

## 4 Ways to Get More Listing Appointments with Steve LaMothe

Frank Klesitz:

So, Steve, we want to start this podcast off right, and just get right to the point. What are you doing to get listings? You are one of the top agents in Sacramento. How do you get homeowners to call you in a low inventory market to list their home? Let's talk about some of your lead sources, maybe some of your value propositions and the messaging. And we can talk about some of the conversion of how you overcome some common objections you get on the listing appointments. Let's start with your top sources of listings. Why don't you run them down for us?

Steve LaMothe:

Our number one source is going to be all sources of referrals, past client, repeat, and agent referrals, and referral sources like Dave Ramsey and HomeLight altogether. So referral is number one, 50% of our listings come from that, another 25% come from prospecting-based efforts, which would be outbound cold-calling, nurture, long-term follow up, and I'm a adamant follower of generating seller nurtures that are 12 to 24 months out, and then following up with those leads to build a relationship, and dripping value propositions to them. And then, the other 25% are what I would call marketing efforts between, radio, direct mail, and digital ads.

Frank Klesitz:

Got it.

Chris Watters:

I have so many questions for you, Steve?

Frank Klesitz:

Oh, we have so many. So here's what I got so far. 50% of your business... And by the way, how many homes did you sell last year?

Steve LaMothe:

135.

Chris Watters:

How many of those were listings?

Steve LaMothe:

90.

Chris Watters:

And so, 45 listing deals came from referral sources like Dave Ramsey, HomeLight, agent referrals, et cetera this year.

Steve LaMothe:

Yeah. I would say 11... And bear with me, I didn't look at these numbers beforehand. But 11 of them were agent referrals, agent to agent, and then 30, or let's call it 25 to 30 we're past client or sphere-based referrals, and then four or five from HomeLight and Dave Ramsey, things like that.

Chris Watters:

I feel like we should give the audience a little context about Steve's career to date. So Steve, you were formerly on the Tom Daves' team-

Steve LaMothe:

Yes.

Chris Watters:

... as his lead listing agent. And tell the audience, how many homes were you selling per year for Tom Daves' as a lead listing agent?

Steve LaMothe:

I would say I would average about 300 listing appointments a year. And so, it was tapped out at 250 to 350 appointments, and then 100, 120, 150 closings. So it was about 35 to 40 listing appointments per month something like that. And we did that for about four years.

Chris Watters:

And so, your sphere is a result of the multiple years you were on the Tom Daves' team selling 100 plus homes every year?

Steve LaMothe:

100%. Yeah. I spent two years in the business before joining Tom, so I had probably 1,000 people in a database before then. But yeah, most definitely, it was a seven-year career before we started Elevate Realty Group.

Frank Klesitz:

So you had to switch basically rebuild many of your systems from scratch, but you still kept all the habits in place from what you were doing previously to relaunch on your own?

Steve LaMothe:

Absolutely.

Frank Klesitz:

Let me go through these four lead sources for everyone here today. So referrals and sphere is half of the business just by staying in touch with the close knit database. How many people would you say are in your tight, actual past client and sphere real database?

Steve LaMothe:

Yeah. And I would say that is the one thing that I was granted the opportunity to start from zero. And it was totally rebuilt, because I wasn't planning that move. So we rebuilt from scratch and I started with the database first. So I broke the database into segments and of course like the MREA, Millionaire Real Estate Agent, I broke it down into my mets and my not mets. I met that 1200 number in my met database, and even that is broken down into past clients. So there's about 1,000 past clients somewhere in that range, 900 to 1,000, between all of our agents in mind. And then, we grouped that into three different groups.

Steve LaMothe:

Group C is someone who we helped but never spoke to again, for whatever reason. Group B is someone who had a good experience and probably would pick up the phone for us. Group A is someone who had a great experience and is highly likely to refer. And then raving fan, which is probably 100 to 150 of those at this point, are people who have referred us and will refer us again. And so, we group that sphere database into four different groups.

Frank Klesitz:

How does a high driving individual like yourself sit down with the sheer pain that it takes to organize your relationships that way get that done, let alone, and I'd heard a clue in there that you also have the agents on your team do the same thing?

Steve LaMothe:

It was what I felt like I had to do to succeed. To give some frame of reference, I didn't choose to launch my own team. It was more of a decision that was made to change directions with a business that we had built for like four or five years. And I just didn't align with that decision. And Tom and I had shaken hands and said, "Hey, I'm going to go this way, you go that way." And we broke away friends. So I didn't make that decision, and so I just basically had to buckle down and said, "Here's what it takes to succeed." And I knew that, honestly, that your database is your business.

