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Real Estate Investing Podcast

Why You Need To Answer the Phone (Hint - The Phone Is Everything)

Hosted by: Joe McCall

Featuring Special Guest: Rick Ginn

- Intro:** Welcome, this is the Real Estate Investing Mastery podcast.
- Joe:** Hey everybody, welcome. This again is the Real Estate Investing Mastery podcast, and I am excited about this episode because this is part two of our interview with Rick Ginn. I pronounced your name right?
- Rick:** You got it.
- Joe:** Oh, yes. All right, from the Florida market and he's doing really, really well. Last episode, we talked about the power of the handwritten postcards. We talked about Rick's story and how he got started in the business, talked about low-hanging fruit and mid-level fruit and how important it is especially in this market as we're getting more and more competitive on how we need to focus on that mid-level fruit. I think we've gotten fat and happy with the low-hanging fruit over the years, at least over the last three to four years, right?
- Rick:** Yeah, definitely.
- Joe:** And so, if we really want to start making consistent money in this business, we need to focus on the mid-level fruit, and that involves more follow-up. And, I liked Rick's term that we used before called "relentless follow-up." So, we're going to touch more on that today. I didn't think we had enough time and I had to run out because I'm late for a meeting and I wanted to get Rick back on. So first, let me tell you guys, if you go to RealEstateInvestingMastery.com, you'll see the show notes and listen to the previous



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episode that we did with Rick. Go to RealEstateInvestingMastery.com and if you've not listened to it yet, go back to part one and listen to that.

Also, we talked about... We gave a website on the last episode called JoeLikesHWPostcards.com. If you go to that site, Rick prepared a special report for us with some bunch of really nice extra bonuses on direct mail top secret tips. Rick's been doing business for a long time and he's been there, done that. He has that T-shirt and he's got a lot of really valuable information that he pulled together and he's going to give it to our listeners for free.

And, if you go to [JoeLikesHW](http://JoeLikesHW.com) for handwritten postcards, [.com... JoeLikesHWPostcards.com](http://JoeLikesHWPostcards.com), put in your information in there. You'll get access to this free report and you'll also get some more information on the course that Rick just created that I'm highly, highly, highly recommending times three... the course on his handwritten postcard system because it works like gangbusters, like nothing I've ever seen before. So Rick, welcome back to part two. How are you?

Rick: I'm great, Joe. I appreciate you having me back on so... Hey, I got a little feedback on you. I had a closing today.

Joe: Oh, yeah.

Rick: They actually came by the house and signed it. And, this is a neat one. This is from one of my original postcards. Like, I kept it on this fridge for two years and called me out of the blue. It took us about three weeks to put a deal together, but a quick \$10K. And once again, I mean, it was from the handwritten postcard two years ago. And, a little tip to keep off of that is I keep a lot of marketing numbers active and this number, I haven't sent a piece of marketing out in like over a year, but I just kept it active. I use Vumber quite a bit.

Joe: Vumber?

Rick: Yeah, and I never shut it off...



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Joe: Wow.

Rick: ...In the fear someone would call, and I actually forward the line to like one of my realtors. He goes, "Hey, this guy is calling something about a postcard," and I go like, "Give me. Give me the phone," and I was in the office. We were out on some appointment. And a little tip, if you have marketing information where you've sent like 500 or more pieces out...

Joe: Uh-huh.

Rick: ...Keep it active. It's worth it, because that one phone call, that's \$10 grand on an assignment fee.

Joe: That's amazing. I can't... That's happened to me at least three to five times that I can remember right now like... I just got a call at least a few months ago but it was a lady. She actually said, "Do you remember me?" I said no. She said, "Well, I talked to you a year ago about my house and I'm just ready to sell it now." I couldn't believe it.

Rick: Sometimes, yeah. Do not shut off your marketing phone numbers.

Joe: Right.

Rick: It costs me about \$50 bucks a year to keep it active so I paid \$100, then get \$10k, and now I'm scared to death that I ever shut it off. So...

Joe: I have a good friend. Along those lines, I have a good friend. His name is Ken, and I think he's in South Carolina, North Carolina. I always get it mixed up. He told a story one time of a... He got this phone call and it was a church. And the church said, "Well, you sent a postcard to this lady and she passed away, and she gifted the house to the church, to the ministry.

Rick: Wow!



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- Joe:** And, they didn't want the house anymore, but she kept the postcard in her house file, okay? And the postcard said, "Hey, I want to buy your house. And so, the church ministry called him and said, "Are you still interested in buying this house? We'd like to sell it," and it was a smoking hot deal and he made a ton of money on it.
- Rick:** Oh!
- Joe:** But yeah, point well-taken. Keep your phone numbers on your postcards.
- Rick:** Hopefully he gave something to the church so...
- Joe:** Why? You know what? The next time I see him, I need to ask him that.
- Rick:** Oh, boy. That's...
- Joe:** Because he better have.
- Rick:** Exactly! So...
- Joe:** I'll have to kick his butt if he didn't. Anyway, so one of the things... There are two or three things, Rick I wanted to just kind of touch base with you on this podcast. I wanted to ask you some questions about the script. Specifically, like most of our folks that are listening to this, they take the calls themselves.
- Rick:** Uh-huh.
- Joe:** We talked before. It's important to answer the phone if you can, right?
- Rick:** Yeah.
- Joe:** You're going to have to work harder than ever to get a deal. And, it's important that the quicker and sooner that you talk to sellers, the better, so I like to ask you some questions about the script. I like to ask you some questions on how do you do the



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follow-up. You talked before about the relentless follow up, and I also wanted to ask you some questions about the list...

