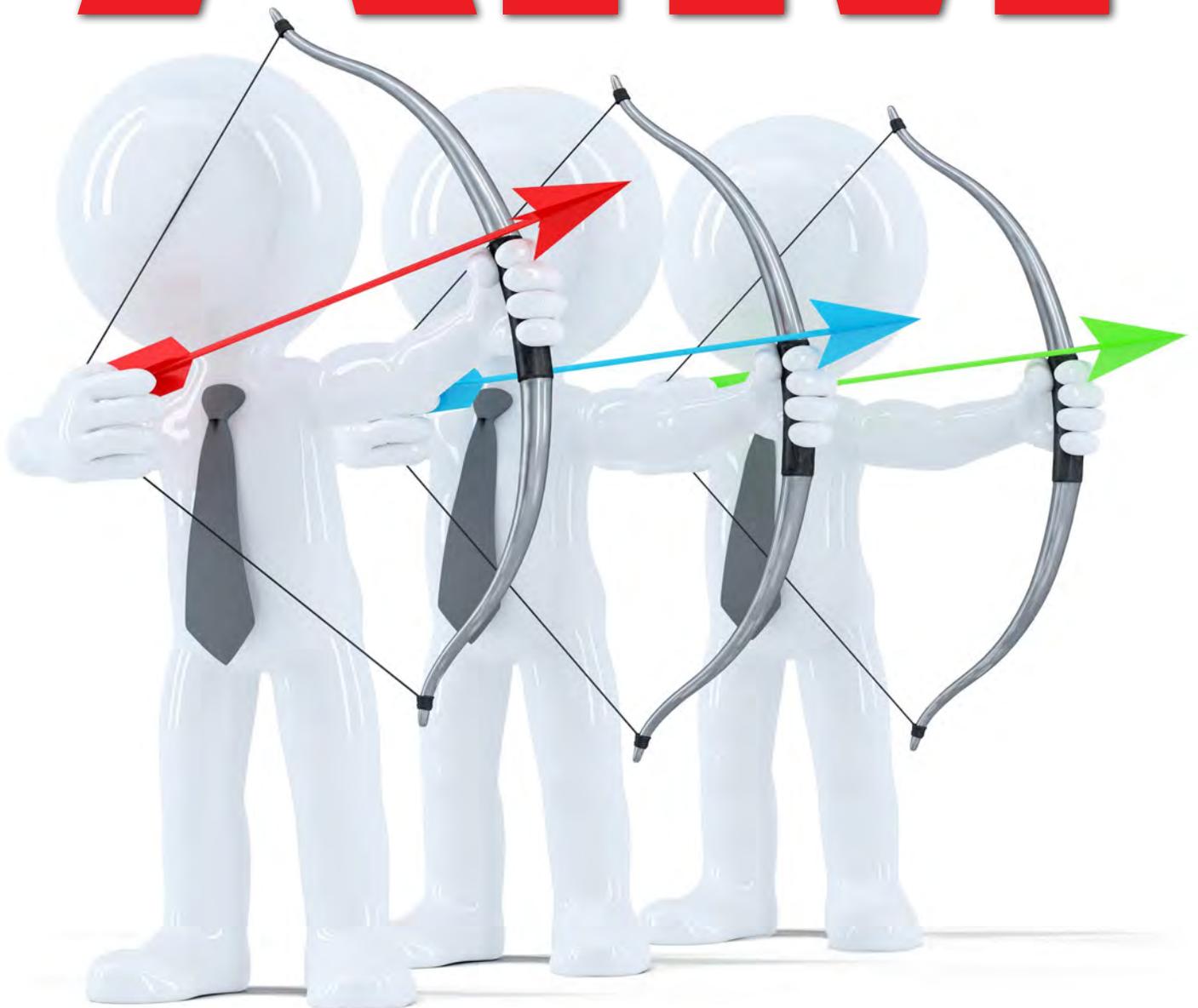


To be successful you can use the  
“**READY – AIM – FIRE**” approach.

# AIM





# Identifying the Right Target

## This is a critical part in persuasion.

Hitting the bullseye on the wrong target will likely lead to failure. To focus, or zero in on the right target, you simply ask **"Why?"**.

In some cases, you may have to ask "Why?" more than once to really understand your client's reason for wanting you to lower your fee.

Asking **"Why do you want me to lower my fee?"** will usually lead to one of the following reasons or responses:

**Value:** *"No agent is worth that much money."*

Many sellers don't understand or see the value (benefits) of a really good listing agent vs. an average listing agent. And many agents don't know how to properly communicate all their value.

**Housing Market:** *"You don't have to work that hard in this market."*

Clearly the current strong seller's market is a key factor. Low inventories and many buyers shift power to the seller. Sellers see how fast homes are selling and don't believe listing agents have to work that hard.



**Competition:** *"I've interviewed other agents and they all have lower fees." or "I see other brokerages openly advertising lower listing fees."*

During the last couple of years over 300,000 new agents have entered real estate. As a result, the industry has many new and desperate agents. When you don't know your value or haven't established it yet, you can only compete on price. So, some listing agents have to offer lower fees to attract sellers.

**Peer Pressure:** *"My friend just got a lower fee from his listing agent."*

Sellers hear from family members, friends, and neighbors about how they got a lower listing fee from their agent. Or they read a post on social media. Saving face becomes important.

**Affordability:** *"I really can't afford to pay you that much."*

During COVID some small businesses have used the equity from their home to survive. Sometimes they have a first mortgage, a home equity line of credit (HELOC) and even a third lien on their property. Financial pressures cause them to try to get lower fees.

**Ego:** *"I will only pay you a X% fee."*

When no reason is given, it is likely the ego satisfaction of "winning". They have to take something from the other side. (And they make very difficult clients!)

# OTHER FACTORS

**Once you understand the “Why” (the target) you must consider some other factors in choosing your course of action (in archery you would consider the wind, how far to draw the string back, what kind of arrow to use, etc.)**



## **How important is the relationship?**

*Do I care if the seller doesn't hire me or fires me?*

Just because the relationship is important doesn't mean you have to lower your fee. In some cases, you will take the stand that you are a professional with significant value. In other cases, because the relationship is so important, you will give the other party what they want and try to get something for yourself in exchange (see below).



## **Is this seller a good fit for me?**

*Will the seller be really difficult throughout the transaction?*

You may decide the seller is not the best fit for you and you will walk away if you can't get your full fee.



## **Will this seller be able to send me referrals?**

*If so, will they all ask for a reduced fee?*

If you lower your fee to the seller, you may get future referrals. But if the seller has bragged about the lower fee, then those referrals may all expect the same fee. So, if you do lower your fee, always have a specific reason, or get something in return.



## **Is the seller an investor?**

*Do I have a chance for even more business with the seller?*

If your seller is an investor, try to tie your fee reduction to future business.



## **What is my next best option if I lose this seller?**

- Always know your next best option if you walk away from your current option.
- If you have other clients lined up it is easier to walk away from an undesirable situation.
- But if you have no other business options, you may decide to take this option even with a lower fee.



## **Where do I draw the “line in the sand?”**

*What is my minimum fee?*

- Set your boundaries and stick to them.
- Know how you will justify your limits.
- If challenged, you will walk away rather than being taken advantage of.

