have a minute right now?

Great, thanks.

First I would like to confirm that you are planning on being there_____ (wait for response). The size of the interview is limited, showing up is part of the interview and second interviews if missed are not available.

Second, you know it is an interview right? (Wait for response)
It is a group interview and there are several spots being filled. Do you have a pen?
(Make sure they have one and are writing down the information.)

Ok, we would like you to come prepared to tell us about yourself, and answer the question: What does it take to be successful in selling business to business?

Please come dressed as you would for work.
Bring a resume if you have one.(it is not necessary)
Be sure to be early or on time. That is very important!
Be prepared to stay until (2+hours) pm

Now it is located at: _____
And the directions to get there are as follows: _____

Do you have any questions?

Great _____(name of applicant)

Now you can absolutely count on us to be there, can I count on you?

Great see you there, tomorrow; we start sharp at 3:00 PM so don't be late ok?



Facilitator:

Good evening...my name is Facilitations Name and I'd like to welcome you here this evening. You are going to participate in something that I think is very special and well done. Some of you are going to find extraordinary value, some of you are going to get clear that before the evening is over, that it is an appropriate place to be here, because getting into real estate may not be the thing for you to do. In fact, I can measure my success by making sure that everybody who it is not appropriate for, arrives at the conclusion tonight to not be involved in real estate. So that's my job. My job tonight is to make sure you're clearly informed about what a career in real estate looks like.

Coldwell Banker has invited you here because it is willing to sponsor you into a licensing program as part of its commitment to recruiting qualified people, people who are suited to the business. We are going to get started by getting to know each other. I'd like to get to know a little about you. We'll spend a bit of time doing that, interacting a little bit. Then I'm going to introduce you to the company, to the licensing, to what real estate looks like, anything you need to know in making the decision if being licensed is appropriate to you, and then lastly, what is the opportunity in being associated to Coldwell Banker. Let's see, I'd like to get started by getting to know you, and interacting with you a little bit. Who would like to start?



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STU1:

My name is Herb Erantz.

FACILTATIOR:

And why are you looking at a possible career in real estate?

STU1:

The excitement that real estate possesses... I like the excitement people have in looking at real estate...potentially make money.

FACILTATIOR:

Ok, I'd like to talk a little about that: What do you think the obstacles are in real estate? Being successful?

STU1:

I think the obstacles for me might be just myself.

FACILTATIOR:

Why are you looking at a change in careers?

STU1:

Because I'm at the end of the road in my career.

FACILTATIOR:

What does that mean?

STU1:

That means I lost all the money I put into it...

FACILTATIOR:

Oh, you had your own...

STU1:

My own business



FACILTATOR:

So now you're trying to sell it. And why do you think you want to be in it [real estate]?

STU1:

I don't know, I've always liked real estate. Always wanted a chance to learn it. Coldwell Banker has a nice name.

FACILTATOR:

Have you ever talked to other real estate companies before?

STU1:

Yes, I've talked to Tarbell.

FACILTATOR:

How many of you have talked to another real estate company before coming here tonight?

(HANDS RAISED)

Oh really, I was hoping more of you could have.
 So Herb, as you look back at the process that got you here and you're looking at the possibility of coming into real estate what is your view about real estate? Do you see this as a full time career commitment?
 You are seeing something that you are serious about – at least you are serious about looking at this as a career opportunity?
 Because I want to be really clear with everybody.
 Coldwell Banker is only interested in recruiting full time career orientated individuals. People have often thought real estate is a great part time job. When I started, there were many people working part time. The business has changed, but not the problems. And the problems pretty much disqualified you if you are part time. The major real estate companies probably won't be interested.



FACILTIATOR:

Herb, good to have you here.

