

How to Raise \$5,000/month with Sponsor Money as a Real Estate Agent

Frank Klesitz:

This is Frank with Vyril Marketing, thank you for watching this video. If you're a real estate professional and you're looking to raise some consistent revenue through sponsorships, co-marketing, or by building a brand ambassador program (the term Chris Watters coined) to raise money to help offset your marketing costs so you can scale up quickly, generate more leads, and build your business; this is the video I want you to watch.

Frank Klesitz:

We're going to break down how to do this step by step from scratch. Even if you are brand new to a market and don't know anyone, **you can raise thousands of dollars to use directly towards your marketing expenses** to reduce the risk of buying Vyril Marketing, radio, TV, or more expensive lead generation to build your business without having to rely on selling the next house. You can build a secondary source of income by building a brand ambassador program, co-marketing, or getting advertisers. Today's going to be a very profitable day if you're looking to raise some money- we're going to show you how to do it.

Frank Klesitz:

I want to introduce you to Chris Watters. Chris started his own real estate brokerage in his twenties after a brief stint at another brokerage. He realized working for another brokerage wasn't for him, and he started Watters International Realty out of Austin, Texas, with a very big vision to go international. Within three years of starting that brokerage, by building a team and using the brand ambassador program to help scale the lead generation, Chris ended up netting a million bucks after all expenses.

Frank Klesitz:

There's something to learn from someone that goes from zero, starting his own brokerage with all that risk, overhead, and expenses in a highly competitive market of Austin, and nets himself a million dollars in three years- that's incredible. There's a story here. One of the key aspects of that story was how he raised money to help offset the marketing costs. Chris, welcome.

Chris Watters:

I wish people could see photos of me sitting on a red IKEA couch that was held up by phone books back in 2010 in an apartment with my girlfriend (who then became my wife). I wish they could see pictures to understand how broke I was; there was no way I was going to be able to spend money on lead generation, because I had no money. At that point, I was in debt because I had invested in a business that failed miserably and accrued a bunch of debt. **If it wasn't for the brand ambassador program, I wouldn't have had the cash to be able to scale up the lead generation efforts to be able to grow the business so quickly.**

Frank Klesitz:

Let's just get right to the point with the money, because I want people to pay attention. We're not talking about a couple hundred dollars here. How much cash do you get every month from your brand ambassadors, advertisers and sponsors?

Chris Watters:

Our team here in Austin is getting close to \$25,000 a month from different local business owners that we have partnerships with. Almost \$300,000 total is contributed to us from various service vendors; homeowners insurance, like PNC Insurance, plumbing companies, lawn care, irrigation, and tile. There's a N.A.R. stat that says **when a house is sold, that single home sale injects north of \$80,000 in revenue into the US economy.**

Chris Watters:

The agent is the lever that causes that \$80,000 injection into the US economy, so we have a lot of influence over our ability to refer business.

You need to come from a place of authentically trying to do a great job for your clients. It's not about just signing up anybody that's going to sign a piece of paper and give you money. To have a successful relationship with these vendors, they need to actually do an amazing job for the clients you refer to them. That is step one- **you have to make sure you are aligning with vendors that are going to do a great job for their customers.** You have to think about the lifetime value of that relationship.

Chris Watters:

If you're new to implementing your brand ambassador program, you're not going to go out and raise \$20,000 to \$25,000 a month. In your first year, you could raise up to \$10,000 a month, and you need partners that are going to do a great job. If you send them deals they need to be able to convert, and they need to do a great job for those customers you refer to them so it doesn't ruin your relationship with the client.

Chris Watters:

As time progresses, it's easy for your monthly revenue to scale up if you've got the right partners helping you by helping to convert the people you send, as well as maintaining that consumer experience. As an example, six or seven years ago, I partnered with a mortgage company. We would send them referrals, and they did a really good job converting them, but they did a horrendous job from a consumer experience perspective. It really burned our relationship with the client.

Chris Watters:

There's two big holes in the bucket you got to think of. One is the actual consumer experience part, and then the other is the conversion. Another huge fail we had was with leads we were sending to a homeowners insurance guy. He already had a pretty big book of business, but he was not doing what it would take to help convert that lead into a closed deal, so his ROI was terrible.

Chris Watters:

When you're out there trying to find local business owners to partner with, **you need to find the guy that is going to go out and hustle, that's going to work on converting them into customers, and then will follow that up with an amazing consumer experience.** This is critical if you're going to grow your brand ambassador program and not constantly turning and burning vendors to try and keep raising money.

Frank Klesitz:

Chris, I think everyone's very excited when you said \$25,000. I know that seems normal to you, but the prospect of raising that kind of money every month- that's really game-changing in the business.

Chris Watters:

I mean, it's a lot of money even to me now. I don't say that number lightly, but I am still thinking of how to get that number up to \$40,000 or \$50,000.

Chris Watters:

Looking back to when I first started seven years ago, I'm sleeping on my girlfriend's couch. I'm closing very few deals. I had no brand awareness, no credibility in the industry, just a single agent that started his own brokerage. I am an ignorant 25-year old that is not emotionally aware of the mountain that I'm trying to climb.