Rick: Okay.

Joe: And, what kind of list do you mail. So first, okay, we talked last time about answering the phone when they call. If it's not you, maybe having an assistant do it or even maybe if you had to a virtual assistant from the Philippines. But, let's say it's you, okay Rick?

Rick: Uh-huh.

Joe: You're answering the phone yourself and a seller calls on one of your postcards, what? Give us kind of a quick run-down of what you ask them and what you say to them when they call.

Rick: Well, the most important thing... And by the way, for the first two years, I answered every phone call coming in. And I mean, if you're doing under 500 or even 1000 pieces and you've got nothing else going on, you can only learn from it. And, the reason I did it is I wanted to hear everything going on, so if I was ever going to hire someone, I knew what they were going to be dealing with. So, we agree if you can do everything right, if you don't answer your phones or you don't call people back, you might as well get out of the business immediately.

Joe: Uh-huh, yup. Well said.

Rick: Okay. So, we're all so excited when the phone rings and I find that people get a little bit overwhelmed. So, if the script I gave to all your folks and if you found that report, it's just an attachment on there. The first thing you have to do is you have to get in the right frame of mind. You've got to be very positive and you've got to smile ear to ear, because I don't care what they say, what their first response is. If they call you, you should be excited.

Joe: Uh-huh.



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Rick: It just means you have an opportunity, okay? If you want to take the call live, just answer the phone. And so, when they call me and say, "Hey, Rick..." When they call you, the first thing I want to do is I want to get their name. I said, "Who do I have the pleasure of speaking with?" They'll go, "Oh, it's John." "Hey, John. Tell me. Is that property or house still for sale?" And he goes or obviously they are typically going to say yes. And, "I'm going to ask your permission. Are you in the middle of something? Can we talk about this or do you want me to call you back?" Right away, it's all in the script there; we're trying to gauge their motivation.

A lot of times, they'll go, "Hey, no, no, no. I really need to talk to you about this property." When I hear that, I'm literally going to drop everything I've got. And you know that time, have you ever had them calling while you're driving in your car or you're coming back from somewhere else? Pull over.

Joe: Yeah.

Rick: I just keep a yellow pad when I call when I used to do this and I used to just focus. Now, if you want to step it up from the yellow pad, take your script, photocopy it like 30 times and just keep it in a binder and just fill it out as you're going in there. Yeah, this is really old school stuff, but I find if you write it on the back of receipts or little pieces of paper, you're done. I mean, it's going to fall on the crack or you're going to lose it somewhere. And, the main thing is get them. You can go through the script. I'm not going to go through every line. You just get them talk. "Tell me a little bit about the property."

Joe: Yeah.

Rick: Let them go for... I try not to let them go in a minute because sometimes they won't stop. And, you've just got to nicely interrupt them and go, "Listen, I..." They are going to do one of two ways. It's a really nice property. It's got crown molding. It's got a white picket fence. My husband just waxed the roof or... You know how they kind of go on and you go, "Dude John, it sounds like a great property. Why would you even consider selling it to me?"



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Joe: Uh-huh.

Rick: And, we just kind of watch the reaction. Or, they are going to go, "Listen, this property is a nightmare. It's been bugging me for a while," and I'm going to go straight into the qualifying questions. "How much you think the property is worth? What do you think it needs?"

Joe: Well, how about, "Why haven't you sold it yet?"

Rick: Exactly, well... And, on the script I gave to everybody, I draw a line through it and it's right below question number six. At that line, you've got to make a decision if you're going to politely move on or you're going to dive into this customer. And, it usually should... You shouldn't be past the one minute or you're doing something wrong.

Joe: Yeah.

Rick: And that's... I mean, that's really... This is how I train. I use a live answering service and I trained them. And, I mean, those managers know if a call goes over three minutes, I'm not going to be happy, and I do it a little bit differently with that. But I mean, there's nobody better than you to answer the phone. I don't know why investors have such a problem. I know we're all busy, but if you have somebody you're working with or somebody who has time to answer the phones, the first thing you've got to do is just train them. Walk them through your script. Get the people taking about their property, and if they're positive or negative on it is going to decide which way you go with the questions.

Joe: Uh-huh.

Rick: Okay? And, I just hate when investors jump down to the bottom and says, "If I paid you all cash and I close quickly, what's the lowest price you'll give me?" I mean, because it's just you've got to massage them a little bit harder than that to get an answer out of them. So, questions like, "What do you think the property would appraise for in today's market." Or, "John, what do you think it's really worth?"



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And that way, you're not asking them what they want for it, but you're making them kind of justify any type of price. And, you're going to find people who will spit what they think the house is worth. If you ask them a price and they give you the answer, "Well, I don't know. You called me. You tell me what you think it's worth," and you kind of get into that fighting.

Joe: Yeah.

Rick: So now, keep in mind. These scripts are really designed for the low-hanging fruit. I mean, these are... When the guy... I can tell you. I've got to say this to you, Joe. I've got so many recordings of people saying, "Just come over here and pick up this house and get me on my way."

Joe: Yeah.