Let me tell you a little bit about what we are doing. So that everybody is on the same page now. You are participating in an interview. We are going to interview you, and we expect you to interview us. And I'll set up the parameters for the interview later on. Here is what we are going to accomplish tonight. We are going to get to know each other, interact a little bit. In fact that will be part of the interview. Our interview though, is an extended interview. It isn't just going to occur tonight. If you decided tonight that you wanted to do this... If you said "I want to get involved tomorrow morning", you couldn't do it with us. We tend to want to take it a little slower. You can't make a decision you want to be in real estate from just one meeting. All that can happen through our interaction tonight is that we will decide that you are a candidate. And then we will invite you back to another interview. And in that invitation to come back , there will be another meeting where we will once again go through some of the implications, the conditions, what a career looks like, and what the job looks like. Coldwell Banker is interested in recruiting people who are career minded, people who see this as a career, who are taking this on as their primary means of employment, not as a part time job, not as a second job, not as a second income. Second incomes are just fine as long as the second income is just as important as the first.

(more introductions)

STU2:

(brings up uses of internet in real estate)



FACILITATOR:

I'll tell you something.. This is my field. I'm a management consultant. My job is to train organizations, different organizations, not just real estate, in developing human potential, working with people who are in either sales or some kind of productivity labeled job, and then looking at how to bring out the best of them. How do you create leading edge organization?

The field of sales has changed generally, and the problems of working together with people is changing, dramatically. But what technology is doing is making a greater and higher demand on people skills. Everybody, 20, 25 years ago, a laser printer costs 15000 dollars and printed out 6 pages an hour. Today, if you don't have one on your desk its just because you are in a place where you are putting out stuff.

You can buy one today for 350 dollars. Most of the sales people at Coldwell Bank have one, or have access to one. And all that has happened is that the quantity of stuff has gone up, gone out, and the ability to make excellent contact has gone down. Voice mail has insulated people from contact. People have pagers now not so that they can return calls but know who to not call. We have cellular phones, we have voice mail, so that people can call out, but people can't call in.

And what we are seeing is part of this company's personal commitment is to create a cadre of people who are very very people orientated and to let the technology be support, but not become the substitute. And I'll tell you, you will find that is one of the missions of this organization, significantly different from many people who are also in the business. Many people are fooled by the way that the technology is going to change the business or that it is going to change sales from being in the business. I have clients like a



DETAIL	CONTENT
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STU2:

major television company, I have clients on the east coast, real estate clients in Atlanta, I work all over the country and I can tell you, everyone has the same problem.

I don't mean that it'll be an entire change—it will certainly change the way that you work.

FACILTATOR:

Thank you. I heard you accurately though.

STU2:

What it boils down to is that it takes time to build a relationship. Once you cultivate a relationship, you have somewhere to start.

FACILTATOR:

Tell me this—you obviously have excellent experience, an excellent background, in sales and working with people. Tell me, what would you need to know about real estate?

STU2:

Well, to be honest with you, it's a little bit scary getting up when you are really well paid, you go to change, it's a risky, gutsy move, it's something you just got to believe you can do it. As far as part time, you can't do it. You commit yourself to do it, but you don't do it. I just want to understand it a little bit more before I take a jump.

FACILTATOR:

What would I need to tell you to make you not want get into real estate?

STU2:

(won't make money, etc)



STU3:

(Ins. Goes on to get personal histories from each of the participants)

... I'm kinda at the point right now where I want to gather as much information as I can and make a decision about this.

FACILTATOR:

Are you at a place where you can make a full time career commitment in real estate? You can move out of the place you are in and...

STU3:

We were talking about that. That's something we are going to have to work out/figure out. I think that if I want to do this and it's something that's for me that I'm supported.

FACILTATOR:

Who's the "we"?

STU3:

Mr. Johnson. [Manager of Coldwell Banker branch where she works as a receptionist]
 Because I just don't want to leave my position because that is important as well... Now that I see it, making that transition into an agent is... there are so many questions that I have that I don't event know where to start.

FACILTATOR:

Well, you make sure that I answer some of those questions tonight. I leave you with some real clarity to what that looks like, and things that you have to be concerned about. Now, there are a lot of questions that you are going to have that you really don't need to have answered. You know, if



you ski, you don't necessarily need to know how high the hill is, you need to be able to get down.

And I'm more concerned that you know how to get down the hill than worrying how high up the hill is. And so what I'm going to do today is to give you some insight into that process. And how to equip you with the components that will enable you to make a decision that are in your best interests. As I said earlier, getting people to come into this business is the easy part. Getting them to stay out is the hard part. And that's why... we're just simply as a company, and as a management team committed to having people who share a common work ethic – people who are coming into the business who have... who share the same set of values as Linda Berg... as the rest of the management back there.