But I got my first vendor on board for \$250, and the next one was \$500 a month. The one after that was \$1000 a month. So, it takes time to develop. You're not going to go overnight and raise \$25,000. I think what success looks like if you're a single agent trying to build a team or start your own brokerage is to **set yourself a goal over the first year to raise a minimum of \$5000 a month**. I don't think \$5000 is unrealistic.

Chris Watters:

The process I'd recommend to everybody out there is to go after some of the low hanging fruit. These would be lenders, like mortgage brokers and bankers, and title companies, homeowners insurance, and title insurance companies. Some states need attorneys at escrow, and those are good targets.

Chris Watters:

I know the first thing people want to ask about is RESPA. I'm not an attorney, I can't give legal advice, and every single state's different. What I did in the beginning (because I didn't have attorneys or anyone really to rely on) is I leaned on the mortgage banks to help put together the paperwork for the lead generation agreements. They had attorneys on staff and they know the RESPA rules a lot better than I do.

When we get more into this, and people learn more about how to talk about the brand ambassador program, they may find themselves in this position. So if you're in that position like I was, once you pitched this idea to a mortgage branch or a loan officer, that's when you'll lean on them to go to their legal department to help you draft the documentation.

Chris Watters:

It's very similar to what Zillow does. You can set up a co-lead generation ad budget with a lender where the lender contributes 50%, and then you as the agent contribute 50%. And then something you can do on the other 50% that you're supposed to spend is you get the money from your non-settlement service providers. It's very easy to raise money through non-settlement service providers- that is, your yard guy, landscape guy, furniture companies.

Frank Klesitz:

Home improvement companies like home remodeling or a builder.

Chris Watters:

Home remodeling, countertop people, and cabinet people are great businesses to go to. If you're an agent, think about when you walk through the door of a home. You see painting, lighting fixtures, flooring, tile- there's tile people, carpet people, cabinet people, hardware. **There are so many people that go into the construction of a home, and every single one of those vendors are people you can have on your vendor list** and that you can prospect to be a part of your brand ambassador program.

Frank Klesitz:

I love the goal of five grand a month as fast as possible. Let's speak to that person that's not getting any money right now. This has never even occurred to them that this is possible, and they're just blown away by the prospect of thousands of dollars of money to help with lead generation. It would let them sleep so much better at night, let them try new things and scale up, and not to cry on the phones.

Frank Klesitz:

It's completely life-changing. Now you got the \$25,000, but have you been able to repeat it in another market with somebody else? You mentioned to me earlier that you got someone to \$10,000 a month in San Antonio in one year. Why don't you tell me a little a bit about that story?

Chris Watters:

This guy from Kansas named Chad came from a family of farmers. He actually got a Master's in something around farming. They moved to Lubbock, Texas, and he was living there while his wife finished her Doctorate. He got his real estate license and he was just doing this full time while his wife was in school.

Chris Watters:

This couple is big into motorcycles. They took a drive down to Central Texas, went through the hill country, and while they were down here, they happened to hear one of my radio ads. Chad reached out to me and told me he was impressed with my stats and wanted to learn more.

He came down to my office, and he said, "Man, I'm hooked. I want to duplicate and do exactly what you're doing, except I want to do it in San Antonio. My wife and I want to move to New Braunfels," which is a town just north of San Antonio.

Chris Watters:

Chad moved to San Antonio, didn't know a soul and had never even been there prior to that trip. He went with his wife down there just for sightseeing and tourism. And he had never even sold a house, no database, no team, nothing. **In his first year, he scaled to \$10,000 in vendor money.** So, you don't need a big database or a team to achieve this.

Chris Watters:

Bottom line, if you think you can't do this, it's only because you have some preconceived limiting beliefs as to why you can't go and raise money. If you implement a brand ambassador program, there's an immense amount of value as an agent you can offer to local business owners. It ends up becoming like a BNI group, where you basically have a group of 10-20 local business owners that meet once a month and mastermind on how to help each other grow their business.

Chris Watters:

Something that we learned over the years was that what is more impactful to a business owner is not one lead or one deal every month; **what's more impactful is being surrounded by other business owners that are all working on trying to improve their business.** They can mastermind on how to help one another overcome whatever challenges there are, and be very transparent with the group about what's actually working really well.

Chris Watters:

If you ask all of the people in our brand ambassador program, they will tell you **the most important reason they're in it is because of the monthly mastermind sessions we host once a month with our brand ambassadors.** They gain more value out of that group than anything else they do in their business, because of the impact of one little golden nugget they get from that three-hour mastermind session that they can go implement in their business. It could improve their business by hundreds of thousands of dollars just from learning one little nugget of information; for example, lead generation, a better sales methodology, or managing the back end of their operations of their business.

Chris Watters:

One of our vendors is a CPA so he shares very openly with the group on ways to help you make sure you're maximizing write-offs to improve your adjusted gross income and limit your tax liability. We've got another guy in there that's a financial advisor and is trying to help entrepreneurs build the habit of putting money outside of their business into 401k to reduce tax liability and diversifying their risk. There's a plethora of people in the group that help in different ways. It speaks volumes to everybody in the group.

Chris Watters:

At the mastermind, we have two people go on the "hot seat" every month. When you're on the hot seat, you have to discuss one of the biggest challenges in your business that you need help overcoming, and then what's the one thing you do that you feel is far superior to anyone else in the industry. Everybody in the group helps that business owner overcome that challenge.