Steve LaMothe:

And I witnessed a lot of challenges and mistakes in a big organization, selling four or 500 homes, where the database wasn't monitored, it wasn't segmented. We didn't know what was in it, honestly. And we didn't pull everything we could out of it, but we sure spent a lot of money filling it. So my number one goal when it came to building Elevate Realty Group was to build a tech empowered team, leveraging really high level database management and automation. So the first step that I personally did was, I just took the CSV and started segmenting and categorizing it, and calling every single person I'd ever come in contact with and started putting them in categories. Hot, nurture, watch.

Chris Watters:

Steve, you have no fear?

Steve LaMothe:

No. I've been on like 10,000 listing appointments, so-

Chris Watters:

Something Steve brought up that I hope is something people pay attention to is, to get to a point in your career where you've got 35 to 40 deals a year coming in from past clients on the listing side, you have to have helped a lot of people. Your past client database has to be pretty big. And so, one of the best ways to accelerate your database is obviously throwing fuel on the fire, top of funnel putting leads in it, and then working those leads. And the tiny little piece at the bottom of the funnel is where you get your closings, and then they become past clients. And so anyways, man, I have to commend you, Steve, because if I just think about you and your career and where you're at, you did everything the right way. Which is, you got into the industry, and, I guess was it your second year joined Tom. Tom, has been in the industry for almost as long-

Steve LaMothe:

60 years. Yeah, a long time.

Chris Watters:

Probably as long as you and I both been alive and longer. Yep. And Tom is an amazing guy and amazing human being. Runs a great business in Sacramento. And my understanding is he decided he wanted to shut the team down for the most part.

Steve LaMothe:

Pretty much. Yeah.

Chris Watters:

And so, that forced you in a position. But in the grand scheme of things, it seems like a big blessing in disguise, because it put you in a position where you're uncomfortable, and you had to build something on your own, and you also at that point in your career where you had developed subject matter expertise. The title of this show is The Listing Lead Show, and generating leads is one part of the equation, but the other part is getting them closed. And there's three overarching skills you have to develop as a salesperson. And for a lot of agents out there they're like, "Yeah, I'm a great salesperson." And they go and close, 15, 20, 25 deals a year, but they're all referral type past client, slam dunk type of leads, and they have modest careers.

Chris Watters:

But to have a really wildly successful career, and to really build something that's going to generate generational wealth you have to learn how to cross the bridge and get people committed to working with you that have no idea who you are. And you can't really start... You shouldn't start a team until you've mastered these three skills of being a good salesperson to get people committed to working with you that have no idea who you are. And so anyways, my point is, just I guess from my perspective, from a distance it's very commendable what you've done because you were very patient developing those skills of inside sales, best practices of inside sales i.e. managing your database, recording leads correctly, follow up, et cetera, et cetera.

Chris Watters:

And then, that second domino of outside sales, like what to say when you meet somebody, how to get them to agree on the price, the listing price for example, the whole process when you meet someone face-to-face. And then finally, the subject matter expertise being a market expert. And so, you're really patient seven years, developing all these skills. And yeah, just seems like a huge blessing in disguise for

you because, I mean, you're going to grow like a rocket ship, and there's not a doubt in my mind you're going to exceed the number of homes Tom Daves was selling because of your patience and willingness to commit to the process of being a master of your craft.

Frank Klesitz:

Yeah. Steve is at an inflection point. We just had a discussion before this podcast recording that his cell number was on all the marketing. So all of these leads and everyone was coming into the cell number. And one of the things you had to do to grow at some point is to port that probably into some type of call routing software, so it can go to the right people on a team where you're not the bottleneck with all the communication. If we have time here we'll go back into that. But Steve I want to ask you, thanks for that insight, Chris. Steve, I'll go back to referrals and sphere real quick. You had it segmented, you put it all together, it took a lot of time. Give us a brief overview what you send out? And then we'll move on to what you're doing for your seller nurtures because that's interesting too.

Steve LaMothe:

Yeah. It took about six months to clear the database, and really I called every single person. There's thousands of people, and what we send to them very early on and this is not a plug for you, but was when I had hired you guys at Vyril to send... Because I knew I didn't have time. At that time, I had transitioned with 20 active listings at that time. And so, I was managing 20 active listings, rebuilding a database, building out all the tech, and I didn't have any admin or agents at that time. So I needed to get something out there fast, and so I was shooting videos twice a month.