And in terms of work and serving and taking their part. So it isn't appropriate for everybody. It's not right for everybody. If it is right, it will feel right. If it isn't right, I want to make sure and answer your questions. Thank you Marci, for being here. (Applause)

FACILITATOR:

What would you to know? What are things you would be concerned about?

STU4:

Well, when I was a teacher I used to try to tell the students to set goals for yourself. You can't meet those goals; you apply alternative goals or establish a pattern. If the goals that I set out, what I want to accomplish in real estate... if I'm not going to achieve that, if I perceive that today, I'm not going to pursue it. So, if what you tell me today is going to be exactly what I don't want to hear, then...



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FACILTATOR:

What would that be?

STU:

Actually, I like the idea of freedom, of being my own boss. But I also like the idea of really achieving...how should I put this? You set out a goal for yourself... a victory for yourself. If I'm going to say that I want to make \$100,000 dollars in the first two years, and I can't do that, then it's not a business I want to be pursuing.

FACILTATOR:

Alright, I think what we'll do is... we got soft drinks, we have coffee outside around the corner, we have cookies, please...I'd like you to meet the management team...we'll take to business in about 10 minutes. So, we've got a large group, I want to make sure we get through all the material tonight. But I want you to meet all the managers...everybody back here... why don't you guys stand up? Let me introduce you: Gay Rainey, Brenda Perzow, Carolyn Jones, and Linda Berg, regional vice president...she's responsible for the whole area. Make sure you introduce yourself to them, and we will start in ten minutes by that clock. When the big hand's on one.

(Break)

FACILTATOR:

How many people did you turn away from your organization Linda, last year?

LINDA: ?

FACILTATOR: ?

People, turned away. Now, Linda



LINDA:

took over the region about a year and a half ago.

? months.

FACILTATOR:

And she took it over with a commitment to do two things. She wanted to raise the performance of the organizations, and not because it was bad, because Coldwell banker has always been one of the top ten in the country in the business, but not because it was doing poorly. But because she believes that in order to create an excellent organization, you've got to have an organization made up of excellent people.

And not everybody in the organization is, even though it's an excellent organization. And she wants it to grow up to be more excellent. I think you could say that. That's like saying 'more better', isn't it? She wanted to grow the organization excellently. And create a candidate who could share a common work ethic.

There were people in the organization who did not fit that work ethic. And she will tell you that. The managers will tell you that... and that's been one of the major transformations in this organization over the past year.

So, I'm going to give you some insight into the things you need to know that you may not have asked as part of your process of coming... looking into coming into the business. One of the things I want to encourage you to do is talk... go out and talk after tomorrow... talk to our competition. I want you to ask them some questions. I'm going to tell you what to ask them.

I'll tell you the truth. You find one person...now listen, this is an extraordinary statement...you find a



Ellis. I've known that company very well for a very long time... Hal Ellis and I go clear back, oh boy. Ok, I want you guys to... I'm going to rely on you two... the Ellis Group and you talked to Tarbell... to validate to anybody what I tell you.

I really want you to do this. This is not an idle assertion on my part. I really want you to take the time to do it. Because you ought to get an insight into what is necessary for you to know before you make an important decision. The average income for the average full time real estate sales person in the state of California is less than seven thousand dollars.

And when you add part time people to it, it drops to below three. Take everybody who has a license and average them together and that's what you get. How many of you were going to go to work tomorrow, willing to go to work for 7000 dollars?

(laughter)

Well that's the least we have, approximately the right group here. Because I'm going to tell you if 7000 is an average income to you, if that's an ok income, this company is not going to hire you.

Not only is the company not going to hire you, it's not going to keep you. And part of what I want to do is talk to you about that, because most of you didn't know that. Did they tell you that in your interview? See the problem is, and I'll tell you why they didn't tell you this, because there are darn few people in this business who knew it. And I'm one of them. And it's my business to know it.

It's part of why Linda has me working here. There are very few people in the business who know what I'm going to tell you. And because they don't know



it, they can't fix it. Let me show you another figure.