Rick: But, that's one out of a thousand calls. It just doesn't happen that quickly. So, if you go through the script I gave, and go line by line, and just be a caring human being and be real, you'll have no problem identifying a motivated seller. What I don't want them to do is spend 10 minutes with someone that has no plans on ever selling you the house at any type of discount. So, a key question like when I go over to the answering service since I'm paying per minute, and it's a dollar a minute, by the way, okay?

Joe: Yeah.

Rick: Just so you guys know, it's the going rate. My first question is, "Is your property listed with a Realtor?"

Joe: Hmm.

Rick: Because you know why? Because in the type of marketing where I do it, the odds of me getting a deal, if it's currently actively listed with a real estate agent are very, very, very, low. And, I just play the numbers game. Have I bought them? Yeah, I do different. I call real estate agents from working together, but I immediately get them off the phone if



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it's already listed. And, I get a report. It's a listed property. If I want to have... I can't even have realtors really call them back because you there's those set of laws that...

Joe: Sure.

Rick: But, I don't want to go through a three-minute script if it's already listed on the market with a real estate agent. So, that's one of the qualifying questions we ask when we're doing like a page script. But, I attach the script. I walk through it. I highly recommend if you're just starting out, learn the phones. I mean, the more you understand it, the more you know what kind of calls are coming in. It helps you train. I've done virtual assistants. I've done a live answering service which I use right now, and we still answer the phones about 25% live in our office during office hours.

Joe: Okay.

Rick: And there's something about... You've got to understand Joe, when you get a customer on the phone and they want to talk to you and they really want to sell their house, you have the inside on that deal. You don't have to call them back. You can kind of go right into it. "What do you think the property is worth?" and just set up an appointment and ask them all the qualifying questions and get right into it. So, the traditional way where they leave a voicemail, you got to call them back. And, you understand calling them back that you play a lot of phone tag as well too. So...

Joe: Sure, so when your call center... And by the way, is this a call center that you recommend to a lot of people? Is it a big national one?

Rick: Well, I'm within my first month and here's my theory on this, okay? I answered phones for years. I personally love the voicemail system where we screen them on a voicemail. I agree. A motivated seller leaves a message. But I can tell you, there is a whole lot more fruit hanging on that tree, on those hang-ups as well too. And I found out that it's not as simple as just... When you call somebody back on a hang-up, you can call it a one lead but it's a tough one. I don't know if you've ever sat in a room when somebody rips you his phone calls. They're painful.



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Joe: Oh, yeah.

Rick: Okay. So, you've got to understand. If you're in trouble in with your house and you call in today's market, understand that they didn't call a realtor. They didn't call an investor. They didn't call their brother. They didn't call their sister and their uncle. Everybody knows somebody. They get that bug and they call you. There's something refreshing when somebody answers a phone.

Joe: Yeah.

Rick: I don't know what it is. I tell you, outside of real estate, which I don't have to call in a lot, I don't put up with voicemail. I don't like automated systems when I call. I want to know that you're a real live person. So right now, there are two services that I would recommend. I've had some painful ones. I use CMS. I think it's the Continental Messaging Service. It's straight up. It's month to month. It's a dollar a minute.

Joe: Okay.

Rick: And here's what I do. Without getting too technical, we use a call tracking software that I had somebody write this whole software for. And basically, it learns your phone numbers and how to follow you. Don't ask me how all this happens, but we came up with a schedule that's pretty amazing. So during like our business hours, when we have somebody answering the phones, from 9:00 to 2:00, we answer the calls live. Now, if you ever send out three, five or 10,000 postcards, you wouldn't get 20 calls in the same minute.

Joe: Uh-huh.

Rick: This system can handle the overflow on it which is really nice. No busy signals, no message, and that's the first way we do it. And then, we just go through Continental Messaging Services. They are great. You can check them out online. The nice thing about them is I use Podio.



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Joe: Okay.

Rick: Thanks to Joe. You showed me how to use it. It loads it. We teach him how to upload it and the leads go right in there. And, the best part about it is we have six qualifying questions, and we try to have them get through them quickly, and it's all put in there. And so, when we're calling people back, it's ready to go. And, CMS actually has been wonderful. PATLive is another service some of my buddies use and they've had good success with them as well too. Guys, I'm spending \$200 to \$300 a month. I mean, to me, I get two to three more deals when I started using this service by far.

Joe: So, why did you decide though...? Again, you're using an answering service because you just... You have somebody live in your office, but you wanted somebody live to answer after hours...

Rick: Correct.

Joe: ...Or when your team is too busy on the phone already, right?

Rick: Exactly. I mean, there's nothing like somebody on your team answering the phone, but it gets expensive, and you do have some accountability issues. You want to make sure they make calls. With CMS, they actually record every call. They capture every one of them. I can login and look at the daily report and see what the activity was, the average length of the call, how many leads did we get, and I can go in there and reroute the phones if I want to switch them off because I learned a couple little secrets doing this.

Like, people don't... From past 10:00 PM till about 8:00 AM, we have very, very little call activity, and we just learned to do an automated message during that time. "We're closed at the time. You can visit us online, or if you need to sell your house immediately, push one," and then it routes to whoever is working the hotline. Now, if you push that one, you better... It's usually going to someone's cell phone in the middle of the night type of deal, but it's like at least we have a shot at it. And, it happens every now and then, but that way, we are always in control of the phones.



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Joe: Uh-huh.