Chris Watters:

People give feedback and talk through how they can help overcome that obstacle. Building a business is the same in any industry. A lot of local business owners are facing the same challenges, whether it's lead generation, lead conversion, or managing the consumer experience. Everybody you're going to meet as a business owner is facing a lot of the same challenges.

Frank Klesitz:

We have to step back, because this is incredible. Obviously, it's very clear you know this very well. How long have you been getting money? How long have you been doing this?

Chris Watters:

I started in 2010, so it's going on eight years now.

Frank Klesitz:

So it's sustainable.

Chris Watters:

Absolutely. I think your eyes will be opened up as to who you can be a brand ambassador for.

Frank Klesitz:

The money is shocking. The amount of money you're getting is shocking. And what also is shocking is you took a farmer from Kansas who had no experience in real estate, in a city he's never been to, with no track record of selling any real estate- and in one year you got him \$10,000 a month.

Frank Klesitz:

There had to have been some limiting beliefs. I read stats that half the country lives on \$12 or \$15 an hour, and 40% of Americans don't have enough money to pay \$400 for an unexpected expense. How do you take someone like that who wants to sell real estate and get them in the mindset to go ask for \$10,000 a month? Tell me about how you had to coach him just to say this is even possible.

Chris Watters:

Something that I think a lot of people aren't aware of is how most businesses are getting money from the vendors they support. I'll give you an example. Car dealerships are the king of the brand ambassador program.

Chris Watters:

Car dealerships work with different manufacturers, and the manufacturers will give them a considerable amount of money to spend on radio and TV. Consider the average car dealership in Austin. They have Ford and Toyota, maybe three or more brands their dealership is recommending. They go to each of those brands and get anywhere from \$50,000 to \$75,000 a month and free ad spend to help push those products.

Chris Watters:

I'll give you another example of supplement companies like GNC and Vitamin Shoppe. The manufacturers of products that these supplement shop companies are selling give money to these shops to push radio and TV ads to help sell their products. **Businesses going and getting money from the vendors that they partner with is not a new concept- other industries do it with great success.**

Frank Klesitz:

Chris, this is a secret. If someone looks at you and all your advertising you do and you look at all the mega agents that are selling hundreds of houses, they're getting money.

Frank Klesitz:

There's no way that you're going to be able to take the risk and self-finance at just through commissions on home sales. They're able to drive up the price, and you're not going to be able to compete unless you're getting money.

Chris Watters:

It's going to take you forever to grow your business if you don't have the capital to go and invest in lead generation. So, if you want to grow fast, it's a function of how much money you can raise. The idea of raising money for helping support your lead generation efforts, for example, this is not a new concept, almost all businesses out there do it.

Chris Watters:

Speaking of car dealerships, that's a great partner to get as a brand ambassador. Go find some local car dealership. There's a statistic that a significant number of buyers buy a new car after they buy a home. If you live in a city with some prominent dealership, keep in mind that dealership on a monthly basis is getting over probably \$50,000 to \$75,000 from the manufacturers and the dealership can use that money however they want to.

Chris Watters:

For them to throw you \$1,000 a month so that you can put a \$500 rebate in a closing gift basket to your clients when they close on the purchase of a house, that's chump change to those guys. The dealership is getting their information in front of a buyer that has a high likelihood of turning around and buying a car after they close on the purchase of the house.

Chris Watters:

We can also think about furniture shops. They go to different designers all over the world to get furniture pieces and different manufacturers to work with and bring their furniture to put on those showroom floors. Those designers and those manufacturers are giving money to the furniture stores so they can do radio and TV ads. Take a furniture company, for example, with \$40,000 a month in ad spend, that's their budget from the manufacturer they work with.

Chris Watters:

It's not crazy for them to give \$500 to get in front of your buyer/seller audience. The value add there for that local business owner, that furniture store owner is massive.

Frank Klesitz:

They've never experienced that before. Probably pretty common in real estate but the average business owner has never even experienced something like that. I want to go back, Chris. You took somebody that wasn't even a real estate agent, that was a farmer from Kansas, in a brand new market in San Antonio, which is relatively competitive to get \$10,000.

Frank Klesitz:

How does someone raise \$10,000, without having a track record of selling houses? Explain to me how someone gets \$10,000 with no track record and no experience selling houses.

Chris Watters:

Like that book, *The ONE Thing* by Gary Keller, the whole thesis of "what's the one thing to make everything else unnecessary." That one thing is just building rapport and positioning yourself with the local business owner in regards to where your business is going. **When you're sitting down with a local business owner, you really have to pitch them on the vision of where your business is going and what**

you're doing to grow the business, and most importantly, how it's going to help them. You always have to relate everything back to what's in it for me.

Chris Watters:

You need to reverse engineer what would you do if you raised 5000 a month? How would you spend that money? How many people would you hire to go work those leads, for example? Ultimately, how would that impact that local business owner you're partnering with?

Chris Watters:

For example, if it's the furniture store company, you say "I'm in the process of onboarding 10 salespeople over the next 60 days, and I'm going to make sure that they have a coupon in the closing gift baskets to every single person they close on a purchase of a home with. So that when that person's positioned to go get furniture for their new home, they're going to drive to your furniture store and take advantage of this offer that we're giving to our clients."