A guy by the name of Piretto, who was an Italian, was a management scientist, he was a contemporary of Parkinson, you might have heard of Parkinson. He founded Parkinson's laws? It's not Murphy's laws...

A guy by the name of Piretto, who observed something a long, long time ago. It's called the 80/20 rule. The 80/20 rule is this: that 80% of the production of anything is produced by 20% of that group that produces it. Now, I have been working in this business, and I have been a consultant in real estate, and I've been doing trainings in real estate since 1973. I have some experience with what the business looks like.

I have some experience with what the makeup of the industry is. And I'm going to tell you something. 80% of the people in the business make 20% of the money. And you could absolutely go to the bank on those numbers. Linda has access to them. When she got here, she did an analysis, she did the analysis to find this figure out, am I correct Linda? 20% of the people make 80% of the money. Now you don't have to be a math whiz to figure this out.

The 80% of the people in real estate are making 20% of the money, and the average is 7000 dollars, we have a whole lot of people out there who are quote, "in real estate" who are making substantially less than 7000 dollars. What's wrong with this picture? The truth is, is that most of you would not come into this business if that's what you were going to do. Am I correct? If I told you that was what the opportunity was in this business, most of you would say "thank you..." you know... won't you Jerry?

I must acknowledge that Jerry was a



quick learner and that is the truth... must have been your engineering background. You read the landscape when you said something's wrong...

But I'm gonna show you something else. 80% of the people are making 20% of the money. And it would be useful to know what the 80% of the people who are not making the money are doing versus the 20% of the people who are making 80% of the money, wouldn't it?

And I'm going to tell you what it is that they do. And I'm going to talk you through it, and part of the problem is this. Someone said, it was Justine, who said, I like the opportunity of the freedom of time. Now, real estate is what I call one of the last entrepreneurial, one of the last bastions, of entrepreneurial opportunity.

What that means is this is one of the last places on the planet where you have the freedom to make as much money as you want to make. You have how many people? Tell me again. I don't hold these numbers, because these are not my numbers. These are his numbers... but you had?

LINDA: ?

FACILTATIOR:

? people, under 30 years of age, who made over \$250,000 dollars. That's pretty good, isn't it? Let me show you what's going on in this, in this situation. How long does it take to be a doctor? I wanna be a doctor. Here's the on-site medical expert...

STU:

Approximately 11 years.



FACILTATOR:

11 years to be a doctor... and how much does an average doctor make? A lot less than you guys think. Yah, 100,000.

STU:

(laughs) Plastic surgeon!

FACILTATOR:

Ok, but you see, then you have a new problem, Vivian. Then you have to add a couple of years to be a specialist. You have 2 to 4 years to be in a specialty. In order to do it, you're up to 14, 15 years, in order to make a lot of money as a medical doctor. Tell me, how many years does it take to become an attorney? 7 years. How much does an average attorney make? 70-80,000... in seven years.

STU:

Average attorney? I bet it's lower than that. I see a lot of times on TV...

(laughs)

FACILTATOR:

I saw something that said California has as many attorneys as the rest of the developed world. So, 7 years to be an attorney, 11- 15 years to be a doctor, six months to be a real estate agent. And we have a bunch of agents making over 250,000 dollars in this business.

Here's what's wrong with this picture. If you have 80% of the people making 20% of the money, and what happens something goes like this... in any place where you have an opportunity to make a lot of money, there comes with it, the opportunity to have extraordinary failure. If you guys want to fail, real estate is the place to fail. Right? How long does it take you to fail? 15 minutes?



(laughter)

I'm really glad you're here. I didn't pay him to be here.

See the problem is this. Is that you can come into the business and not make any money at all and you can do it real well. And I'll tell you it's even a worse nightmare than this.

It's possible to come into this business and work really hard, put your heart, soul in it, work every single day, believe in the business, want to do business, have faith in the business, and totally fail in the business. How is that possible? People do it every day.

STU:

You just described the total commitment and that's, if you recall, that's the question I would have asked in the beginning. Can you work that hard, be that dedicated...

The following is an example. Get one from Linda.

