1133 – Do You Really Need More Leads?

Hosted by: Joe McCall

Hey, guys. How you doing? Joe McCall here. REI in your car. Just driving home from the gym and looking forward to today. It's an exciting day. We're actually day two of this boot camp that we're doing. I'm doing a boot camp with Gavin Timms, my coaching business partner, and we're calling it the Mad Boot Camp, talking about marketing, automation and delegation. And those are the three keys to success in this business. I really do believe that marketing, automation and delegation and once you figure those three things out, you, you, you're on your way to easily, consistently doing ten grand a month, you know, maybe 100 grand a month if you scale it. But it's all about keeping it simple, isn't it? Because you can have a really complicated business, make a lot of money. But if it's stressing you out and your overheads really high and it's ridiculous, you're never going to do well and you're going to be frustrated. And you know, what is what good does it do to make 100 grand a month if your expenses are like 900 a month? I'm sorry, 90 grand a month, but your margins, I don't know what the right number is, but your margins need to be at least 35, 45%. So that's the trick. It's not about how much you make, it's how much you keep. And I'm more impressed with somebody who nets $1,000,000 in somebody who makes $1,000,000 100% by far. Crazy, right?

So anyway, I wanted to talk about something today. We were talking a lot about marketing yesterday and yesterday's boot camp. And I don't you know, I don't think we have if you're a real estate investor, you've been in the business for any time. You know, everybody wants more leads. They want more motivated seller leads. And that's you feel like maybe that's the answer to all your problems. And if you just had more leads, you do more deals. But I'm I want to propose to you that you need to better you need to learn how to better manage the leads that you have. Most investors don't need more leads. They need to learn how to work the leads that they're getting better. I've said this many times. Gavin looked back over one previous year of all the deals that we had done and 58 deals in that 12 month period, and I remember what the average profit is, but it's kind of irrelevant. 58 deals in a 12 month period, and of those 58 deals, four of them came from the first touch, the first contact. 54 of those leads came from the follow up. So if we would not have done any follow up that year, we would have only done four deals. So what was the key to our success doing more deals that year? Was it the number of seller leads? Yeah, well, it mattered. We needed new leads. But what really mattered, what really moved the needle was our follow up. Most of your deals, most people I talk to that do a lot of deals. I mean, in my own experience, this is this is universal. 75 to 85% of your deals are going to come from the follow up. And so many investors, if they're just a one trick pony and all they know how to do is make a lowball cash offer, and that's it. And they only talk to the seller once. If they say no to the offer, they trash it and move on and don't do any follow up. You are missing out on so many deals you could be doing instead of one or two deals a month. You could be doing four or five deals a month just by following up. And I also would say you should make more than one offer to the sellers. Like if we're really concerned about the sellers situation, not just about their house, but

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concerned about their story, like talking to sellers and trying to figure out their situation. We don't care about the house. We shouldn't care about the house as much as we care about the sellers situation, their problems, what do they need help with? And if you can come to sellers with that attitude of how you can help them, maybe there's more than one option you can give to a seller, and maybe they will notice that you actually care about them and not just about the money. And they would sell you their house even though your price is lower than anybody else's because you actually care and you give a darn. You know what I'm saying?

So you should think about having more than one offer you can give to sellers. What if you gave them you after talking to them? Instead of trying to fit a square peg in a round hole? Talk to the sellers, ask them questions like, What are you going to do with this house? What do you do with the money after you sell it? Why do you need to sell it? You know? Do you need to sell it now or do you need to sell it? What's more important to you is the price or how quickly you sell it, selling it fast and find out what they're doing. And it may be that a cash offer is not the best thing for them. Maybe the best thing for them would be seller financing. You know, if it's free and clear something, you can give them more and spread over time with payments. Instead of putting that the seller, putting the money into a CD or money market and just making 1%, you can pay them four or 5%, give them a higher price they have to avoid. They don't have to pay all this capital gains tax. Or something? I don't know. Right. Like, what if a cash offer is the best thing for them? So you make them a cash offer, take the house as is, and do all of the fix up and the clean up and all of that. But what if they don't have a ton of equity? Maybe the best thing for them if they're falling behind on payments is just take over their mortgage and start making the payments for them. Maybe if they don't want to do that, maybe a lease option is the best fit. You could lease their property for your for a few years and take care of them, make some repairs and then buy it. So try to think of this more in terms of, all right, how can I help the seller? What's the situation that they're in? What's the best way? Help them? Maybe listing it with an agent is the best thing. You know, we did a panel of experts yesterday and most of our successful students have realtors licenses and they have licenses and either they do or their spouse or business partner has a license. And there's so much opportunity that most investors are missing because they don't have a way to monetize the leads. So you don't have to do the listing yourself, but you can actually then refer it to an agent who can do the listing and get a referral commission of usually 25% of whatever the agent makes and commissions. Right. So what if there is a way you could actually monetize some of these leads? And then so here's the point. So here's my main point. What if one of the options you gave to a seller was, you know what, maybe you should just list your house. If you really want the most highest price for your property, I can refer you to an agent or I can list the house for you. You're going to need to fix it up. You need to get it ready to sell. But what if we could actually get you more money? So having it list with an agent is one of the options that you can give to the seller. So here's my main point. Most of us don't have a lead problem. We have a lead management problem. We don't know how to manage the leads that we have. We only give them one offer and we don't do any follow up. You know, here's another big problem that I see. We sometimes don't even send an offer, right? We we do all of this marketing to get these seller leads and then we are not that motivated. They say, no, I'm not interested in