Rick: I'm not kidding. I mean, I do pretty high volume and we're doing about 360 minutes a month, but that's a dollar a minute. I mean, I've tried with the VAs. It's just complicated. So the reason I'm doing it, Joe is because one other reality, everybody else in my market isn't answering their phone, so it's easy.

Joe: And then, how quickly are you calling them back? And, are you calling the hang-ups or the people that don't leave or leave incomplete information?

Rick: What we do is we categorize each one of the calls, so I have a girl who works for me which helps with the phone and she's much smarter than I am with it, but we're still calling the hang-ups. We know the probability on those calls and we pound away at them. Remember, on the hang-ups, you only have a phone number. You don't have an email. Half the time you can't text because you don't know if it's a cell phone number. Well, I guess you can text, but we just... On the hang-ups, they're still tough. And, we find that when you answer the phone, the hang-ups obviously almost go down 80% because they talk to someone live.

So, it helped us tackle that problem. I mean, I don't know what percentage of calls do you get on hang-ups, but we were huge. I mean, it was a big number. And, I kept scratching my head. I go, "Do you think there is a deal sitting in there?" and they'll go, "Oh, we'll just export those numbers and we'll pound them on SMS, and we'll just pound and pound." Well, we had very, very low results. So, the \$300, \$350 I spent answering the phones has more than made up for what I'm spending. And as investors, we are all about, "If I invest \$300, how much more of a return am I going to get on my money?" So our hang-ups, I mean, they're so slim and few, very few hang-ups. I mean, if we get 20 hang-ups in a month, I'm shocked.

Joe: Really?

Rick: Yeah. And before, it was literally hundreds and hundreds and hundreds. So remember, if I got to pay someone to go through all the hang-ups... I mean, listen, nobody works for



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free. If you're not going to pay for it one way or the other, why don't we just spend that money and catch them on the phone and see if we can get some mid-level fruit on there?" Yeah, you'll probably have to work a little bit harder on it. So then, from there, the CMS is excellent at capturing everyone's e-mail.

We get their contacts, phone numbers, and we get the property address, okay? I will tell you one of my qualifying questions, "Is the property listed with a realtor?" If the answer is yes, we're directing him to an alternative close. I mean, "Thank you for your interest. Unfortunately this time, we are not taking any properties that are listed." I just can't sit there and spend five minutes and pay \$5 bucks for someone who's got a listed property when I got a less than a 3% probability of buying that property.

Joe: Hmmm. Okay.

Rick: So, I'm a little bit different on that, so I've always learned that if we have a motivated seller, they're going to leave a message, and I agree. But, I can tell you right now. In the last 38 days I've been doing this, motivated sellers hang up the phone. I promise you they do. And, they call Realtors. They call lawyers. They call accountants. They call their neighbors, their sisters, and their brothers. So once we have everything, the nice thing Joe is I'm cutting out from having a VA and upload everything into Podio. It's all put in there nice and neat for me ready to go.

Joe: Right.

Rick: Now, you can integrate a VA to put in additional information and you can customize that however you want to do it. But, I don't think you want your VA answering your phone, and that was the problem I had with it. From there, we're setting them up in AWeber and we're just doing our autoresponder on the e-mails. I use CallFire for text follow-up, and then once a week, we are constantly reaching out to people that we want to get a deal with. So until they absolutely say, "Rick, you get me off your list. I never want to talk to you again," I take the philosophy as mid-level fruit and I'm going to go ahead and grab it.



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We always get the low-hanging fruit. That's never a question. It's just a gift. So, the mid-level fruit is what has really exploded my business because I find very few investors want to... And here's the neat part Joe, you just got to reach your hand up just a little bit. I'm talking... I don't want to go to the top of the tree where the realtors are and chase that kind of fruit. I just want the stuff in the middle, and you will be surprised how many people just want to sell their house and move on. They just want a little more attention.

And, the number one tool you can chase these people down with is the phone. And, we talked about all this great technology. It's really just the phone. So, I've learned in the last 6 months how to recruit quality sales people to work with you and how to kind of duplicate yourself. Because once you can figure out and do this kind of a... You are very good with systems and stuff, but I can't close everybody at this rate. It's impossible. It's really impossible. And then, if I'm going to do the low-hanging fruit, I literally run out of people in my local market because it's not that big. I mean, it's 150,000 people. You could go through them in six months.

Joe: Right.

Rick: So, we found a way to constantly keep the pipeline full. The other beautiful benefit of the mid-level fruit, and I know you're aware of this, and probably some of your students is we have a phenomenal leads system that we work with our realtors, and we've gotten so good with it. We actually moved the realtor in-house because we give him so many leads on it.

Joe: It's funny. I've just talked to so many people that are doing that and doing really, really well with that.

Rick: So, just to let you know, I'm not kind of getting into the whole realtor thing and I... My wife is a Realtor, and I'm lucky she runs outside of the business and manages it, but you can command a marketing fee without getting in the legalities of it. I'm not a Realtor. If you have somebody on your team that's a realtor, it's much easier to get paid and you



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just want to make sure you do it the right and correct way. But, ask your Realtor what they'll pay for a hot lead to list a property.

Joe: Yeah.

Rick: Okay, we get up to 40%.

Joe: Yeah, that's good. Especially if you could maybe even set up an appointment, right?

