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Cogent Step Recruiting

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REAL ESTATE WHITE PAPER

RECRUITING EXPERIENCED AGENTS REQUIRES LEADERSHIP

What the Best Brokers Need to Know About Recruiting Experienced Agents

Introduction

The Real Estate Industry today is facing a long-term upheaval unlike anything experienced over the last several decades. Years of cost cutting and increased attrition rates have Brokers struggling to reach bottom line profit each month. Many investments in technology, training & services have been put on hold because they don't offer an immediate ROI (return on investment). Those Brokers recruiting and training new Agents find that doing so adds to the already heavy work load of their thinned out Management staff, with very few of the new agents providing return on the Broker's investment in them. Recruiting experienced Agents may be one of the only investments of time and money that a Broker can make that will provide a solid and immediate ROI in this globally depressed market.

The Importance of Recruiting Experienced Agents

One of the primary job functions of most brokers, whether they are owner operators or salaried managers, is recruiting. In past years, many invested their time and effort in recruiting new agents coming into the business – then training, managing and mentoring them for months hopefully resulting in them having a successful career. Today, there are now fewer new agents entering our industry and those that do, have a much slimmer chance of successfully repaying the brokers investment in them.

The challenge of growing revenue is more important than ever and, in many brokerages, even critical, to surviving this market. One of the fastest ways to increase revenue is recruiting; it will always prove to be the most valuable use of a brokers time, however many are now refocusing their recruiting efforts away from new agents and onto experienced, productive agents.

Recruiting experienced agents not only provides an immediate ROI with a positive impact to your bottom line, but also increases the Broker's credibility in the market place. And as experienced agents come on board, it can also raise the excitement level in your office enhancing retention efforts.

Recruiting Experienced Agents Is Not Easy

Admitting that you need to invest your time and effort into recruiting experienced agents is only the first step. The next step is to commit to a dedicated plan of action to ensure a successful campaign; setting aside a specific number of hours each and every day to identify Agent Prospects, get them to commit to a face-to-face meeting, conduct great interviews and then doggedly following up to get them to transfer their license.

Passive marketing (drip email, social media, and website information) can help but a successful recruiting campaign for experienced agents requires calling them directly on their cell phone – over and over again until you actually speak to them.

Recruiting Experienced Agents Takes Leadership

Good agents want to work for good Brokers - that's both the good and bad news. The good news is that many Brokers, who had a lot of success in the past recruiting new agents coming into the industry, aren't doing a good job of managing their offices in today's environment, so those agents who have experience often explore their options. The bad news is that for you to attract an experienced agent away from their current office, you will need to provide a strong value proposition and be confident in your own abilities as a top tier Manager. You will need to convince the agent that you are the best Broker in your market to take their career to the next level. They will need to like you as a person, trust you as a manager and believe that you will help them and their family make more money and have a better lifestyle than they enjoy today.

If You Are Determined to Be Successful at Recruiting Experienced Agents, Here is Your Action Plan:

Step 1 – Define Your Value Proposition

This is an exercise that every Broker should do at least once a year. For you to articulate what you can do for an Experienced Agent, you must first define your value proposition – both for your brand and for you personally. Take the time to write out detailed answers to the following questions;

- What differentiators can you provide Experienced Agents in your market? (Technology, tools, training, mentoring, environment, office culture, business planning, etc.)
- What is your personal Management style and how does it impact your current Agents' income each year?
- How can you help an Experienced Agent earn more money than they are earning today?
- What is your vision for your office? (Improvements, market share, # of agents, staffing, branding, tools, training, etc.)
- What are the key retention messages to your existing Agents?

Step 2 – Set Your Goals

What are you goals for GCI this year? For market share?

What is the average GCI contribution from your existing experienced Agents? Leaving out the non-producers and top-producers, what does the average Agent in your office add to your bottom line today? Take your GCI increase goal and divide that by the average to determine how many experienced agents you need to add.

What is your current market share? Divided by the number of productive agents in your office today, determine how many Experienced Agents you will need to add.

Step 3 – Build a Target List

Build a target list with the Agents' names, cell #'s and email addresses. (The cell number is critical – even if you have to do this manually, do not begin until you have a list with each Agent's cell number). Having their Email address is important for following up with the Agent – after you have spoken to them, met them and for continued follow up down the road.

Which offices and Agents should you target? Compare your value propositions against your competition. Which offices are poorly managed or are going through a transition? What CGI or transaction volume do you want to target?