Steve LaMothe:

And I first started really looking into business automation at that time, and the key for me was building out those long term follow-up plans based on seller within a year, seller after a year, source specific. So I started building automation with text email campaigns, and task based follow up. And so, fast forward to today, I mean, we have hundreds and hundreds of automated plans that are custom and specific based on their time period. So I was on a mission to simplify lead follow up, and we can get into transaction management too. We automated a lot of that. What we send to them is one text, if it's a seller they're going to get a text and two emails per month. And hopefully, if we have enough time we're going to call them once per month too, depending on their time period. If they're two years out, we're going to call them every other month. But they're getting at least one text message from our system, and then two emails, video educational emails per month. And we started adding in mail to that component later on. Yeah.

Chris Watters:

So on the automation side, how are you making sure that the messaging to the customer to your database is authentic and does not feel canned?

Steve LaMothe:

Yes. And I'm sure we can improve on this, Chris, and we're constantly retweaking it. But those messages aren't spammy, most of the time the messages are designed to just stimulate someone to text back so we can pick up the conversation, and it allows us to as agents manage instead of 100 leads, I can manage 500 leads because I have the bandwidth of automation. So a lot of times it might just be a text that says, "Hey it's Steve, just checking in how are you doing? Has anything changed?" Has nothing to do with like, "Are you considering selling your home?" Another text we threw in there that's been very

beneficial is, "Hey, you know inventory is really low, do you happen to know of any neighbors that are getting their house ready to sell? I know you're not ready yet."

Steve LaMothe:

We get text messages back to that constantly. And referrals for neighbors that are considering selling. And then of course, we like to throw refinance ones in there for the seller leads too, like, "Have you thought about refinancing, we have a zero fee loan option." Things that aren't really related to action for them personally to sell. And then, we'll drip videos and stuff in there too. So we really try to keep it just based around check-ins, versus, "Are you considering selling now?" Does that make sense?

Chris Watters:

Sure.

Frank Klesitz:

It's cycle.

Chris Watters:

People watching people listening to this right now are probably wondering what CRM is Steve using to manage all this automation?

Steve LaMothe:

They all can do it. And we chose Brivity. And Brivity has its own challenges. It's not the sexiest sales system, but what was important to me was that my leads could flow into transactions within the same system. In our big team, we had a whiteboard for our transaction management, and as an agent I had no clue what was going on because it wasn't scalable. It also wasn't technology based, so I didn't know what was going on the transaction unless I checked in with my listing manager physically or called her. So having one place where a lead could turn into a transaction, and then also turn back into a database sphere was important to me without having to duplicate data entry. We had an employee that just did data entry, and I know there's technology-

Chris Watters:

You paid Real Synch, right? You paid them to do a custom integration between Brivity and-

Steve LaMothe:

And Structurely.

Chris Watters:

... Structurely. Yeah.

Steve LaMothe:

Yep, I have. Yes. And now that there's companies like Real Synch, I've been looking at possibly moving off of Brivity to a better sales platform. But the thought of it is just daunting. But the key was that I wanted everything in one spot, so I didn't have to think about moving to another platform, and our whole team is in Synch. And as a business owner, there's a lot of clarity, I know that system better than anyone. And I think as team leaders, it's tough because if you don't know that system, you can't hold it

accountable. Well, I had to go and build it myself. So I spent a lot of time working these technology systems, and I can hold it accountable. And I know how to work it and what's in it, and also how our agents are to use it.

Chris Watters:

I feel like I have to tell people that are listening to this just my opinion on technology, which is, at the end of the day these CRMs are becoming a commodity. They're all the same. They for the most part have 80% of the same functionality. And so, I think it's important, Frank, anybody who listens to this they know, your CRM is not preventing you from being successful. You're not going to dramatically grow your business by changing CRMs. There's definitely a philosophy from a technology perspective that I would call best practice, which is what Steve was alluding to. But anyways, seeing as this is our first episode, Frank, I think it's important, anybody that's listening knows we are not financially committed to backing any CRM.

Frank Klesitz:

No. There are no paid sponsors yet, but we will be accepting some maybe.

Chris Watters:

So as of right now, we will talk positively and negatively. It doesn't matter who you are.

Steve LaMothe:

I think that's a good point, though. Because, gosh, Jeff Cohen says it a lot, where I think people oftentimes mix CRM with leads, internet leads, I looked at the CRM, we had like Boomtown, and... That's what I looked at it, I was like PPC leads came into our CRM. But once I made that mindset shift, and I started following up with my actual database from that CRM, and used as scale for communication, that was a game changer. And going back to listing leads, and how to get them from your database, we've built out full blown automation for all of our past clients. So when it actually closes, there's 33 touches from the point it closes in that first year. And we built recurring touches on their birthday, and 12 holidays that remained the same day every year because a lot of holiday days will change based on the year it in. So we took all the recurring holidays, and built text messages from that phone number from me or whatever agent is on our team. "Hey, Happy Valentine's." Or, "Merry Christmas. Just checking in with you."