Rick: Yeah. And listen, we... Work with your local Realtors. A lot of them will go in there. We have a market... One of the local markets in Anaheim and they're all very high in properties. When they call us, because we've learned over history, our plan is we go into the appointment with a Realtor. So, we have an investor and a Realtor right there, so we can switch hats right away. But, we just didn't want... It was almost a \$700,000 house and it didn't work out, but we knew the house would sell very quickly. We made an all-cash offer. The wife's like, "I don't want to do that. I'm going to call a local Realtor." "We have a Realtor right here. Here's the CMA." They would sign a listing right there. They wouldn't sign a contract, and they walked out of that, and they went up selling the house for I think \$640. And...

Joe: Wow.

Rick: Yeah, the realtor got 3% and we got a 40%... I mean, it paid for the marketing budget for the next 6 months. And, the neat part about is I sometimes go in with a Realtor, and I find homeowners are much more up to sign a listing. I don't know why, but they just feel comfortable. And sometimes, if that listing doesn't work out, the realtor will walk us right back in and say, "Listen, Rick still has that offer. You might want to consider taking it."

Joe: True.

Rick: And, they know that's a great idea. So, I think if you can ask quality questions as a brand-new investor answering the phones, you'll do fine with it. If you don't have time



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to answer the phones, you've got a job or something; I would highly recommend having somebody answer your phones. It takes a lot of stress off of you.

Joe: And, it's really... When you look at... If you were to hire a VA to do that for you or pay somebody on commissions to answer the phones live for you, you're going to spend the same amount of money, if not more, doing that. So, just get an answering service.

Rick: Yeah! And, that's the thing as we went through. What's the most effective way we can do it? I love the day of screening... And yeah, you leave a voicemail... Yeah, it's free, but I promise you. It's costing you something. Can you think of any other business where they let somebody like leave a voicemail? It's... You put this very unique business that we can get away with that...

Joe: No, that's a good point. Really, it's a good point.

Rick: There is no other business. So, it's like I'm not asking you to put your life on hold, but \$300 bucks to have somebody answer the phones and load them up to the Podio for you? By the time you consider chasing down the hang-ups and having a VA upload everything, I bet it will only cost you about \$100 bucks more.

Joe: And so, still though, you're calling them back as soon as possible, right?

Rick: Usually within the hour. I mean, it's fast. And luckily, CMS lets me work with them like... Here's the best part about it. It's I can call... I swear the two weeks, we called like four times a day to make sure we're getting what we paid for, and I was very, very happy with the service. And, they guaranteed to answer every call and never to put somebody on hold. And, the key of the answering service is what they call the transition. You ever get it when you call saying, "Joe, we're going... I'm going to collect some information from you," or what they used to say is, "All our sales reps are busy right now. Let me get some basic information and somebody will call you in 24 hours," and I said, "Actually, we're not doing that."

Joe: Yeah.



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Rick: There's no way. So we came up with... I think we offered, "Rick's Investments, whatever you want, who do we have the pleasure of speaking with?" so we get their name right out of the way. And from there, they said, "Hey, John. Do you mind if I collect some information about your property to see how we can help you" And then, it lets them ask like a series of questions, and then at the end, it was basically, "I appreciate you calling, John. We'll have one of our property specialists call you back shortly to see what we can offer you. Thank you for calling in Rick's Investments or whatever it is."

You do not want an answering service to go, "Everyone is busy at the moment. Let me get your information and I will forward the information to them." You want to make it seem like it's part of your company and you've got to push these companies to get it. I mean, I pushed. That's why I use CMS. They were the only company that would do it for me, them and PATLive.

Joe: Well, you're just basically giving them the script.

Rick: Yeah, but you've got to make sure they follow it...

Joe: Right.

Rick: ...And really come to it. Because remember, when a script populates automatically when the call comes in, and then the agent is reading it and they're all in the U.S... I believe they are located in Atlanta and PATLive is in Tallahassee. That's why I recommend using somebody close to your geographical area. It just seems to help.

Joe: Okay.

Rick: And then, you can manage the minutes but the thing is... I mean, even if... What if you just did this? Say you are an investor and you just answer the phones from like 10:00 to 2:00, and then from like 2:00 to 8:00 PM, you can do the answering service. That might cost you like \$50 bucks somehow to do it that way.

Joe: Yeah.



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- Rick:** If you value your time and maybe you've got like a lot of kid supporting stuff and you can't handle that call, come up with a script and do it that way. I think... Like, I kicked myself for not doing this earlier, Joe. I really do. It's made that big of a difference to my business.
- Joe:** Well... And, this matches right along really nicely with what I teach in my automated wholesaling system—prescreening these leads, getting them to a wholesaler. That's partnering with you on these deals. So, I totally agree. Let's talk about follow-up, Rick.
- Rick:** Okay.
- Joe:** If you got leads that say no, what do you do? They're just not motivated enough to sell their house. They're stonewalling you. They're just "Hey, come to the house and look at it. I'm not going to give it away. Just come over and look at it and make an offer."
- Rick:** Well, part of this is working with a team. And, I don't believe any real estate investor should just go out on what I call "a naked appointment." Like, say you get so excited when someone calls and they go, "Hey, when can I come out and see the house?" "Well, why don't you come out tonight at 6:00." "Okay, I'll be there at 5:30." You're setting yourself up for disaster on that one.
- Joe:** Oh, yeah.
- Rick:** You need to qualify and decide who's going to... I only want to go if I have a high probability of landing a contract on the spot, or sending up one of my real estate team members to get a listing. The bottom line is I'm going out there if someone wants to liquidate the house, okay? But, how do we do with the follow-up? Initially, we have to categorize them.
- Joe:** So, let's say though they're in the category of not motivated. You're not going to go out in the appointment?