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selling or I've got a lot of time. I'm not going to give my house away. And I, you know, if it takes me six months to sell it, that's fine. So there's motivation on a scale of 1 to 10 is a zero or a one. Well, here's the thing. I'm telling you. Send them an offer any way. Here's your rule that you need to write down on your Post-it note on your computer. Send an offer to every seller, send an offer to every seller. For me, kind of the way I do it, if it's a cold lead, like a 1 to 3, I'm going to send them maybe a one, two, four, 1 to 5. I'm going to send them multiple different options. I'm going to send them a three option letter of intent, maybe a cash offer owner financing, offer a lease option, offer something like that. If it is a maybe a warm lead, maybe a four to a seven or something like that, I'm going to actually just send them one offer because I'm going to find out what's best for them. A cash offer or at least option offer, own or find someone to send them one offer if it's a hot motivated seller lead. And if it's a house that's close to where I am, I'm going to schedule an appointment, go meet with the seller.

So every though every seller lead that comes in, you've got to send them an offer. That is how you would do better. Lead management, working the leads that you do have sometimes, you know, getting more leads actually causes us to be sloppy and to not work the leads like we should be because we got so many leads coming in that they're not ready now and we'll just move on to the next one. I've heard of guys that have big sales floors, big sales teams, you know, and their their revenue actually goes up. The fewer leads they give to their sales guys because those the sales guys get fat and lazy and comfy with these few with these many leads that are coming in, if you take away the leads and not give them as many, they work the leads harder. They're more aggressive, they make more offers, they follow up more because they're hungry and they want to feed their kids. You know what I'm saying? So maybe we don't have a lead problem. Maybe we don't need more seller leads. Number one, we need to make offers to every seller lead that comes in. Number two, we need to make multiple offers to sellers, lease option listing, owner financing, you know, cash, whatever, all that stuff. And then the other thing finally is follow up. So many of you guys are sitting on a goldmine of leads. You've got hundreds of leads sitting in your CRM and you haven't followed up with them, any of them. You're sitting on a goldmine. If you could just call those leads. What's going on here? Panera's closed all those. Well, can you believe that I'm driving to Panera, Saint Louis Bread Company, as we still call it here in Saint Louis. And they're closed at 630 in the morning and they're closed. What is this world coming to? Just can't hire enough help? I goodness. Goodness gracious. There's people there's people sitting around outside in their lawn chairs. There's it's weird. People come and hang out in their lawn chairs and drink coffee from thermoses or something because they can't go sit inside of Panera.

Well, anyway, it makes sense, guys. What I'm talking about, you don't have a lead problem. If lead management problem, most important thing you could do is work the leads that you have. And maybe you don't need maybe you don't need a bunch of new leads, maybe need to work the leads you have. Make an offer to every seller lead follow up with every seller lead at least every 30 days until they sell the house to somebody or die, then follow up with them every 30 days. We've had sellers recently tell us and I heard this from our own leads and also from students, things like, you know, man, I'm telling you, the seller says this, I'm telling you, this guy must really want my house if they keep on following up with me like this.

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Right? Or they say things like, you're the guy, you're the only guys that follow up with us. You're the only ones that answer your phones. So you may be in a competitive market. And guess what? Everybody is everybody's in a competitive market right now. Right? So stop complaining, stop whining and start making offers to seller leads. Start answering the phones. When seller calls, sellers call, stop sending it to voicemail and work. These leads that you have talked to, sellers, ask them a lot of questions. Listen, twice as much as you talk, find out their situation, find out their story and take massive notes. Take tons of notes, because when you follow up with them, you can ask them things like, hey, how's your daughter doing? You were talking before about, you know, moving to Florida to see your daughter. How's she doing? You know, how how did things go at the hospital with your wife? Talk to them about find out their story and their situation. Not to be weird or creepy. Right. But just to follow up and have something to follow up with them about. And then every 30 days, you call them, text them, email them, send them a letter. Hey, how's it going? This Joe, you probably don't remember me. I'm just following up about your house. They're at one, two, three Main Street. Have you sold it yet? Send them another offer. Send them an offer every 30 days in the mail. All right, guys, that's all I've got for you. Hope that helps and inspires you a little bit. One of the things I talked about is you can send sellers multiple options offers, you know, like I call them multiple option letter of intent. And you can send these to so as I have a free little software that helps you create cash offers and if you want, it's not something I promote much anymore, but I think it's still up and available. It's called partner with Joe. If you go to partner with Joe dot net partner with Joe Dot net, you can find this little software and I don't promote it much anymore. So if it's not up, let me know and we'll do something about I need to reactivate or update that campaign. But there's it's a free software I made that helps you. You put in some numbers from Zillow and Redfin and things like that, and it helps you come up with a cash offer and it helps create a letter that you can send to sellers and it's free. So go check it out. Partner with Joe Dot net. I'll see you guys, take care, bye.

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