

What Agents Look for in a Real Estate Office: Build a Dynamic Value Proposition Agents Cannot Say No to

It is important to understand that when someone asks you, "What is your value proposition?" what they are really asking is, "What's in it for me?" Armed with this knowledge you can now put together your value proposition.

Start by writing down all the benefits that you and your firm have to offer an agent. An easy way to do this is to separate it into different parts. For example, if you offer support and training, make sure you are able to show the recruit the types of training and support you are offering and how it will translate into helping them with their business. Be specific and keep in mind that the most abused terms in our industry are coaching and training, just about everyone offers it and in most cases it's very basic and will not interest an experienced agent. Show them your training material, manuals, etc., a visual presentation is always more convincing. The importance of training cannot be overstated but it has to be legitimate and effective.

Technology must be a big part of your value proposition, it is so important that we have dedicated a separate report to technology. When I refer to technology I am not simply referring to a website. Today's buzz in technology is social media and how it can be used to build your business. This concept is very complex and requires a lot of expertise, but understand that most agents are clueless on how to go about it or they go about it the wrong way. A common misconception is that all an agent has to do is set up a business page on Facebook and upload all of their listings. This strategy is certain to fail because they are taking the 'social' out of the social media. People use social media to be entertained, not to be sold.

The location and physical appearance of your office can also be part of your value proposition.

Ask yourself these questions regarding your value proposition:

"Is this the type of environment that a successful agent would want to work out of?"

"Are my computers, printers, etc. up to date?"

Nothing is more frustrating to agents than non-functioning equipment; this is a sure way to lose agents.

"Is my location in a high traffic area with good sign exposure?"

In other words, do you get walk in business because of your location? Walk-ins are a powerful lead generation that will attract agents.

"Lead generation, do I have any?"

If not there are a number of ways that you can generate leads. The simplest way is to advertise in various publications or websites such as Realtor.com, Trulia and Zillow. Distribute the leads to your agents and use them to recruit. This way you will keep your agents happy.

“Do I have any recruiting incentives?”

In the past decade a number of systems have surfaced that offer agents residual income or profit sharing for recruiting other agents into an office. These systems attract a lot of agents and are also a great retention tool. The challenge that you may face as an independent is that you cannot offer long term/retirement residual income to agents because once they retire and are no longer licensed you cannot pay them commissions. This is an advantage that franchises have because they collect these commissions as royalties and they pay these "residuals" out of their corporate offices. Their agents have also the added advantage of recruiting agents throughout the country. If you decide to go the route of recruiting incentives, keep in mind some key elements. Good agents demand and get high commissions regardless of anything else you have to offer. Many of these systems are based on a 60% to 80% platform which makes it very difficult to recruit good agents. Multilevel systems although appearing on the surface as very lucrative by their nature of paying multiple people out of each transaction actually dilute the commission to the point that it is too taxing to the transactional agent. The ideal scenario would be a system that offers a residual/retirement income to the agents with a competitive commission structure. Last but not least in your value proposition is the actual commission structure that you are offering. There are basically two systems, the more conventional split type and the fee system. They both have their advantages and disadvantages and it is a personal business decision up to you as the broker. If you use a fee system to adapt to the current economic environment, avoid high monthly fees as they will end up being a deterrent. No matter what system you choose, ensure that you are competitive and remember that you do not have to be the cheapest to succeed.

Always Remember!

If you recruit on money you will lose on money. **"Price is only a factor in the absence of value."** Agents will join you only if they believe they will do more deals in your office.

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