Frank Klesitz:

What are some of the lowest hanging industries you could approach cold?

Chris Watters:

Most mortgage banks are big and have a lot of money behind them. They have legal teams that you can lean on to be RESPA compliant. Also, Zillow is taking in tens of millions of dollars from lenders with these co-marketing agreements with agents and teams. You can lean on Zillow and the lender to help make sure you get all your paperwork in compliance. That's the low hanging fruit, service providers like the lenders, the home warranty companies.

Chris Watters:

You also have title companies. If you're in a state with escrow, you could work out a partnership with an attorney that does the escrow side. Lean on them to help you with the compliance aspect because they have a lot of attorneys typically on staff with those settlement service providing companies. If you're an agent with a brokerage, you could probably speak to your brokerage and ask them if they can help you put this together with the settlement service providers and make sure you stay compliant for your local state regulations or whatever.

Chris Watters:

Right now these co-marketing, co-lead generation agreements are very prevalent with Zillow and realtor.com and some of these third party website portals.

Frank Klesitz:

The best four places to start are lenders, warranty, title, and escrow/attorney. What are the biggest ones you go after that aren't on the settlement agreement?

Chris Watters:

Car dealerships are huge right now. If you turn on the radio or the TV, I guarantee you hear more car commercials than anything else. They spend more money than any other industry on radio and TV. It's like stealing candy from a baby to partner with car dealerships.

Frank Klesitz:

Doing good. Car dealership. Who else?

Chris Watters:

Big furniture stores.

Frank Klesitz:

That makes a lot sense though. They're moving out and moving in.

Chris Watters:

Another easy "give me" is moving companies. CPAs are good to look at. Somebody moves into the area, and they want to make sure they get all their ducks in a row at the end of the year for taxes. They want to make sure they get all their write-offs, take advantage of the interest expense write-off and closing costs, whatnot. So CPAs are a really big one.

Chris Watters:

Another really good one is financial advisors. There are different kinds of financial advisors. There's what's called a fee-based financial advisor and they don't make commissions. They get paid a very small amount of commission. They have a fiduciary duty to the clients much like realtors do.

Chris Watters:

There's also these financial advisors that are responsible for selling life insurance policies and such. These are the types that will give you the most money because they are paid bigger commissions. You can have both in your group.

Frank Klesitz:

How about a home remodeler. What do you recommend?

Chris Watters:

In Austin, there's a flooring company that spun up a really unique deal for agents. As an agent, you have a lot of clients that their carpet needs to be replaced, their flooring is all jacked up and it really affects the sale of the house. There's this one flooring company we partnered with and they will replace the floors through financing so the customer doesn't pay upfront. The customer gets charged a premium for the flooring because they're basically financing it for him. Then the flooring company gets reimbursed at closing. It's a huge win-win, we help our clients net more money.

Chris Watters:

The flooring company then gives us 10% of the gross revenue from the sale of the flooring. To get the floors redone in a house you're talking about \$5,000, \$6,000, \$7,000. With one referral you can get 500 to 700 bucks for referring a customer and you're operating from your fiduciary duty because your client is going to get a better outcome if they have nice floors versus flooring that's got Kool-Aid spilled all over it and is torn to pieces. That's an amazing win-win with a flooring company.

Chris Watters:

We've also done that with painters; interior and exterior painters. We've gotten local contractors that will get paid at closing. Again, they charge a small premium. **It's really important you work with really big vendors. You're not going to have a lot of success with mom and pop shops.**

Chris Watters:

I talked about how not only do they need to be able to convert the referrals you're sending over, they also need to maintain the consumer experience. **The challenge with the mom and pop shops is they're not going to be able to keep up with you from a growth perspective. They're not going to be able to convert the leads and so they're not going to get a good return on investment, and you're not going to get money for your brand ambassador program.**

Chris Watters:

The consumer experience part can be a little hit and miss because they're in that painful process of scaling their business and trying to get the right people on their team. Ideally, you go work with the biggest and the best vendors out there because from their perspective, whatever you're asking for from a monetary contribution perspective is going to be pennies. If you go to the number one flooring company in your city, they're already probably spending a lot of money on lead generation.

Chris Watters:

They would love slam dunk business where they're not chasing internet leads. If you're only selling a few homes like Chad, for example, hadn't sold any homes in San Antonio. He was pitching the vision. He was pitching the value that that business owner would get. **He told them, "Look, we're going to grow together. As you invest money in me, I'm going to invest more money in lead generation, which is going to put more potential clients in your bucket."**

Frank Klesitz:

So you tell them exactly what you're going to do to generate those leads.

Chris Watters:

Exactly.

Frank Klesitz:

And you show them how they're converted, how you make calls, how you make deals, and how they're going to go right back to them.

Chris Watters:

What I did at first was actually open up my Real Geeks or Boomtown platform at the time.

I showed them the platform, and I said, "Here's all the leads I'm generating. Whenever these deals close I'll start directing them to you. When you start contributing money, I will increase my lead generation budget and so I'm going to generate even more leads, my roster of potential buyer and seller prospects is going to get even bigger. Then I'm going to obviously refer those to you when the time comes."