Chris Watters:

Let me ask you a question about the direct mail piece you mentioned earlier. Sending direct mail to your past client database. So do you have any concern about the agents that close that client, and then leave your team and join someone else, and you're wasting money on a lead that may not necessarily... You may not necessarily be able to maintain that relationship for your team.

Steve LaMothe:

I might when I'm your size. And having been on a team, I am 100% confident that our agents will come and go, and the goal is try to service the client with your brand as best you can, but that relationship probably we'll go with them. But yeah, I would continue to mail to everyone who we've serviced that I have an address for. Honestly, man, if you look at your mailbox, the junk mail continues to just wean down. So the mailbox is actually not noisy anymore. And I can't tell you how many clients when we're calling just to check in, they say, "Oh, I got your vendor list in the mail. Thank you so much for that." We

try to mail items of value, not just, "Hey, here's a picture of our team, we sell real estate." In the springtime we mail our updated vendor list, and a coupon for a discount, and really try to mail them things of value.

Chris Watters:

Frank, what is your opinion on this? Because this is a very controversial subject for teams, should they continue marketing through traditional media, like direct mail, for example, to past clients that they didn't service, one of their agents serviced? What's your opinion on that?

Frank Klesitz:

First that needs very [inaudible 00:21:59] to find the independent contractor agreement of what happens when they leave, of what happens to that list. I mean that needs to be very well defined.

Chris Watters:

And so, let's say let's say your contractor agreement says that any close clients of yours that I generated for you are going to stay with the company. And if you ever close these clients in the future, you owe us a referral fee. So let's say hypothetically your position agreement says that, could you really expect as a business owner to go audit everybody that has worked with you to validate if they're closing past clients?

Frank Klesitz:

Well, therein lies the challenge for a referral agreement, is hunting down the money and policing it. And the people that do have these referral agreements have entire pipeline teams. There's software out there, I don't have any specific out there. But when you would take the addresses, ideally, in an ideal world, you'd have the property addresses of all these individuals.

Chris Watters:

It is not realistic.

Frank Klesitz:

It's not realistic, but in ideal world you would, you would load it in some type of software that notifies you when sells.

Chris Watters:

So knowing these things, one, you're not going to be able to audit and follow up with them to make sure you get paid, because it just doesn't make sense financially. And two, knowing that the agent probably maintains that relationship after they close the deal. Would you direct mail them, Frank?

Frank Klesitz:

I don't know, I would have to ask people who have a really good adopted by our program. I would want to see-

Steve LaMothe:

Can I add to that?

Frank Klesitz:

... people with a success on that. Yes, Steve.

Steve LaMothe:

Was going to jump in on that. And there's probably some waste there, a lot more waste than the clients, of course that know, like, and trust you. But I would say if you're running a good database connection plan, you're doing events for that database, you're doing giveaways for that database, you're staying connected with your brand. Even if you got 50% of those agents, clients, remember the attrition rate is so high that half of those agents if they leave are not even going to be in the business five years from there. So I don't want to miss that opportunity. But yes, if that agent is good and on top of the relationship, they're probably going to get business from them.

Chris Watters:

You bring up another point that challenges the idea of spending a lot of money on past client follow up, which is past client follow ups, their frequency of transacting is very low. And so, the benefit of advertising to them would be to get referrals. And if they've never met you, the team owner, it's going to be difficult.

Steve LaMothe:

Yeah. I would say yes. But I am always surprised by that when I have an ISA call our database, who our database doesn't know, but then gets referrals from those clients that... I mean just this year, we had two deals close from an agent that left our team that had past clients in his database that we call that gave us referrals for someone that they knew. So I think it's about the touch and the effort of connecting. I don't think that they build this really tight knit relationship, especially on our team, because pretty much all the leads are generated by our team for our agents. These are not their sphere contacts. So I think if you're running a business like yours, that's very high leverage real estate team, versus a collection of agents and their spheres, we have a much better opportunity to keep those deals in our world, if that makes sense. Because we generated the relationship in the first place. [crosstalk 00:25:37].

Chris Watters:

So two things is, one, let's say for example you did a split test, sending 100 pieces of mail to 100 contacts in your database, and then you send 100 pieces of mail to 100 random homes in a neighborhood where there's decent turnover, and then you call the 100 random numbers in the neighborhood, and then call the people in your database, would it produce the same results?

Steve LaMothe:

You know what? Probably not. I wish I had more bandwidth to actually hone in on that, honestly.

Frank Klesitz:

Yeah, you're asking questions, Chris, that require a lot of thinking.