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Rick: Well, the first thing I'm going to do is I'm going to set up just a simple autoresponder or hello e-mail. I don't like nearly as much as the text message, but I have found out the hard way that text message is... You've got to be careful because you could really upset people with text messages, because people are highly responsive to text messages. And, I find that a lot of the emails winds up in the junk mail.

Joe: Okay.

Rick: And, the problem with like an autoresponder, with like an AWeber or like MailChimp, they have to opt in. You're going to find most of them will opt in because they assume you're just going to hammer.

Joe: Yeah.

Rick: So, that takes email out of your system. So now, you go to text. I can promise you, if you text them 48 hours after you leave them, unless you have an inclination, they probably are going to block you. So then, that takes the text-wise. So, what does that leave you? It leaves you the phone. So, if I have someone that's ice. I call it ice. They're cold. They're not responsive. One of my qualifying questions is, "How soon are you looking to get rid of the house or sell the house?"

Joe: Uh-huh.

Rick: If they say, "You know, 90 days," I'm going to keep them on my list. I don't care. I mean, because I can't tell you how many deals they started out that way, and then six months later they changed. I've done it. You know this is... I feel like it's a mission. I worked on a lady. It took me 14 months, but we bought six houses from her, and we picked away at a house every other month. It was so painful.

And, I think about some of the calls I did, and I started it out, and I trained my team to keep following up with her. She was really hard to get responses from. So, she was initially in our ice category, but I knew she had to sell due to a foreclosure. So, if you know that if somebody has to sell due to an extenuating circumstance, just because



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they say they want \$1 million for the house, I don't take them off my list. If you tell me, "Joe, I got to sell my house in 90 days. I got to figure this out." I'm going to keep you on the radar.

Joe: Sure.

Rick: I'm not taking you off. So, I'm still going to try to e-mail and text, but in the end I'm going to start out. If they're really, really ice cold, I'm going to put them on a 30-day follow-up.

Joe: What about mail? Are you sending any direct mail to them? Any kind of follow-up letter or campaigns?

Rick: A simple, little "thank-you" letter is absolutely everything and it's just handwritten. It says, "Thank you," and also, I think my wife gets them from Wal-Mart and we just put our business card in there. "Listen, I really appreciate it." The other key factor, it's a little cold when you send them a text, "Are going to take my offer?" Just a "thank you" in a text means everything to people. And, if you know how to work those emojis which I have no idea...

Joe: Yeah.

Rick: People love it. It's like, man, they went out of their way to do that. But, a thank you in the form of a text... Now, I saw another technique from a buddy of mine who does... I don't even know how you do it. They do the... I think it's called like the "Send Me a Card" or something like that where you can actually put like a picture.

Joe: Yeah, SendOutCards.

Rick: Yeah. And, I know... I think that's a dynamite way to break the ice. But, if I know you need to sell that house, I'm not going to go and I'm just going to come around. And, I can't tell you how many people told me, "Rick, you're the most persistent person I've ever heard on the phone." And, I always come back with them, "Joe, I need to help you



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out. I'm going to be here. When it all settles, the smoke settles, I'm going to be here to help you out with your house," and we just keep going. I mean, I've dealt with probates. It's like some of the probates take a year. And, we contact them first, we get them, and then you have to keep some sort of communication with them.

Joe: Right.

Rick: No, you can't do costing contact. It doesn't work. I will tell you this. Phone is everything. So, we'll send them a "thank you," a thank-you letter in a text. And then, I've got them scheduled as a task in my Podio account within 30 days. Now, these are ice by the way. These are really cold. I've got to give them a little bit of time.

So, I wait four weeks, and then we reach out and say, "Hey, Joe. I'm just trying to see if we've made a decision where you're going forward with the house?" and then say "Listen, we said 90 days." and I'm listening to see if they've listed the house." They go, "Well, my wife told me I need to be realistic," and then we start pounding away. And sometimes, quite frankly, I'll send a realtor out there. I don't care.

Joe: Right.

Rick: Realtors are on my team.

Joe: Right.

Rick: And then, I'll let her go through all pomp and circumstance. And once in a blue moon, the realtor will call us from there and they're like "Come on out here with a contract. I think we can get a deal," and I'm happy to pay the realtor to do that legwork for me.

Joe: Nice!

Rick: Now, if they say, "Rick, I need a day or two to think about it," then we use the regular protocol. We are all over. Yeah, we are in front of the house, but I highly recommend the follow-up. It's everything. I love the low-hanging fruit, but the mid-level fruit is all



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about the follow-up. And, number one too that you can do with follow up. It's the phone.

Joe: Yeah.

Rick: And, the problem is... Would you agree it's much easier to sell anybody while you are standing in front of them?

Joe: Oh, yeah. You always make more money at the belly button to belly button.

Rick: Correct. Because you can what? You can read. You can look at their body posture. You can look into their eyes. You can hear. You can see facial features with tonalities. You can see if someone is leaning over the shoulder telling them what to say and you can eliminate distractions. I tell you what though. I've learned that you can sell a whole lot more properties over the phone than you can in person. And, that's why my push is on the phone.