Frank Klesitz:

Two questions for you, so let's go through the big vendor list that you recommended. I'll throw a couple in there that I know Vyrat clients use that helps as well but we have the lender, the warranty company,

title company, escrow and attorney, or car dealership, furniture store, moving company, CPA, financial advisor or a flooring and painting company.

Chris Watters:

Another big one's PNC property and casualty insurance, the people that do car insurance and homeowners insurance.

Frank Klesitz:

Yeah, property and casualty. I also want to put in a home remodeler, but they may not be big enough to get the kind of money you're asking for.

Chris Watters:

If you can find a good remodeling company and you set up a deal where you take 10% of the gross revenue, that's not unrealistic. You need to think about your marketplace and your customers. How can your customers get a lot of value from your relationship with these businesses? Then vice versa, how well will these business owners be positioned to have success as a business? For example, if you're an agent that represents investors, and they buy a lot of houses to flip, having a relationship with a remodeling company is a great idea.

Chris Watters:

They're going to do a great job for your investors to help get those houses ready to rent out. That could be a huge win-win. **I can't stress enough how important it is to come from a place of genuinely wanting to do a good job for your customer and these local businesses and make it a win-win.** If you can do that, there's no limit. You can grow your brand ambassador program leaps and bounds.

Frank Klesitz:

I really have to drive this home, especially with showing the leads and how much business you can send. Let's try to give the audience something more specific how to overcome the RESPA fears.

The second question is, let's go through these ten business ideas. What would you ask for someone who's looking to just get the five grand. Getting that five grand a month could be game-changing.

Frank Klesitz:

Let's go through your thought process of what you pitch the lender for money, what you pitch the warranty company for money, what you pitch the title company for money, all the way down through all those 10 people. How you would present the offer?

Frank Klesitz:

Can you give someone an idea of where to start and how to put together a RESPA agreement? Or is it just as simple as currently going to your mortgage title escrow company saying I want to do something like this with you?

Chris Watters:

It's really as simple as leaning on these settlement service providers and on their legal teams. If you're wondering "who in my marketplace is already doing this, what lenders are already doing this?"

Chris Watters:

The one way you can find out what mortgage banks are already familiar with these co-marketing agreements is you can simply go to Zillow. On the right-hand side, there's typically those "Zillow premier agents" that are advertising trying to get leads. There's typically three agents or four agents on the right-hand side.

Chris Watters:

If you click on one of those Zillow featured premier agents, and it pulls up their profile, and you scroll all the way to the bottom of their profile, there's a preferred lender at the bottom. That preferred lender is somebody that's contributing money towards Zillow, and is in this very reciprocal lead exchange, lead generation type relationship with that Zillow premier agent.

Chris Watters:

Look at who that mortgage bank is, call them up on the phone, say: "Hey, I noticed you do these co-lead generation agreements on Zillow, and I'm building a team, I'm looking to increase my lead generation, I'm looking for lenders that are open minded and would like to grow with me as I grow my business so I can return the value and send referrals to a trusted mortgage professional." It's on the phone. That's a very simple appointment to set. They will drive across town to come see you. These lenders want you as bad as you want them. It's super easy.

Chris Watters:

With the home warranty companies, you can go to their website and look for the area sales manager and reach out to that area sales manager. Say, "I'm interested in spending more money on lead generation and recommending you as my preferred home warranty company. I'd like to do some co-marketing together, can we sit down and meet?" I guarantee you a 99% chance that area marketing manager will sit down with you to talk about what you can do together.

Chris Watters:

Same with a title company, same with the PNC insurance guy, same with your any of these vendors. **If you get somebody on the phone and you tell them "I want to refer you business. I want us to do some joint marketing to grow together." They would be stupid not to meet with you.** If they don't meet with you, move on to the next person because there's lots of people out there that would love to sit down and talk about how you can grow your businesses together.

Frank Klesitz:

Let's talk about how much money to ask for each of these people. Let's say your target's \$5,000 a month. And then let's talk about the agreement. Is it purely just that you're going to run advertising in a business? Or do you invite them into your videos? You mentioned putting them in your client welcome packet. There's other items available. So let's talk about value exchange for the lender. How much does someone who is brand new in real estate, doesn't know the area, what do they ask the lender for? And what do they get?

Chris Watters:

You can never talk to a lender about what a referral is worth. That's what will get you in trouble if you talk about how you're going to give a settlement service provider a referral and then that settlement service provider will refer back to you a fixed amount of money.

Chris Watters:

That is what RESPA and CFPB do not want to see happen. They don't want us to see us getting paid a fixed amount of money for every deal. It ends up becoming this type of relationship, where they're buying business. The worst thing is for it to come off another local business is buying business from you because of your influence on the customer.

Frank Klesitz:

So tell me how you angle this conversation.

Chris Watters:

If you're starting out as a single agent, and I'm not referencing how many leads you're generating, I'm not referencing how many referrals you're sending out. If you're growing your business and say, for example, you go to build a team. A good number to ask for, to start, is \$1,000 a month and up to \$2,500.

Chris Watters:

Another thing to keep in mind with mortgage companies, you're not going to want to communicate with a loan officer. You need to talk to the branch manager of that mortgage bank because the amount of money the banks make per loan is significantly more than the loan officer. Typically, a loan that's insured by Fannie Mae, Freddie Mac, or Ginnie Mae, that's FHA, VA or USDA, one of those government insured loan programs. The banks are typically making 6% to 7% gross. That was the biggest "a-ha" to me when I heard that banks with these government insured loans are making 6% to 7% gross.