FACILTIATOR:

Yes, and that's what's so tragic. I see it all the time. I have a fellow in training, who is just in the process of changing the way in which he is working. He has been in the business for 8 years. He has worked extremely hard. 8 years he has been in the business. And he came in my training, and he got an opinion that got him in the training. Linda put out a communication with the managers, they got together, they sat down and they said, we won't have any agents in our organization who are not producing.

And if they are not gonna produce, they're not willing to step up to the plate, they're not willing to do the things it takes for them to be effective



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and productive, we need to encourage them to leave the business. Carolyn has a minimum standard in her office. You cannot work in Carolyn’s office and make less than...

CAROLYN:

30,000

FACILTATOR:

30,000 a year. If you want to work in her office, you have to invest the minimum, the least you have to make in order to even be there. Yet you can walk out of this facility, drive down the street, count four or five real estate companies on the way home, walk in to them somewhere between now and Monday, and every one of them will want to hire you. Now see, what happens is this, Steve.

It’s possible to work very hard on the wrong things. Phillip came in to business 8 years from having worked on the wrong things. And he says, if I can’t get it together, he told me this this morning. He says, if I can’t get it together, if I can’t make this business work, if I can’t do this for 8 years, I’m burning out. I’ve had good periods and bad periods, good periods and bad periods.

And he said, “quite frankly, the good periods aren’t worth the bad periods.” Kind of what one of you were saying earlier. The good news is that Philip changed. He’s opened a transaction once a week since he started this process. He started 6 weeks ago.

Now that’s pretty good. That’s pretty good. See, I know something about what it takes in order to be successful in the business. Working really hard on the wrong stuff doesn’t make you any money. It is possible to end up... the dilemma in this business is that there are a lot of the people in this business who have been in the



business for a very long time who don't know what it takes in order to be successful in the business.

In fact, what they will do is that they will give you the very best advice they can give you and that's exactly the advice which will cause you to fail. Now, what does this mean to you? Here's what it means to you. The number one concern you have in making a decision about coming into real estate are two things. One is working for a company who will not have you if you are willing to work in a way that doesn't work. I can't stress that enough.

Lots of companies will hire you. Not everybody will say, "here's what is necessary in order to make things work, in order for you to be effective. And if you do this and you do this in this way, the odds are substantially greater, that you will be effective, and you will be successful." So, working hard in this business doesn't make any money. Working on the right thing in this business, working on the right way in this business.

Now, this is a definitive study. I'm the only one who has ever done this type of study. But it's my business, it's the business I'm in, so I do these type of things. I want you to validate this. Who talked to other real estate companies?

FACILTATOR:

Who talked to another real estate company? They told you what I told you? Let me show you something else, one of the problems with entrepreneurial opportunity, what opportunity means is that you can do it your way and devote your own personal skills in your own personal work time, your own personal style, but one of the problems with that is that you have an extraordinary opportunity to fail.



Here's the problem. There is no necessary requirement for you to succeed based on that. So you have an opportunity to fail, but you also have an opportunity to succeed. Working on the wrong stuff doesn't work. Well, I did a study where I looked at agents who came into the business.

I was answering the question and this was the question the company I was working for needed to know, what was the profile of an agent who in their first year stayed their second year and produced in the second year so that the company recovered and made a topical profit?

Because if the company can just make a profit in two years off an agent, it's pretty much home free. But the reason I tell you this is the turnover of agents is 13 out of 14. 13 out of 14 agents fail by the end of their second year. It means one out of fourteen is going to stay through their second year (this is an industry average) and be productive and create a condition where the company gets a return on its investment. This is a startup period.

Because the first year, it's a loss for everybody. You know what a learning curve looks like? I'll draw a picture of a learning curve for you so we are all speaking the same language. It's also called an "S" curve.

And there at this stage of an S curve it looks flat right here. This period tends to be flat. What tends to happen is that we do a lot of stuff, we do a lot of stuff, we do a lot of stuff, we don't get a lot of feedback. That tells us that in that period you're growing things and getting better.

Now, what happens in this period is this. In order for an agent to stay their second year in the business and be in their second year, an agent needs to have reached this part in the learning curve by the end of their first year. So



if what you end up doing is you end up working but your learning curve looks like that, you're out of business.