I just think that if you can figure out the phones, and go through a scripted program, and learn how to sell people... And, I found out this thing with phones and this is true on person. And, tell me if I'm right or wrong. Most people who think and say they give you objections like "Joe, that's just... I can't take that. Your price is too low." That's not an objection. It's a complaint. You don't need to overcome it. And, the problem is most beginning investors they try to overcome complaints.

Joe: Right. Yeah.

Rick: Most complaints just needed to be complemented like, "You know, John. I know the price is a little bit low, but remember there's no closing cost. There's no realtor fees. I'm closing this next Friday for you. Let's go ahead and get the papers signed." And, that's all we do on phones. We just keep redirecting and go back. And, once we figured out the difference between an objection and a complaint, the light bulb went off, and there's very, very few objections when you get down to it. And most of the time, you just



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reiterate the question. You pat them on the back, and you go back through, and get them to move forward.

Joe: There's the guy. Do you remember Dan Duran?

Rick: Oh, yeah, very well.

Joe: I don't know what he's doing these days. It was Richard Rupp and Dan Duran. Dan, the marketing man, and he talked a lot about that. It was so good. It just reminded me of that. You smile. You call them by name. You acknowledge their objection, and you turn it around with another question.

Rick: Correct. But, you will find a lot of times, the objection is nothing more than a complaint, and I learned this from watching my Realtors. They're like or she goes, "Oh, my gosh." She's like, "That price is too high." When they're buying houses, she goes, "You know what? You're just such a classy girl. You deserve it." And that's like, "Yeah!" and then they go turn, "Yeah." And so, a lot of times, we have to do that as investors. We just turn around just if you do that in person and it's like many motivated sellers.

They have tons of complaints and you just got to kind of get them. Sometimes, you've got to grab them and kind of go, "Listen, I'm here to help you out." I'm all about creating the win-win situation, but that mid-level fruit, I'm telling you. If everyone can just dive in and take the phones, and I know this is like... It's not a real sexy piece of technology, but you can... Listen, forget about how to do it yourself, and then train others to be like you, and then cut them in on the deal.

Joe: That's right.

Rick: So now, I'm closing deals that I'm not even talking to customers and the customers are ecstatic, and we've stepped it up. Everybody we either buy or sell a house with leaves us a video testimonial. Period. End of story. And you know who does that for me? My closing agent.



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Joe: Really?

Rick: Oh, yeah. I go, "Hey. While you're there, can you just get a testimonial for me?"

Joe: Wow!

Rick: And sometimes, we're there like one of my guys are out there and everyone's got it on their phone, and it just makes it that much easier for us.

Joe: That's fantastic. That's a great idea.

Rick: And, it also helps you make sure everyone's satisfied and happy, and nine times out of ten, that's when they're most susceptible to giving you any type of endorsements when they're going to get the check so they're really happy.

Joe: Well, it also protects you against any kind of complaints or lawsuits.

Rick: And, it protects your Realtor and it protects your title company.

Joe: That's good. Listen, I know we're running out of time here. I want to ask you about the list really quick, Rick. What kind of list do you like to pull when you do this mailing?

Rick: When I'm pulling, I know... I'm going to tell you this. I just focus on like absentee owner right now

Joe: Yeah.

Rick: I mean, if you're pulling absentee owner list, I think it's the wrong move in this market. I'm just... In my market, I can tell you. These guys are pounded hard, really hard. Like suddenly, what's wrong with a homeowner-occupied property. I mean, these are some of the most motivated people in the world. I would tell you this. I would not differentiate between absentee and homeowner-occupied. That would by far be my biggest first step.



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- Joe:** Interesting. So, you're targeting homeowners that have owned the house a long time or have a lot of equity?
- Rick:** Yeah, yeah, just like 10 years plus, high equity. I mean, we go 40%, 50% or something like that. That's a great starting area. One of my key... I'll just give you a freebie here, okay? And by the way, if you go to JoeLikesHWPostcards.com, I have a basic product and I actually have an entire course on how to get the most kick-butt list that you'll ever get, and I put in three or four tactics in there that I know nobody else uses.
- Joe:** Yeah.
- Rick:** But anyways, we talk about demographics. We don't care how much they make. We don't care where they work. The one key feature I found out is I don't buy houses from people under the age of like 48, 49 maybe and 50...
- Joe:** Yeah.
- Rick:** ...On direct mail. I just... They all come off my website. They're going to come off Craigslist, the people under the age of 50. So, if you need to trim your list down and say you're on a little bit more of a budget, you can go into ListSource or ListAbility and under demographics, you can save your age criteria and see how much of a difference that makes.
- Joe:** That's amazing! Yeah, our buddy that we're talking up before, Tom Krol, talks about that a little bit.
- Rick:** Yeah, yeah. But, you know what? You just kind of... After you keep X amount of stats, I'm like, "Man, I haven't seen any guy in here yet. That's like..." and then your title company go, "Yeah, it's all that Craigslist crap you bring in. Those guys come in; they're a real pain in the butt." I'll go, "It's kind of true. I didn't really think about that," but there's an exception to the rule. But, after 300 or 400 closings, you'll just go, "Have we ever bought a house from anyone under the age of 50 off from a direct mailer?"



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Joe: What's interesting is we did about 5,000 postcards to regular homeowners where there was no sell date in the county records.

Joe: Wow!

