



THE FUNDAMENTALS

Chapter: Momentum, version 1. March 2022

MOMENTUM:

"An object in motion, stays in motion" - Isaac Fig Newton

When you realize that most people operate with very little intentionality, it becomes clear how much of their lives are shaped simply by momentum. Changing direction takes a purposeful effort, restarting after coming to a stop is a monumental ask - that's why most people coast, for better or worse, in whatever direction has that first big push and will continue on that path as long as it remains the path of least resistance.

I like to call this "momentum" for the purposes of thinking about our clients and learning how to utilize momentum is beneficial to your ability to be successful with our clients.

Success here being defined as accomplishing The Game Plan - your responsibility to create and maintain momentum begins the minute your client says "yes."

You must know the importance of creating enough excitement and the impression of forward movement at the beginning of your process with the client, to get them to the goal. Packing the front end with achieving milestones and reporting on those achievements each and every time you hit one, gets the wheels turning faster and faster. The faster the wheels are turning at the beginning the easier it will be for you to get to the end through the common objections and obstacles that can destroy a deal.

You front loading your process with enough oomph gets you over speed bumps effortlessly and makes an uphill climb feel a bit easier.

When thinking about Momentum - it's simple:

Create Momentum - Manage/Remove Friction - Focus on Greenlights

Creating Momentum

Creating momentum is simple once you realize that momentum is about 90ish% perception. If you're thinking about your transaction as a road with a start and finish line, you want to break up the journey in to as many steps as possible when you're relaying progress to a client - milestones - especially at the beginning. This is all about creating a story around a process to convey a feeling of progress and achievement. A person way far down a road is unlikely to turn back. One of your biggest enemies here is low communication. No news is bad news. No news means nothing is moving forward. Over communicate milestones now and enjoy the benefit of that later when you inevitably encounter friction.



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Manage/Remove Friction

Think of friction as your speed bump, an uphill climb, tack strips in your transaction. Friction is your threat to momentum therefore you must anticipate it, front load momentum leading up to it, and be able to navigate through it if it's unavoidable never letting yourself get sucked into the quicksand that friction can present - if YOU get sucked in, you better believe your client will be too. Friction can be real or perceived, it doesn't matter, the impact is the same. The bottom line is that anticipation of it, communication of it BEFORE it happens, and purposeful movement through it is absolutely key to success to keep your client's mindset in "momentum mode."

To be even more clear - it is your responsibility to know what friction lies ahead, it is your responsibility to guard against it up front, to tell the client to expect it and tell them how you'll get through it, and to execute at a high level when it does happen so you can get through it. The highest level of management here is non negotiable. If you slack here, you will find your deals falling apart mid stream on a regular basis which means you either don't immunize your deal up front against the friction or you don't properly prepare/communicate with the client before it happens, or you lack the necessary knowledge to get through the friction when the time comes - any of these lacking will spell trouble. See examples of how you managing common points of friction make all the difference.

Beware - You may have clients naturally prone to perceiving friction, these are ones you need to manage messaging closely as they will slow to a stop in their minds almost immediately if you're not communicating progress to them every chance you get.

Focus on Greenlights

If friction is momentum's kryptonite, then greenlights are its sunshine. One great way to reinvigorate momentum is to shift emphasis to greenlights. We all know the experience of driving down the road and hitting every red light, the start and stop is so frustrating and frustration isn't the mentality you ever want your clients to feel - frustrated people don't move forward. Greenlights are actual or perceived signals of LET'S KEEP GOING! When a client is perceiving a lot of friction and you can sense them starting to slow to a stop, you need to first focus yourself on where they would feel the greenlight effect and then direct your energy to getting those red lights to turn green. Picture looking down a stretch of road with several red lights, your job is to turn as many of those red lights, green and to be sure your client *knows* they are green.

Momentum is a beautiful tool in that it allows you to use human nature to help you progress towards achieving your client's goal. We live in a society that seeks constant gratification and instant results. Momentum thrives here - use these principles to serve your clients and make your transactions so much easier.