Frank Klesitz:

So how much is it? How much money are they making on a \$200,000 loan?

Chris Watters:

On a \$200,000 VA loan or FHA loan, the bank is making anywhere between \$12,000 to \$14,000 on a \$200,000 house.

Frank Klesitz:

Which is more than real estate commission.

Chris Watters:

It's more than real estate commission and what happens is that \$12,000 to \$14,000 the bank will then give 1% (on average) to the loan officer, and then the bank reaps the rewards on the back end. They make money in a multi-layered deal.

Frank Klesitz:

Yield spread premium and all those other markups.

Chris Watters:

They can fill the debt servicing rights for 1%. There's all these other ways that the banks make money on the back end. If you go call a loan officer and say, "I want \$1,000," and he seems a little cautious about doing it. It's because yes, he's operating on only 1%.

Chris Watters:

If you like that loan officer and you want to continue working with them because he does a great job for your customers and consumer experiences there, ask him if you can have a meeting with his branch manager. Have that conversation with them.

Chris Watters:

That way it doesn't actually come out of the pocket of the loan officer. We've done deals before where the loan officer took a little bit less commission per deal. So instead of 1%, they got paid 75 basis points. The mortgage bank covered the cost of the entire lead generation agreement.

Frank Klesitz:

What if you're an agent and the brokerage says, "You have to use our mortgage company?"

Chris Watters:

They can't require you to use their mortgage company. If you've got a team or you're an agent at a big brokerage, they can't require you to use a mortgage company. The brand ambassador program is tailored really well for people that are looking to grow big teams. I think the brand ambassador program is really well designed for it.

Chris Watters:

If you're a single agent you can take advantage of things like home warranty companies and those relationships, and co-marketing, the title company, some of the smaller things like the PNC insurance people. **If your vision isn't to build a big business and increase your lead generation, you can still do it, but the amount of money is going to be considerably less.**

Chris Watters:

The reason people are putting in so much is because you're pitching them on the vision of where you're going and then ultimately how that's going to benefit the vendor that's joining your brand ambassador program.

Frank Klesitz:

You're a wealth of knowledge. I'm going to kind of rapid fire some questions here for you. You're a Vyrat client. Does that put you in a safer position when you get the lender and the warranty company title company to participate in the videos?

Chris Watters:

Yes.

Frank Klesitz:

Let's talk about why you may want to use Vyril as a vehicle for your brand ambassador program.

Chris Watters:

We actually did a video with a plumbing company that contributes \$500 a month towards our brand ambassador program.

Chris Watters:

The plumbing company in Texas does a static pressure test. That static pressure test is \$350. If any work needs to be done and plumbing has to be replaced, you're talking about a \$10,000 to \$20,000 job for a plumbing company. So the plumbing company gives us \$500 a month.

Chris Watters:

When we were approaching wintertime, and it was getting really cold, we actually did a video with the plumbing company. We did this Vyril video where the plumbing company educated us on how to make sure you wrap your pipes and do all those things and how to prevent from having frozen pipes. They taught some things you can do going into winter to see if you have any cracks in your pipe via the static pressure tester. We send out our Vyril video to our huge database of potential buyers with a coupon for their service.

Chris Watters:

In the video he said, "Hey, if you're working with Watters International, and you're thinking about buying a home, and you want to get a static pressure test done to make sure you don't have any plumbing issues after you buy the home, we'll give you 10% off with static pressure test costs." So instead of \$375, you only pay \$335. That was a little offer he made in the video. So that's something we did with a plumbing company.

Chris Watters:

We also did a video with a homeowner's insurance company. The homeowners' insurance guy talked about something called a CLUE report. You can get something called a CLUE report. It's kind of like a CARFAX report on a car, except it's for your house. So insurance companies have this big database where they can see all the things that have been filed from insurance claims. So if you're a buyer and you want to research what kind of insurance claims have been filed on the house, you ask for a CLUE report.

Frank Klesitz:

How come no one knows about that?

Chris Watters:

It's mind-blowing to me not many people know about that. It was an eye-opener to me from my insurance agent years and years ago. We do a Vyril video with him and he talks about the CLUE report and how if you call him he'll run a CLUE report for you on the house and no charge prior to you buying the home. They'll do that research.

So we have this list of tactical things we do for our vendors. Imagine you're a buyer, and you get a closing gift basket. In our closing gift basket, we have all these things that look like gift cards, and on the gift cards, for example, the car dealership, it's \$500 off purchase.

Chris Watters:

It's the most amazing closing gift basket because it's basically a couple thousand dollars in gift cards from all of our vendors. The car dealerships in there, the insurance guy, the plumbing guy, painter, landscape, irrigation, financial advisor, CPA, they're all in there. **They all have some value offer in our closing gift baskets. We also put them on our website in our preferred vendors page.**

Chris Watters:

Also when we go on a listing appointment or on appointment with a buyer, we have these folders and it has all of our typical documents like the buyer representation agreement or listing agreement, and related documents, we have the seller fill out. Also in there, is our vendor form of all of our preferred vendors.