Steve LaMothe:

This is a good question.

Frank Klesitz:

Yeah.

Steve LaMothe:

And I can't wait till I'm just targeted on how can I generate better quality leads, and split tests everything. Because that's probably a great question.

Chris Watters:

So probably the master of direct mail marketer is a guy named Kenny Klaus. And across the US, he's probably on... Him, and Daniel Beer in San Diego, there's a few other people that do a lot of direct mail and are very successful at it. And everybody I have talked to you that does direct mail, the ones that get these really high conversion rates and an amazing return on their money, every single one of them is calling the people that are in a neighborhood where they're direct mailing, and it's the one two punch of the direct mail, and then the phone call that helps improve their conversion rates, and generates additional referrals.

Chris Watters:

And so, I have this, something that's just been looming in the back of my mind is, your database of 100 past clients, mailing them versus mailing 100 random people. I'd be willing to bet that you'd be splitting hairs, when you compared those conversion rates, because it's just a function of you staying in front of them. And ultimately, the phone call that is creating a reason for the call and generating, either an immediate opportunity on their house or a referral.

Frank Klesitz:

Well, the phone call, I want to jump in here, and I want to move on. So we spent some good time here on referrals and sphere, Steve. And I think the audience has a pretty good idea of what it takes to put the database together. But to piggyback on the question you asked, Chris, I want to talk about your seller nurtures, these are the phone calls. These are the calls, whether you call it your database, or you call it geographic farm. Let's move on to other pillar, because we're talking about your listing. So obviously a wonderful, methodical touch plan for your database is all segment of existing relationships, clearly.

Chris Watters:

You're a freak, Steve.

Frank Klesitz:

Yeah. I mean, there's no secret to your success there. Let's add another pillar on to that.

Chris Watters:

He's because nobody else does this to his level of discipline.

Frank Klesitz:

No one else does that, not at that level. That's pretty good discipline, Steve, I mean let alone, I said earlier to sit down and actually segment out your list like that of relationships was my very first question, I asked you.

Chris Watters:

You know the only other person I know that that has done this. Tim Heil.

Frank Klesitz:

Two of the top people in the country.

Steve LaMothe:

So you're about to ask this question, and he's going to be the person I reference when you ask this question, so-

Frank Klesitz:

Great. So here's the question. So you're doing circle prospecting, which is basically calling the Yellow Pages around the houses open most part. All right. And you're investing money in callers that doesn't pay off for two years. Because when you do straight up cold calling, you're not getting someone who says, "Oh, it's so funny you called, why don't you run over here and list my house." You don't get. But, yeah, it's a joke. You get, "Yeah, I guess I'm thinking about it." Super top of funnel, and you get a nurture. And the goal is if you're lucky, depending upon answer rates in the areas you're calling you may get a couple of day, hopefully one really good one, depending upon how tight your criteria is.

Chris Watters:

Steve, I'm just dying for you to tell us what are the KPIs, dials, conversations, how many nurtures get created, and then how many nurtures do you have to create over the course of two years to close a deal?

Steve LaMothe:

Yeah. So I should know the KPIs a little bit better. And they actually have not... They've steadily been declining, so that was why I started adding marketing into our mix because the KPIs on cold calling, just blind cold calling pulling a list from cold, and then uploading it to Mojo, the answer rate is way down compared to what it used to be. We used to average 15, 18%, now you're lucky if you hit 10 on a good list because of the iPhone correction, and blocking mechanisms for cell phones. But on average, if they make 100 phone calls, they're going to talk to seven to 10 people, 7% to 10% on average.

Steve LaMothe:

And the callers, our ISAs these are virtual assistants will average around 800 dials per day, that nets on average around two nurtures in an 800 dial call session. Again, it depends on the neighborhood, it depends on a bunch of different factors. And honestly, I've played around with getting them a likely to sell list from those companies like offers. And the more I talked to the company whose services this, they tell me, "Hey, you're better off just loading up the dialer for these guys, and having them bang away." But once you get the nurtures, on average, from the length of time you get that nurture to the time, it actually turns into an appointment is around 12 months.

Steve LaMothe:

And I've noticed that it doesn't matter where you get a lead, a seller lead, the conversion of the point at which you get it to the point at which it's ready for an appointment to sell is about six months anyways. So you're needing to follow up for a long period of time, regardless of where they are in the funnel. So

on those 12 month follow ups, we convert about 10%. So year one, I think I closed three or four, I started up right away, right when I launched the team, I figured I would invest, it was about \$25,000 over that year. I knew I was going to burn it to make sure I could take listings year two. So year two we closed somewhere around, I think it was 19 transactions, and it was 130, 140,000 GCI. And this year, we're tracking to close 30, 35 units from the circle prospecting efforts, and we have two ISAs generating somewhere between... Last year I think we had 400, 500 nurtures total.