Because most people can't stay in the business failing long enough to be able to learn fast enough to be able to succeed. Which causes the 13 out of 14 ratio. So we have a mission.

And I'll tell you what I learned. I learned that this...this was an extraordinary insight. What I consider a breakthrough study because it has set more than any other single factor, my personal mission in my working relationship in this business.

And here's what it is. We found that agents who ended up not writing a contract in the first 90 days had a 45 to 1 likelihood that they wouldn't make it and stay through their second year. If they don't by the end of 6 months, they had a 90 to 1 ratio. Then it went to 400 to 1, 700 to 1, then 900 to 1.

STU:

I'm sorry, 45 days is what?

FACILTATOR:

90 days, 6 months, oh, excuse me, 3 months, 6 months, 9 months, and 1 year. What that means is this: what you have to do is write a contract in the first 90 days or the odds are 45 to 1 that you will not make it to the end of your second year. So what does that tell you? See what is happening here?

STU:

It tells you that the person you work for is going to know within 3 months if you are going to stick around.

FACILTATOR:

That's right. We know in 3 months, in



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<p><u>STEVE:</u></p> <p><u>FACILTATOR:</u></p> <p><u>STEVE:</u></p> <p><u>FACILTATOR:</u></p>	<p>6 months for sure and you tell within 3 months, 6 months, for sure. But my mission, Linda's mission, has changed and this is why I'm telling you. Talk to other companies. Anybody that tells you the same thing, you go work for them.</p> <p>We have a mission and you have a mission and that is to be fully productive in the business within 6 months to 9 months.</p> <p>How many of you have heard it is necessary to last 6 to 9 months without question? You see, this sets you up for failure. So what we have is a completely different view. The view we have arrived at is that you gave a very short window of time in which to become productive.</p> <p>We know for example that if you address this as a career commitment...Who's in a career? You are Steve. What time do you start working in the morning?</p> <p>Between 6:30-7:00 am</p> <p>And what time do you go home?</p> <p>About 5-7 at night.</p> <p>So, you start between 6-7 in the morning and you stay until 6-7 at night. 5 days a week at work. Every day. Here's what we know. You are all starting to get the message. When you have an opportunity to make a lot of money, you pay a price.</p> <p>Typically, the price is in the form of a learning curve and real estate seems to be one of these places where you pay</p>
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the price coming into the business and they forget that there is a learning curve. They want to jump into the system and want to make a lot of money real fast. And so it creates a condition where lots of people come into the business and they fail real fast. And then what happens is they develop a set of habits in to the work ethic that directly counters to the business.

So what we are really clear about is that if Coldwell Banker is going to hire you, we are only interested in hiring you if in fact what you do is accept a work ethic. The work ethic works something like this. It's a weekend job. I wish it weren't and for some of you it's going to preclude you and disqualify you.

Why do you suppose real estate is a weekend job? Because the buyers and the sellers are out on the weekends. That's when real estate is done.

And so for your first year, you are going to be working weekends. And if you are not prepared to work weekends, real estate is probably not suited for you. There are very few people that don't work weekends. So few that it is almost insignificant.

There are large numbers of people who work weekends and work evenings as well. You are probably going to work a lot of evenings as well. In fact, one of the hardest parts of real estate is that it tends to be consuming. One of the things that we know that is necessary for you coming into the business is to schedule your time out so that you don't burn out. Because it is very easy to do that.

So one of the things that we know is that you need to work 48 hours average a week. And we have structured the program that you are received into as a part of the process is called "The Journey to Mastery". And the reason it is called "The Journey to Mastery" is because that is what it is. It's a journey,



it's this curve right here.

You have to be willing to work weekends, you have to be willing to work evenings, some evenings, 2-3 times a week. You have to be willing to work 48 hours a week initially. You are exclusively on commission.

There's no salary, there's no guarantee. If you succeed, you get paid, but if you're not, you're not. But we have a mission. You see, it's an extraordinarily expensive to train good people. You have to be willing to work in a structured program and the way the structured program works is this... what we are interested in is finding you buyers that you can get into escrow, that you can sign contracts with really fast. As part of my own mission in doing that, I looked at the landscape of ways agents can progress.