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Quick & Dirty Examples of Concepts:

Low Momentum Approach

Seller signs listing agreement, though he's a little unsure about selling. Agent leaves the home with just the agreement signed (no photos), lets the seller know he will follow up in a few days to schedule pictures. Days pass and the agent hasn't made contact yet but does make the home Coming Soon and has already received some calls despite no photos. The seller starts to wonder if now actually is a good time to sell, he's heard the market is slowing down from a couple of friends. Agent texts asking to have photos taken the following week. Seller agrees but then the day before asks to postpone the pictures as he didn't get a chance to organize the garage. The Agent says sure and reschedules for a few days later - he's getting calls on the home, just needs the pictures to make it Active. A few more days pass, the agent reaches out and the seller doesn't respond. Agent thinks nothing of it. Few more days pass and the seller reaches out to say he wants to wait 6 months because he doesn't think now is a good time to sell. Agent shares about the activity on the house but the seller's mind is already made up.

High Momentum Approach

Seller signs listing agreement, though he's a little unsure about selling. Agent leaves the house with a pictures of every room, the exterior and a brief walk through video of the home - Agent shares these images within his brokerage immediately. The Agent makes the home Coming Soon later that day, receives an email and a call that night and as a result sends a text to the seller "Sorry to text late but I started marketing your property tonight here and here and I'm *already* getting action on it. I would like to get my photographer over there asap so we can fully capture these opportunities. Can tomorrow or Thursday work?" Seller is a little taken aback but also kinda excited, agrees to a picture appointment. Within 24 hours of signing the agent sends a handwritten thank you note and small gift - message is congratulations on already making the Redfin "Hot Homes" list. Seller gets nervous they aren't ready for pictures, they text the agent to postpone. Agent reassures that the house looks as it should and if any room isn't ready he won't use those images but we must get this to round out the marketing efforts he's already elbow deep in. Seller agrees to keep the appointment. Agent shares progress no matter how small EVERY DAY - each website and social media effort that he is working on "Your Zillow listing already has X saves," each phone call, each showing request, and analysis on price, how the photos look, etc etc. Every update is framed as *progress* and now the seller is so caught up in how easily things are moving forward that he's enjoying the excitement of it all and wondering what will happen next with his hot property. Before he can believe it the agent is presenting offers and boom, I guess he is selling his home after all.



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Common Examples of Friction

Have you ever encountered these? How did you handle them at the time? Did you eventually reach your goal with the client?

1. Seller feels the home “needs work” before it can be marketed
2. Buyer likes a home online but cannot view homes until the weekend due to work schedule
3. Seller wants to wait until after the holidays to sell
4. Buyer wants to buy but needs to get prequalified
5. Buyer doesn't have needed cash to close
6. Seller receives BINSR and isn't willing to make repairs
7. Seller's home appraises low and won't lower the price
8. Buyer is fixated on a specific repair
9. Buyer's dad attends home inspection, home is “not up to code” (family or trusted friend interferes)
10. Seller can't find “a better house”

Example of Managing Common Friction

You negotiate an offer on a property that is \$100k over likely appraised value. The buyer is unable to fully waive the appraisal. You give the sellers the great news about the offer but frame it around the high likelihood of the appraisal being low. You give them best and worst case scenarios of their expected net. You insist they decide on being happy with this offer at the low end net and if you hit high end net, “it'll be icing on the cake.” If they won't be happy at low end net, you recommend they reject the offer. They agree they'll be happy even at low end net but are excited for you to try to justify as much as possible - now your job is to get as much icing on the cake as possible. You prepare comps with the help of the buyer's agent - including them is important just in case you need an ally with the buyers at the 11th hour. You meet the appraiser at the property and walk them through all upgrades. You notify the sellers of this and the conversation you had with the appraiser and buyer's agent. They thank you for going the extra mile to get them the most icing possible. The appraisal comes back \$50k low, the buyers agreed up front to fill in a gap so sellers are netting above low end net. You call the sellers and let them know making sure to point out that this value is \$x above their neighborhood's next best value and above the low end net (greenlight). The sellers are happy. They wanted more of course but planned for less so this is a great outcome for them.

Common Greenlights

1. Seller got more than their Perfect Deal price or their post possession need achieved
2. Buyer is getting a discount off list or closing cost credit
3. Buyer/Seller is under contract
4. Seller is through the inspection period
5. Seller's home is Active on the MLS
6. Seller's home received its first _____ (inquiry, showing request, offer, is a Hot Home, etc)
7. Buyer's home inspection went well - aren't they lucky to be getting a property in such great condition
8. Buyer has loan approval
9. Seller's appraisal came in at value
10. Seller receives an accepted BINSR