Chris Watters:

Where are your callers based out of, those numbers-

Steve LaMothe:

Philippines.

Chris Watters:

... are painful to hear, Steve.

Steve LaMothe:

I know, but it only cost \$1,500 per month, so if-

Chris Watters:

I'm not saying... The ROI is not bad, but that's a tough thing of scale. And then, the other thing I'd asked you and something you brought up is, and I think anybody in real estate is noticing this about contact rates, contact rates are dropping. We went from an 8% contact rate down to 4% across all of our groups. And we're changing the caller IDs every 30 days, and just seems like we're moving to a culture in the US to where consumers have to opt in, in order for you to get them to communicate with you. And outbound prospecting is dying. I mean it's slowly dying.

Steve LaMothe:

I would say that it is for sure, and that's why we're adding other legs. But yet I still continue to get great leads and close deals from outbound prospecting efforts. So I didn't want to turn it off, but I would not, if I was an agent today starting over, it's the first place I would start to go find listings, honestly. And I think that you have to be omnipresent. I would select one zip code, and then knock in that zip code and leverage other people's listings in that zip code, you need to make your face known. Thankfully, now in year three, we have brand recognition, and people have heard of us before. So I'm coupling it with all of our other marketing that we do, "Hey, you might have heard us on the radio. We got a great listing on the market." And inventory so low, that those circle prospecting efforts are generating great quality leads still to this day.

Steve LaMothe:

But I definitely wouldn't build... I'm not looking at it as the leg that we're going to build our company on like Tim Heil did. Because I don't think the scalability is there. Plus, you have to remember, someone has to follow up with that lead. And honestly, the conversion is high because I'm doing that. But the second I transfer that to someone else, like an ISA that's making 15 bucks an hour, they're not going to do it as good as me. So it's a long term follow-up game, but we have thousands of seller nurtures that are going

to continue to convert somewhere around 10 to 15% every year, I think, as long as we can continue to feed it.

Chris Watters:

Are you doing any IP targeting to these addresses using Google Display Networks, social media, et cetera.

Steve LaMothe:

Yes.

Frank Klesitz:

That's the next pillar. Let's talk about that now. So let's transition. So far we've talked about listing leads, database, sphere. And we transitioned to hiring some outbound prospectors in the Philippines to make circle prospecting calls, essentially asking people if they want to sell a home, and if they want an offer on their home. Okay. And those are put into a lead form, if that is the case, I would assume, and going into your database for follow up. With probably great follow-up systems that we talked about in the first part of the interview.

Steve LaMothe:

Yep. Mail, follow-up texts, all of that stuff. Yep.

Frank Klesitz:

Yeah. So the third pillar, this was discussed before the podcast was instant offer leads. And it's interesting how you worked on instant offer leads. Not home value leads, or search for homes leads, instant offer leads. And you drive these with pay-per-click campaigns on AdWords and Facebook campaigns. And a lot of these people don't necessarily want the instant offer, you have a way to convert them to show them the benefits over the traditional listing price. Why don't you talk about the PPC and Facebook campaigns, maybe some of the Display Network online advertising, of how the leads come in that way for you for listings.

Steve LaMothe:

Okay. We probably spend six grand, six to 7000 a month on internet ads, in general, between buyer PPC and seller PPC, and Facebook. So I'll break it into two different groups. The pay-per-click for seller specific, that's a third party. I actually got this from Chris from his podcast two and a half years ago, zBuyer and I crushed those leads. Now I don't recommend everyone go sign up for them, because you have to be a beast on the phone to convert them. And you need to be in a position where you can buy those homes legit, because if you can't, you're likely to lose to me.

Steve LaMothe:

So they get sent out to five different agents at once and the consumer shuts down day one if you don't get them on the phone. And then, we do our own pay-per-click ads, instant offer campaigns. Those leads are very expensive. They run like 100 bucks a lead if you're targeting seller specific. In our market we have Opendoor and Zillow so the pay-per-click keywords are very expensive when you type sell your home cash offer and a bunch of other investors and wholesalers competing on it. On Facebook, we've had great results and I break it into two categories. Again, I'm doing all of this, this is my job. So the two

categories are retargeting or database, displaying call to actions to people we already have information for. So you can get around Facebook's algorithm of special ad categories if you upload audiences. So we export our database every two weeks and upload it into Facebook and run our you UVPs back to our database. It's like-

Frank Klesitz:

Define UVP.