One of the things that people are taught when they are entering the business is cold calling, photography, knocking on doors, and meeting people. One of the things is that it is a 12-13 month start up cycle before it finally comes into maturity.

So, if you are really good at cold calling, you've got to wait 12-13 months before the work begins to mature for you in any significant way.

And this is traditionally the case. A lot of evidence to support it. I looked at the landscape and I said we need an alternate. What other things do we need to do? How many of you know what an open house is?

One of the things that we get is I looked at the density of the buyer population. Where can we find a very high density of potential buyers?

We found that open houses had a very high density of potential buyers. Now you talk to a lot of real estate agents... Sherry, what did they say about open



SHERRY:

houses?

As far as what?

FACILTATOR:

As far as if she likes it?

SHERRY:

Well, yah, we are getting about 20 a weekend.

FACILTATOR:

And what did you hear?

STU:

I heard that some of them just sit there. And people hate it.

FACILTATOR:

Yes and the industry just hates them. Yes, I hate them but that's because of the way you do them. So what I said is that what we ought to do is reinvent them. And that's what I did.

I reinvented them from the ground up. It's a marketing event. We developed a marketing program that increases your contact with the buyers. Increase the quantity of buyers you get between 5-7 times. So you are put into a situation where you have an enormous amount of contact with real potential buyers and sellers.

You can be almost brain dead and fall by mistake into a transaction. The problem is, if you are flatlined, you won't make it to the second year. One of the things we know is that getting people who are going to be effective at doing it are willing to do it the right way and serve the consumer.

Because the other thing it does is it



sells a lot of houses. There are 2 things that happen. It creates a condition where you have a lot of clients and it creates a condition where the houses that are open are sold. So we have to serve the client. And the company, particularly this management team has an enormous concern in taking care of the customer and so we are looking to work in a particular way to fit these needs. I'll tell you this truthfully.

If you are attracted to this business because you want to work your way, you are probably talking to the wrong company. Because your way, maybe will work 2 years from now, but not until you wrap up, not until you become productive. Because there are 80% of the people out there now making 20% of the money working their way.

This is the problem. So one of the things Linda is committed to is narrowing it down to the things we know work. Get people and bring them into the business and telling them what works. It's hard work. You ask me what the top 2% of the people do? There are 2 things that they do. They treat the business like work.

They have a work ethic that is consistent to serving the customer. This is number one. I don't know a single person in the top 2% that doesn't have this work ethic. The second thing they do is they listen real well to the needs of the customer. It's not easy.

What often happens is... what I mean by listen is not just "I want 2 bedrooms and 2 baths", but that what you listen to is something that is really obscure and remote and distant in connection.

That they are not even clear about what they want. If it were easy, everyone would be doing it.

The top 2% develop people skills. Personal relationship skills.



I have now described to you what the "The Journey to Mastery" program is all about. It's looking for a few people, not a lot, who are willing to approach the business with a commitment to serve the customer, to listen to their needs and to answer to it.

I want to give you more insight to the structure of the program because I told you what the program is. Are you reasonably clear on this? It's a program that is designed to accelerate you through the start up process.

To get you up producing real fast and to give you an opportunity to get out of the business if you are not willing to do what it takes.

In other words, we have a roadmap. We have it broken down to a weekly schedule, day by day. We have it down to a science. We know what you will be doing every minute of the day. The question is, are you willing to do it? And this is something we can't answer. It is something quite frankly we don't know.

Now, I want to show you what the other aspect of this is. Because there are 3 components in this.

There is a manager and there is a mentor, and there is you. The training program is made up of these three components and then I play a role in it as a trainer as well. There is a manager that manages you; you are assigned a mentor who you work with. The mentor relationship takes care of some problems. If you were told to hold open a house, there are some obstacles.

Even though we can identify the strategy, we have a problem. The problem is that we have no inventory to hold open. There is another dilemma. And that is because agents are entrepreneurial. They are protective. They won't let you touch



You need to know that the training process is until you get 3 transactions. So until then, 3 transactions and 3 listings with your mentor, you are in the training process. It takes within 4-9 months. The average is between 4-7 months, that's if you are going to make it.