Chris Watters:

Our salespeople are giving us to the consumer and saying here are the vendors we work with. We do a lot of co-marketing with these vendors and collaborate together on various marketing activities. We trust these vendors. These are people we work with consistently and they do a great job with our clients.

Chris Watters:

A roofer is another big one. A roof is anywhere between five grand up to \$10,000 or more.

Frank Klesitz:

If a giant hailstorm comes through and you can email your database saying here's some leads.

Chris Watters:

Imagine you're in an area where flooding is a common issue, go get one of those companies you call up to help you. Basically, they drill holes in your trim, they pull your flooring out and they suck all the water out. Anytime there's some flooding or whatever they come to the rescue, pull everything out, cut out the sheetrock to try to prevent mold and all that kind of stuff. That's another huge person for your brand ambassador program is that vendor.

Frank Klesitz:

We can go on forever. Let me go back to a question that everyone wants to know. I got to raise money. I'm a brand new agent. I know a single person, I'm going to sell them the vision. I'm going to do Vyrat Marketing. I'm going to include them in the marketing because that helps protect me from saying I'm just paying for business. Because I show there's proportional representation. There's participatory marketing going on.

Chris Watters:

You want to make it less about the referral and you want to make it more about how you can add value to your customers.

Frank Klesitz:

Cross-promotion and then the mastermind.

Chris Watters:

Come up with the cross-promotional material in the monthly mastermind and get them involved with your Vyril videos, educate your clients. It's a no brainer. **You'll have vendors that will be with you for years and years.** I have my financial advisor, CPA, all these people I've been working with since the very beginning. **We all grew together, our business grew and so did theirs because we were referring customers to them and they continue to do a good job.**

Frank Klesitz:

Let's go through these. How much can you ask from a lender or home warranty company?

Chris Watters:

Start out asking for \$50 to \$100 a month. If you're doing a lot of business maybe ask for \$250.

Chris Watters:

For title companies you can ask for a minimum of \$500 and up to \$2,500, that's the general range. If you have a mega team sending 20 or 30 deals a month and you do a lot of cross-collaboration like events, seminars, other cross-promotional stuff, maybe you go ask for \$5,000.

Chris Watters:

Car dealerships go for a minimum of \$500 up to \$1,000.

Chris Watters:

Furniture store, you can ask for as little as \$250 up to \$1,000. **The function of your sales price on average is if you have a million-dollar house, that person is going to spend a ton of money on furniture and everything they do is going to cost more.** If you have more, the average home that's \$200,000 they're not going to drop 50 grand on furniture, they may go drop \$10,000.

Frank Klesitz:

So, it depends upon the fluency of the customer.

Chris Watters:

I guess another way to think about it is as a business owner, would you trade a dime for \$1?

Frank Klesitz:

That's the magical box, you put a dollar and you two out, I'd never stop.

Chris Watters:

No brainer. So with non-settlement service providers, the way you can position is, "Mr. vendor, you're trading a dime for \$1. How much would you be willing to spend to generate a sale?" Put yourself in the shoes of that business owner. If someone goes and spends 10 grand at a furniture store, what's that worth to the furniture store company?

Chris Watters:

You can be very transparent with non-settlement service providers. My goal would be to refer them one person a month and with the expectation that they will do a great job for your customers.

Frank Klesitz:

Moving company, CPAs go through. Again, a lot of this is probably \$250 to \$1,000 but I'm seeing if there's any outliers. Moving company.

Chris Watters:

Moving company you could as for \$250 to \$1,000.

Chris Watters:

CPAs- anywhere from \$250 to \$500.

Chris Watters:

The financial guys make a lot of money. You can get anywhere between \$500 up to \$1,000.

Chris Watters:

Flooring and painting company probably as little as \$250 and as much as \$1,000.

Chris Watters:

PNCs don't make a lot of money. They actually don't make any money on the insurance policy typically in year one. It's all about the residual 10 year, 20 year deal of the insurance policy. So your PNCs probably go to be the smallest. You may start off at like \$100 a month and go up to \$500.

Frank Klesitz:

Plumbing. Now, is this a big national plumbing brand franchise or just Joe the plumber.

Chris Watters:

Again, try to stay away from the mom and pop shops and try to go to the bigger companies that are investing a lot of money and growing their business through lead generation and they've got bigger teams. So, as you grow your business they don't get overwhelmed because you send them too many referrals.

Frank Klesitz:

Roofer and remodeling companies, finally.

Chris Watters:

Roofing companies easy \$250, or \$500 minimum.

Frank Klesitz:

I think if you had enough of these people you can get five grand a month.

Chris Watters:

That's only 10. Our vendor sheet is two pages of people, line item by line item.

Frank Klesitz:

How many people do you have on your vendors?

Chris Watters:

We are at 26.

Frank Klesitz:

So you meet with 26 people once a month for mastermind?

Chris Watters:

Yep.

Chris Watters:

We set up a PayPal monthly subscription, and it bills them once a month via PayPal.

Frank Klesitz:

I love it.

Chris Watters:

Or your settlement service provider's like, "We don't take any money from those guys. It never hits our bank account. It goes directly to the lead generation companies." **Those settlement service providers also get a copy of those leads. So they get the lead, they could call them, they can work them. So it's kind of like a co-lead generation agreement.** The other non-settlement service providers, some of them have access to our lead management platform.