Rick: So, if you go in and then you pull out all of the people that bought a home before or over 15 years ago, these people would not be in that list, okay? Because there is no sell date in the county records. So, we went through and actually downloaded every single property record and pulled up the ones that did not have a sell date on them. And, we mailed them, and sure enough, not one single seller who called had ever received a post card from anybody else.

We were the first investors that they had ever called, and it was very interesting because all of these properties they've owned for over or since before they started keeping records on this stuff, right? Because the sell dates, they didn't start recording those or making them available on the public record until the last 30, 40 years. So, they've all owned their homes free and clear. None of them had a mortgage on them, and they had a ton of deferred maintenance, and they were all elderly.

Rick: Wow.

Joe: It was great. But, the one problem we had though is that they didn't really have any motivation or reason to sell. And so, we found out that it's a longer sales cycle with them, right? There is a lot of follow-up, but the coolest thing was that we know when they decide to sell that they're either going to call us or a Realtor to sell. And so, it's important to keep that follow-up with them totally.

Rick: Yeah.

Joe: But, it was amazing to me. They had never gotten any letter from anybody else.



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Rick: And to be honest with you with the CRM technology these days, if there isn't something like Podio in the old days, I would have struggled with this task chasing people down for a year.

Joe: Sure. Yeah, yeah.

Rick: I mean we used to do it in Excel spreadsheets when I started them. I'm like... It was just a lot of work, so it's kind of foolproof. If you have a good CRM system, you can do things like this. But, we've got to be careful not to just try to completely eliminate phones. I mean, my favorite thing was when somebody enters a lead on the website. Give me \$50 grand for it and you know its worth. You sign a contract and it's done. I mean, if every deal was like that, I would never use the phone, but it's not. And, I think we got to go back to some simple tactics of just answering the phone. I can't tell you how many times I've had a student where they're like, "My phone's ringing. What do I do?" Call them!

Joe: Yeah.

Rick: Just call them. Just go through your script and be... You don't have to have every answer, and you'll find when they... Once somebody gets through 50 or 100 calls, their confidence goes way up. It was like... Listen. They're not going to hurt you, even the ones that yell at you." I get this hugest grin when someone chews me out on a phone call, because I know I'm not much closer to getting a deal, period.

Joe: Uh-huh.

Rick: So, man, the phones. You got to start answering the phones and get that mid-level fruit.

Joe: Now Rick, at JoeLikesHWPostcards.com, you gave some free information on there and some of the scripts that you work with. But, in your handwritten post cards system, you teach about that as well, don't you? Isn't there an upsell somewhere in that process where somebody can get more training from you on what to say to sellers and how to talk to them?



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Rick: Yeah, and the neat thing about it is I actually work through a module where I have you look over my shoulder and I actually go into... I believe I used ListSource on that one. And, I walk you through how to pick each category and how to do it, and some couple little tricks of the trade, and I believe I have five modules within that video, and I show five different techniques starting from stripping down the homeowner-occupied to some secret tactics we use.

I mean, the database is really available to everybody, so if you can find a way to get that information. And, I had Rob Swanson. I saw Rob test what I do, take your current mailings and do it, and Rob's like, "Man, the stuff you taught me..." and Rob's been doing this a lot longer than I have.

Joe: Yeah.

Rick: And he says... I mean, the phones blew up that list, and that was off of a postcard, so it doesn't matter if you do... You can do the handwritten postcard. You can do the yellow letter. I don't care, but always remember this. Your mailers are dependent on the quality of the list you get, meaning you can send out the perfect mailer, but if your list is not good, it's not going to work.

So we came up with that as an upgrade product because that was the number one question after I came up with it. "How do you do a list, Rick?" And so, I said, "Okay. Let me just show them how I do it. I want everyone to hit it out and work with it. So, I walk you through, show you how to get a killer list, how to do it in your market and show you how to integrate it into the handwritten card system. But, you can use any other system that will work for them as well.

Joe: Yeah. This is very good, Rick because as usual you deliver the goods. I'm looking at this course actually right now and I highly recommend it. It's dirt cheap. I mean, you're crazy to say no to this. And, it's a lot of value, tremendous amount of value. If you guys want more information, you go to JoeLikesHWPostcards.com, JoeLikesHWPostcards.com. And by the way, those of you interested in the link... Rick, you talked before about CMS, and their website is ContinentalMessage.com, is that right?



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Rick: Yeah. I don't have it in front of me.

Joe: Yeah.

Rick: But, that's what I use. PATLive has been around long time and they're out at Tallahassee, Florida. They're just little pricier.

Joe: Good, right. But, this is ContinentalMessage.com if anybody is interested in looking at that. But, go to that website I gave you and get the script and some of the more information from Rick on the kinds of questions. You want to make sure your call center is asking them the right questions. It's really important.

Rick: Yeah. And, if anyone has any questions or they need more information, they get a hold of me at FlipWithRick.com.

Joe: Yes, FlipWithRick. I'm going to put that in the show notes here. FlipWithRick.com, cool. Hey, thanks again, Rick. Everybody, go to RealEstateInvestingMastery.com to get the show notes and these websites if you're listening in your car, and we'll give you these links in the show notes at RealEstateInvestingMastery.com. When you get there, just do a search in the search box for Rick and you'll see the two podcasts that we have here with Rick. If you've not listened to number one, go listen to that and you will be well on your way. Rick, this has been very good. I appreciate it.

Rick: Awesome, Joe. I appreciate being on the show. Thank you.

Joe: See you later. Buh-bye.