Step 4 – Establish a Daily Calling Plan *(*or outsource it)*

Cogent Step Recruiting has called to recruit over 150,000 experienced agents; here is the magic formula:

To recruit 5 – 8 Experienced Agents in a 4 month campaign;

- Target 500 productive Agents that work in close proximity to your office location
- Plan on calling each Agent 3.5 – 3.7 times (without leaving a voice mail until the 5th call) to get through to 400 Agents (80%) on your target list (500 targeted Agents X 3.6 calls to each on average = 1,800 calls)
- After 5 calls, if the Agent hasn't picked up, he/she isn't likely to – leave a voice mail (this should yield between 1 and 1.25% responses, or about the same as a passive marketing effort)
- Of the Experienced Agents you speak directly with, 11 – 15% will identify themselves as "Agent Prospects" – either they are actively looking to make a change or would at least be interested in learning about you and your office (45 – 60 Agent Prospects)
- Convince at least half (22 – 30) to meet with you face to face
- Close 25% over the next 3 months (5 – 8)

To make 1,800 calls in the first 8 weeks of a 4 month campaign, plan on completing 10 – 12 per hour – and remember, don't leave a voice mail until the 5th call. That will require 150 – 180 hours. Over 8 weeks, that means between 19 and 22.5 hours each week just for the active calling portion of your campaign.

** Making the calls can be a gruelling process. The commitment of 150 – 180 hours required simply to identify Agent Prospects for recruiting may prove to be over-whelming for many Brokers (if so, you have the option of outsourcing these preliminary calls. At Cogent Step Recruiting we have experience working with some of real estate's best brands. Contact us to discuss your outsourcing requirements.)*

Step 5 – Make the Calls

The first time you speak to an agent on their cell phone, the goals are two-fold; 1) leave every agent with a professional impression of you and your brand, and 2) identify Agents who are either looking to make a move or would be interested in learning more about you and your brand/office.

To do that…

- Be in the right frame of mind
- Have energy in your voice and smile
- Be professional and friendly.
- Create curiosity – share your vision & make them feel special.

THE PHONE IS A TOOL FOR INTRODUCING YOURSELF AND FOR GETTING THE MEETING – DON'T TRY TO 'SELL' YOUR OFFICE TO ANYONE OVER THE PHONE

Step 6 – Do Face to Face Interviews

The most important step in the recruiting process is always the Interview itself. Understanding the mindset of the Agent and establishing a warm and friendly environment are both critical to the process. Having the Agent like and trust you is an absolute requirement. And convincing them that you can help them make more money and provide a better lifestyle for their family is the only way to get them to go through the hassle of making a move to your office.

The Experienced Agent's Mindset

- Agents fear change (it could disrupt their referral business, confuse past clients and centers of influence, cause uncomfortable situations with old co-workers/managers, and getting to know their new office environment and culture can take time and cause stress)
    - They don't know you and they may not know many of the Agents in your office – their comfort level has to be your main priority. Make sure everyone that will be in the office during the interview knows an Agent is coming in – and ask everyone to go out of their way to welcome them and share their excitement and professionalism with them.
- Agents don't want to deal with the hassle of moving (rebranding and going back to past clients, friends and relatives can be an effort, as can the actual physical move itself)
    - Treat the hassle of moving as an opportunity for the Agent to go back to his past clients, friends and relatives and kick start some immediate referrals by letting them all know that he (the Agent) made the move so that he can do a better job for them! By moving to your office the Agent will now be able to serve his clients better than ever – with better client tools, better web technology, and/or better training.
- For an experienced Agent to justify and rationalize making a change, they need to be convinced that the Broker they are going to is better than the one they are leaving. If they like you, trust

you and feel that you can help them make more money – then and only then, will they consider making a change and move to your office.

The Interview – Make It All about Them

The first face-to-face meeting you have with an experienced agent should be entirely focused on them – learn everything you can about the agent and find out what is important to them – both professionally and personally. Ask questions and sincerely care about the answers. Don't talk about yourself or your company until you know everything you can about them.

Remember, recruiting is selling – and you can't sell anything to anyone unless you know what they need and want. So take the time to learn about them and their family;

- Are they earning enough money to provide their family with the lifestyle they want/deserve?
- Are they achieving their goals?
- Do they feel part of a team?
- Do they have the tools/technology/training/coaching/mentoring that they feel they need to be successful?
- Are they committed to their career in Real Estate?
- Where do they see themselves 1,2, 5 years from now?
- What is their strategy to get there?

Learning about the agent and what makes them tick accomplishes two very important things; 1) they will feel like you care about them and they will begin to like and trust you, and 2) you will know exactly which two or three of the solutions you can provide will actually matter to them.

Only Present Solutions/Benefits That Matter to Them

After spending 35 – 45 minutes (minimum) getting to know the Agent - and only once you know what truly matters to them and have identified 2 or 3 solutions that you can provide that you are confident will really make a difference to them – present each solution/benefit in this way;

1. Present the solution and describe the benefit(s) to them
2. Relate how this solution benefits specific Agents in your office today – in terms of actual transactions completed
3. Ask them if they see value in the solution you have presented and ask how they would use it in their business
4. Get them to Quantify what this solution would mean to their business in the next 12 months – in terms of actual transactions
5. Do the same steps for a 2nd solution – then add up the total number of transactions that both solutions will provide (and that they themselves have quantified for you)
6. Multiply the number of transactions by their average commission – then show them how much more you can help them earn with just these two solutions.

Don't let them leave without closing for the next meeting. Invite them to a training session, a Monday morning meeting, lunch, breakfast or anything else that will keep them moving through the recruiting process.