Frank Klesitz:

That's great. That's really cool, inviting your vendors into your CRM to see and work the leads, and to push to them. And you see who owns them and then notes and the competent information's right there. Cool tip. This has been eye-opening, to say the least, shocking to many. I know a little bit about this, but this has been very helpful.

Frank Klesitz:

I helped Chris write a book. And it's an excellent book called *The Million Dollar Real Estate Team*. He flew down to my house and we spent 11 hours where I interviewed him about everything about his business.

Frank Klesitz:

Your business partner wrote a book. Where can they go get a copy of the book, *The Million Dollar Real Estate Team* to talk about how you went from zero to netting a million dollars in three years? This brand ambassador program is covered more in that book, isn't it?

Chris Watters:

That's exactly right. We dive into the brand ambassador program. There's a list of our vendors. The book can be purchased on Amazon. You can just google *The Million Dollar Real Estate Team*.

Chris Watters:

The other place you can go buy it is wirbook.com. One thing I'll leave everybody with is so I don't know who buys the book. If you buy it on Amazon I have no clue who buys it. If you buy the book through wirbook.com, which is a landing page we spun up.

Chris Watters:

If you buy it on there, then we'll send you a private invitation to a Facebook group where it's made up of people that are trying to implement the brand ambassador program. We talk about lead generation, conversion, scaling your business, all the different pillars to growing a team business. They're all things we discuss. And so you'll get an invitation to that private group. It's a small group of elite people that are trying to grow leaps and bounds. That's wirbook.com.

Frank Klesitz:

As part of the Vyril Marketing core service, we're creating a project-based group implementation project for this much more higher level structured plan to help you implement this. But a part of our core service is we will help build you a list of potential brand ambassadors in the build fee and get a letter out to them to help you set an appointment.

Frank Klesitz:

On top of that, we actually have a co-marketing agreement of how you can include your brand ambassadors and your vendors in your emails, in your videos, on your social media, get coupons out to your database, a bunch of ideas. So you can work them into your marketing. Then you can do a mass promotion for them, as well. It's not just about sending me these hard referrals, which is what you don't want it to ultimately be.

Chris Watters:

One little nugget I'll leave everybody with about Vyril. One of the amazing things about the Vyril videos is they're really short. The goal is to make them very educational. One thing you can do with potential leads coming into your pipeline to work is you can set up a drip email sequence. In that drip email sequence, you can include these educational videos, so that you can build yourself as an authoritative figure with credibility and establish yourself as an expert by setting up drip campaigns.

Chris Watters:

One of the beauties on the Boomtown platform, you can create a simple drip email and we put in there a URL with videos. It's sequenced over the course of a year, and they can go watch all these educational videos like about the CLUE report for homeowners insurance, the plumbing.

Chris Watters:

We did a Vyril video with a home inspector. We did one with a roofing company. You get all these people incorporated that come from a point of just wanting to educate the consumer, and **you can incorporate that into part of your drip sequence to establish yourself from an expertise perspective and to help with the lead nurturing process.**

Chris Watters:

The Vyril fee of \$550, or whatever it is is peanuts, right? I mean, it really is.

Frank Klesitz:

Well, you're making \$25,000 directly off of marketing fees.

Chris Watters:

Another reason I believe the \$550 isn't a lot is because it makes it so much easier to go get the vendors. Imagine you get a vendor on board and then a month in, you're meeting with them face to face and you're doing a live kind of Q&A with them and you're recording it. They love that stuff. They get to talk about their business, how great they are, give value to customers.

Frank Klesitz:

It's more than just the leads.

Chris Watters:

Right. **I hope that's the biggest takeaway for everybody is that it's more than just the leads.** If you come from a place of authentically wanting to do a good job for the customer, connecting them with good local business owners that are trying to master their field or industry or whatever. You can create a really beautiful thing because it goes way beyond the leads. Like I said, most people are in our brand ambassador program, not because of referrals, but because of the monthly mastermind where local businesses exchange ideas on how to grow their business, and share results, and talk about things going on in the community.

Chris Watters:

As you start adding value to these brand ambassadors, they end up becoming brand ambassadors for you. We started the brand ambassador program coming from being an ambassador for their business. We ended up giving them so much value that they were becoming brand ambassadors for us. It's amazing because sometimes vendors are called by sellers before they even contact a realtor, so the vendors end up sending you referrals.

Chris Watters:

So imagine having 25-30 vendors out there that are telling their customers to hire you. You basically have a sales team of local business owners that are very authoritative, credible, and they're telling their customers to call you.

Chris Watters:

I had this "a-ha" moment two years ago. We were using Boomtown but, as your business grows to doing a thousand deals a year, it wasn't working anymore. We had to actually build out our own CRM system on Salesforce because we were having so many referrals come in.

Chris Watters:

We ended up with referrals and didn't know where they were coming from. We actually launched Salesforce last summer. It's set up so that we can add more information about who referred us so that we can call them and send them a "thank you" card in the mail with a gift card. **It's not rocket science to think that if you had 25 local business owners that liked you, and that you added value to, you're going to get some business out of it.**

Frank Klesitz:

Chris is a genius. To go from zero to netting a million dollars is an incredible success. I recommend you check out Chris's book.