

The Mortgage Note

June 05, 2024

By Erin Flynn Jay

Make Clients, Not Cash, Your Focus **Interview with Fred Wilson**

According to industry veteran Fred Wilson, the real estate industry is set up for agents to fail. With nearly 90% of new agents leaving the business within five years after going upside down financially, Wilson offers a new approach in his book “Real Estate Attraction: How To Do Business NOW In Real Estate Sales.”

Most agents operate from a scarcity mindset, chasing limited opportunities and working toward potential future success. Wilson’s “now model” technique teaches them how to make money today.

“This scarcity thinking is a reflection of how society and our culture have evolved,” said Wilson. “We’re taught in society that opportunity is a good thing, and I agree that more is better. But then we’re taught that it’s rare, fleeting, not always available. Hard to hold onto, and you better get it before someone else does, or you miss it.”

In real estate, there’s the acquisition of a client who needs to buy or sell. Then there’s the negotiation and the contract. “There’s this long, drawn-out timeframe,” said Wilson. “What happens with agents in real estate sales—because they don’t believe that opportunity is here now—they believe that it’s coming, they fill their time doing things that delay their success. And the problem with that is they go broke.”

Eighty-seven percent of all new licensees are out of the business due to financial failure within their first five years, and over 75% are out of the business within the first 12 to 18 months.

Wilson attests that almost all agents are failing, and the reason they’re failing is they don’t know how to do business now. “They get caught in all these approaches and activities that impede or stop literally their ability to find

business now,” he said. “Their career is sort of hijacked. The idea that opportunity isn’t here now, but it’s coming later — that’s what kills most real estate agents’ business.”

Everyone’s real estate wants and needs are subject to change. “There’s always going to be opportunities in the near term,” said Wilson. “The question is — do you see them? Most agents are busy trying to build opportunity off into the future, and they miss that boat.”

Wilson’s program that he created teaches agents how to get into a “now model” mentality where it’s about making today pay.

Mortgage brokers are on a different side of the equation. “They, too, must be acquiring clients,” he said. “And they have been taught that opportunity isn’t here now, right at the moment, but it’s coming down the road. They, too, get caught up in this future model approach, and they miss much business that’s here now.”

How can agents navigate market fluctuations with his “now model” approach? “We misinterpret the market fluctuations as there’s no opportunity here now because the market’s down or the interest rates are high, instead of realizing that everybody is changing and, therefore, everybody’s real estate wants and needs are always subject to change,” he said.

It’s up to the mortgage broker or the real estate agent to identify how that change is affecting their needs. “This ‘now model’ doesn’t look at market conditions,” he said. “It looks at how change is affecting the people you’re talking to because that’s where the opportunity is — techniques to make money immediately.”

“You open up to the reality that opportunity isn’t off somewhere in the future, but instead, it’s here today. But it’s not obvious,” said Wilson. “Most people don’t think it’s here, so they start doing things to get them off to it in the future.”

That’s where a delay happens. “That kills most real estate agents and really negatively affects people who get into mortgage brokering, loan creation,” said Wilson. “They just can’t find any business because they’re not looking today. They’re looking off in the future.”

Agents have their standard list of questions. “A lot of times, they’re called qualifying questions, confirmation questions, or even closing questions,” said Wilson. “We talk to people, and we dutifully are nice, we dutifully try and make a good impression and answer their questions, give information, and then we ask these key questions, and they’re a candidate,” said Wilson. “They’re not. That’s the wrong way to do it.”

Wilson advocates for developing a discovery ethos when talking with people. “You will be asking questions on an improvisational basis throughout the conversation rather than a list of key questions,” he said. “The point is you have to reverse the flow of information.”

What’s going on in most conversations between a mortgage broker and a potential client or a real estate agent and a potential client is that they’re trying to make an impression.

“Instead of trying to be interesting to that person, they should start actually being interested in them. They should be asking questions about that person’s life and starting to get a handle on how their life is being affected by change,” said Wilson.

“When you make this your approach—the ask-to-listen technique, the four questions, and triangulation for truth, for example—you are much more able to ask questions improvisationally during a conversation with someone”, he said.

“Once you learn how to do this, you start to get reveals — an actionable direction to follow up on. And agents are missing these directions while they’re busy putting on a show and trying to narrowly qualify people. Their conversational approach needs to change in that way”, Wilson advised.