And remember – recruiting experienced agents is a process. Very few experienced agents will ever transfer their license right after your first meeting. You may need to meet with them several times before you close them.

Step 7 – Conduct a Follow up Interview *(*or outsource it)*

Perhaps the most discouraging thing that can occur during a recruiting campaign, is to leave a face-to-face meeting with an experienced agent feeling great about the interview – knowing that you took the time to learn everything you could about the agent, confident that you presented solutions that will truly make a difference to the agent and their career – and then spend weeks and maybe even months working the agent through the recruiting process – only to have the agent go cold on you and either stay where they are or move to some other Broker's office.

**Our Broker Partners, without exception, tell us that while they appreciate us making the thousands of outbound call to identify Agent Prospects for them, even more important to their success is the follow up interviews we do with Agents following their first face to face meeting.*

After each first face to face meeting, we call the Agent and as "Their own" personal executive recruiter", we get honest feedback from the agent on the meeting itself. Being a third party to the transaction, we learn things that they won't necessarily share with you which can be extremely valuable information for your next meeting.

The three step follow up interview we do focuses on;

1. *Getting honest feedback – what the agent thought of you, your office, your company, your location, the value proposition and the opportunity for them*
2. *Learning more about their decision making process – if they are going to make a move, where, why, when and what will be the deciding factors*
3. *Counselling them on overcoming their fear of change and perhaps, their fear of confrontation with their existing manager/broker – taking the emotion out of both and making the decision to move a 'business' decision*

If you are not outsourcing this step - perhaps there is an Agent in your office to do this step for you... someone who may know the agent that you are trying to recruit. It can provide critical information that may prove to be valuable enough to help you recruit the agent.

Step 8 – Follow Up Every Week and Continue to Add Value

No experienced agent will come on board until they are convinced that you care about them and their success. You can show this by maintaining contact every week – send a quick email when you see a new listing or sale come through for them – congratulate them on their successes. Drop in at their open house, and/or invite them to sales meetings, training sessions and other events; and to lunch with another agent from your office who can confirm that your office is a great place to be. Include them on value add drip email campaigns; invite them to follow you on Facebook, LinkedIn, Twitter.

And then close them on moving - over and over again. Let them know that they would be a great addition to your team and that it will be a great business decision for them and for their family. Close them.

Step 9 – Keep Track of Your Recruiting Pipeline *(*or outsource it)*

A simple excel spreadsheet that you keep up to date with all the Agent Prospects that you identify in your active calling campaign is a critical part of a successful recruiting effort. Tracking Agent Prospects – what stage each is at and what the next step is for each Agent will help you stay on track, and plan for success.

** Cogent Step Recruiting provides a weekly report that details each and every Agent Prospect identified broken down by the following stages:*

Stage	Explanation	Probability of closing
Prospecting	CSR has spoken to agent and has identified him as 'interested' and has forwarded to Manager for appointment scheduling	10% - we would expect that 1 in 10 'Prospects' will end up transferring their license
Meeting Set	The Agent has agreed to a meeting with Manager	20% - 1 in 5 agents who meet with Manager will close
Meeting Follow Up	Manager likes agent and feels the meeting went well – CSR follow up	25% - a 1 in 4 chance of landing an agent after the meeting has gone well
Agt. Very Serious	Agent has expressed a serious interest and is working with Manager to transfer their license	50% - 1 in 2 should close when they get to this stage
Closed Won	Agent has successfully transferred their license to office	100%
Closed Lost	Manager not interested in the agent or agent is not interested	0%

Last Note – Outsourcing as an Option

It takes time and dedication for a campaign to be successful...and time is usually in short supply. If you are serious about recruiting experienced agents who will immediately add to your bottom line, but decide you need help – outsourcing is a viable option. It allows you to make the ultimate use of your time and bring value where it is needed most; the actual face to face meeting.

While outsourcing can save you a lot of time and ultimately prove to be the best route to go, there still needs to be a solid commitment by you, the Broker/Manager.

Yes, we can make the thousands of outbound calls to the Agents cell phones and yes, as an executive recruiter we create a lot of curiosity and buzz around your brand, we will identify more Agent Prospects for your recruiting pipeline. And once you have met with the Agent face to face, our follow up interview yields critical information on what the Agent thinks of you, your brand, your office; what the Agent's decision making process looks like and we can even counsel the Agent to help overcome their fear of change. And our weekly reporting detailing your recruiting pipeline for the 4 month long campaign is an invaluable tool that will help you maintain your recruiting pipeline through to success. But – and this is a big BUT – there is still a lot of work that you as the Broker/Manager will need to do if you are to be successful. You will need to dedicate 2 to 3 hours a day for the first month and 1 to 2 hours a day for months 2 through 4 and then an hour or two a week for a few months after that. But more importantly, you will need to be a leader –confident in your ability to help your Agents make more money than they could at other offices in your market.

Recruiting Experienced Agents has never been more important to a successful Broker's bottom line. Commit to a plan and follow these steps – start your Recruiting Campaign today!