Steve LaMothe:

Unique value propositions like instant offer-

Frank Klesitz:

Go those really quick, what are the messages you're putting out online. Break those down.

Steve LaMothe:

Okay. And this goes back to all those listing appointments, I went on, thousands and thousands of them. We started getting a lot of pressure on commission four or five years ago. And I felt like we needed to increase the service level to maintain a decent commission, two and a half to three. So we came up with three different options. And the real unique value proposition is options. We will provide you options unlike Bob and Sue real estate agent next door. I can buy your house and give you an offer, or give you multiple offers at the kitchen table. It's going to be an expensive route, but you get to select when you move, I'll let you stay after closing, and you can go and buy your next house.

Steve LaMothe:

Option number two is what we call our concierge program or renovate now pay later. So I'll pay up to \$20,000 in repairs and renovate the house. But the caveat is, I want to control and manage it, and pick everything and control the contractor, and I don't want the seller really involved in picking things out, and all of that. They can pay us back at closing. And then, option three is what we call our full package listing where we're vendor management, we have a professional cleaner come in, 4K video, all the normal things an agent would do. But we get a full fee for that. And I'm willing to chop it up into a menu if the seller is very price specific on commission, or I'm competing. I'll start removing the cleaning and the additional staging that will do and save 1,500 bucks that way on costs for me, and start giving them a menu of options for reducing that fee.

Chris Watters:

Steve, let me ask you something. So you understand inside sales, you understand outside sales, you're a market expert in Sacramento. I mean I know you fairly well. And so, don't take this the wrong way, I'm very impressed by what you've done and what I'm hearing from you. But I would expect for you to be north of 300 closings a year, at this point, based off where you are in your business, the number of years since you started it. And it's totally... I know this is The Listing Lead Show, this is our first year, and this is more just a curiosity question. What's prevented you, Steve, from being able to hit that kind of growth trajectory? What do you feel like it's been the biggest hurdle for you in growing the business?

Steve LaMothe:

I mean, I would say, I would think at year seven, if I had started on my own, and built up an organization and database in seven years later, I probably would be at 300. But I had to start two and a half years ago from zero and build the systems and the operations to support a sales team. And so, I think I would be, most definitely I would be further ahead if I had the right people on the bus faster. But when you are the listing agent, you are the marketing person, and you're trying to also recruit to your team as well, it slows you down. So I am the reason why we're not at 300 because I can't remove myself and replace myself fast enough, and I chose not to focus on that more than I started chasing deals. Does that make sense?

Frank Klesitz:

Steve it makes [crosstalk 00:41:48] sense.

Chris Watters:

So what you're saying-

Steve LaMothe:

I like chasing listings better than going and finding people to go chase listings.

Chris Watters:

For people that are tuning into the show, my four-year-old Eva just walked in.

Steve LaMothe:

She's super cute.

Chris Watters:

And Steve, you have two little girls, right, Steve?

Steve LaMothe:

I have a second on the way in three weeks.

Chris Watters:

Oh, congratulations, man. Three weeks.

Steve LaMothe:

Yeah. Thank you.

Chris Watters:

You're having a boy or girl.

Steve LaMothe:

A girl, second girl.

Chris Watters:

Oh, were on the same bus here, man.

Steve LaMothe:

I love it. Man, I love little girl. She's awesome.

Chris Watters:

I do too, I love my girls, man. The girls love their dads.

Steve LaMothe:

I wouldn't change it for anything. Yeah, so three weeks out.

Chris Watters:

Again, what I'm hearing you say is, if you could figure out how to solve the people part, essentially replacing yourself you would scale faster, and that's been the biggest roadblock to you growing quicker.

Steve LaMothe:

Yes. And I would say that I wanted to prove concept first before I started adding agents to my team. Does that make sense? I didn't want to go start adding agents to a business that was brand new that had no systems and no operations at all, and no marketing. So year one was about just proving that we can sell real estate, and cleaning up the mess in the database, and creating the processes. Year two was building up reserves, and proving the concept of the value propositions, and honing in the message to the market. Year three is really our growth year, and we added four people to the bus in the fourth quarter last year. And then also, post COVID in April, I doubled my marketing budget when everyone else was pulling funds and really saved there. So I would expect your three, our goal is 200 transactions close to two million GCI, and we will hit that we're on track to that this year already.

Frank Klesitz:

That's incredible, Steve.

Chris Watters:

I just want to tell you, and I'm saying this as a compliment. I know you well enough to say, I think you're way undercutting your goals, and where you want to be. I mean there's no reason why you shouldn't be at three, four million in GCI at the end of this third year. And so, it's just a coach coming out of me saying... Tony Robbins always says, "Don't reinvent the wheel, go find somebody that's in the position you want to be in, and go model them closer." So specific to solving the people part, go work with somebody that's already figured out how do you scale in the people faster, so you can take that hat off of being the listing agent, or the listing team leader, buyer team lead. How do you scale the people side to get the right people in place to help you replace yourself and focus on the business versus in it, so that you can grow faster?