Let me talk to you about the interview because there is a training period. I'll draw a picture that looks like this. Let's call this the period of time it takes for you to get your first 3 transactions.

We'll call this training "The Journey to Mastery" – this is when you get your license, this is where you graduate from the program. Now I want to talk about this part of it right here. This is where we are today. This is where you get your real estate license and you come to work. What I talked about is this part. What I want to talk about now is this part. Alright.

What happens is this. During this – this is your interview. I want you to think of these 4 months as the interview. We are going to take a risk with you if you are invited back and you are going to take a risk with us. But we are going to go into an interview process.

And the interview process is, we are going to look at you, work with you, study you, hands on under the microscope and see what happens during the time frame.

Now the way that works right here, is 2 and 1/2 weeks. This is called "Principles and Practices". Now the state of California has credited the licensing program to be what is called a bar. Lawyers and attorneys take the Bar. And the Bar is you are barred from participating.

This is what the term bar comes from. So clearly is it a bar – that if you pass the test, you don't get a score. You



only get a score if you fail the test.

The California department of real estate has no illusions about this. If you want to study real estate, you need to go to a community college. If you want to learn "Principles and Practices"... or, you can take an open book test in which the only way you can fail is to be illiterate. Now I have figured out why they have done that.

But that's what they have done. In a classroom for 17 weeks or by correspondence for 2 and 1/2 weeks and it is open book and you can read the question and write out the answer by looking at the book. Guess which one we chose? We chose the 2 1/2 weeks. Because our mission is to get you through the licensing program.

How much of "Principles and Practices" do you use in selling real estate? Nothing. We want you to pass the test. Everything we are going to do is to help you pass the test from now on. It is an interview and it is designed to see you work and it is designed to get you to pass the test.

Here's the second part of this. This part is called "Studying for the Test". When you pass "Principles and Practices", immediately, what we do is we send in and apply for your test date. Because the test date is set by the state of California to be about 3 months in advance. Now the reason they do that is this.

It's a moving target. You study and study and study and you are ready to pass the test. You send in the application and you have to wait 3 months. What's the likelihood that you'll remember the material? They've thought it out well. Nobody tells people who are taking the test this. But now you know.

We have a very structured process where you meet once a week in an



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	<p>office under the direction of a manager. And under their direction, what you are is managed to pass the test. This is not an exercise in learning real estate.</p> <p>We don't expect you to learn or remember a lot of stuff. As I said before, you want to learn real estate, you go to a community college.</p> <p>Now, let me tell you about this. How much do you pay to go to real estate school? Around \$240-\$350 to about \$500 depending on the demand. Anyways that's the cost of the license.</p> <p>Now let me tell you the cost of the other state fees to get the license. There is a \$65 test application fee. It costs approximately \$300 total for these fees, plus the cost of real estate school. These fees have to be paid by you – this is the cost of the school. Now here's the way this is set up. Linda of the management team is prepared to sponsor you through the licensing process.</p> <p>If you have a license already, they will reimburse you the money you paid to go to the real estate school out of your first transaction. If you haven't gotten your license yet, they will sponsor you \$240 – you are going to have to pay the \$300 anyway. So here's what we are looking at for you.</p> <p>If you will prepay the California fees, we will pay for you to go through school. If you don't drop out, you go all the way through here... and Coldwell Banker decides not to hire you for any reason, because this is still an interview, you get a real estate license and you can go anywhere you want to go. If you start the process and you drop out, then the fees that you have advanced are applied towards the cost of your school.</p> <p>In other words, you will be paying these fees anyways and all we are simply saying is – I will be going through the licensing school and get a</p>
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real estate license. If you do, the cost for the school is free. If you don't then the fees are applied to cover the cost of the school.

Later on, if you come back, there will also be a signed guarantee that you will work for Coldwell Banker for at least a year.

(Questions and answers, repetitive)

All right, who knows now that being invited back is not for them?

Ok, I'm going to hand out an invitation to come back. You are going to come back to a second meeting based on your interaction with me. We will be calling you and inviting or not inviting you back, but you will get a call back within 2 days. You need to fill out a time to be called, so we don't have to play phone tag. There's 2 separate interview opportunities and you need to specify your preference for a day or evening interview.

(end of meeting)