Chris Watters:

Because I mean, dude, you've got all the pieces. You were part of a mega team, you know database, you know past client marketing, you know how to convert people, you know how to train people. You're selling yourself short at two million. You should be doing double that. So anyways, as a friend I'm just telling you, you need to get out there and figure out how to solve this people part. And there's a lot of people that have already solved this, so go seek and figure out how to solve that. For anybody listening to the show, I'm reading this book right now, and I'm sure lots of people have heard of it. It's called

Atomic Habits. And I don't know how many people are watching this on video, but there's this page in the book where the author compares people that generate habits through focusing on the outcome versus generate habits focusing on their identity. What do they have to change about themselves, to get where they want to go?

Chris Watters:

And he tells a story about a person that wants to lose weight. And his advice to her was, "Ask yourself every day, what would a healthy fit person do?" All throughout the day, keep asking yourself that right. And so, by asking yourself that question throughout the day, you start making the decisions in those moments of when you're going to go eat, or am I going to wake up and go to the gym. You start making the right decisions, those tiny little decisions throughout the day that help you end up getting the outcome. Because the outcome of, for example, if you want to build a team and sell four to 500 homes, the outcome of that is from a series of tiny little decisions you make on a daily basis.

Frank Klesitz:

There's one last pillar I want to go in to wrap us up here for The Listing Lead Show. Four sources, Steve, referrals and sphere, seller nurtures from prospecting, cold calling, instant often leads from internet leads for sellers to get an offer on their home. The last one, and the scary one for a lot of people is radio. You do some radio and Sacramento. So why don't you just give us a little insights on radio. If someone has been flirting with the idea of running radio ads, what would you recommend that is working well for you?

Steve LaMothe:

Have lots of cash. Number one, and full disclosure, I was on that team were discussing was heavily into radio, so I knew how to operate it. I came up with the messaging for two three years, and was very well connected to it. So I trusted it already. So I think that's a that was a key component of being willing to spend nine, 10,000 a month was that I trusted in the long run just like nurtures that it's going to pay off. It's just like any investment like Warren Buffett says, "The only people who lose are the ones that pull and cut bait too fast." It's just like going to the gym and working out consistently, the results don't come right away they come over time. These small decisions like Chris said, pay off over time, it's 10 contacts a day, not 10,000 contacts this year.

Steve LaMothe:

So the key with the radio was, I knew that it works. What I didn't know is that there's another person in our market that heavily focuses on the radio, I didn't know if my results without that longevity, and that track record would be, let's just say, as profitable. So I spent about a year studying which stations to advertise on, and COVID really pushed me to make the decision faster because in March, when I figured out the sky wasn't falling and I think this goes back to, I think, one key piece of advice I could give people who are listening to this is, if you're on a team or not on a team, you need to run a great financial ship. You need to have 12 months of reserves in cash in the bank at all times.

Steve LaMothe:

That might be probably a little aggressive, some people might say six months. But when your team leader decides to change brokerages, or something happens to you financially, you're not making a quick decision, you're left making a strategic decision at that point, because you're not afraid that you're not going to have money. So I had the money to go and launch my own team, and when COVID came I

had plenty of money to invest in new lead gen levers that I was already going to invest in anyways. I just was able to buy in at a discount. But I think the key is you have to decide who's your target customer.

Steve LaMothe:

And my target customer is, over 50, people who are tend to be conservative in political view, because those people tend to move out of state often and they have money which are homeowners. So I chose to go on conservative local talk show and crafted messaging. Some people have the guaranteed sale, I just crafted messaging around our UVPs, which is options. And we can provide you options unlike anyone else in our market. You should just call and find out if we'd be a good fit for you. And So-

Chris Watters:

Who are you competing with Steve? Is it Tom Daves?

Steve LaMothe:

Yeah, he's still on the radio.

Chris Watters:

So re you two guys, are you... That's going to be a fun, I don't know how he thinks, but-

Steve LaMothe:

We're different stations, so totally different. I didn't go head-to-head, I think that would have been a mistake, honestly. And I have no one consulting me on it. Meaning I don't negotiate through an advisor on that-

Chris Watters:

Agency. Yeah.

Steve LaMothe:

Yeah. So I went right to the radio station, I have a direct person there that helps manage up my campaigns, and then I come up with the messaging every month. And it's-

Chris Watters:

How's it working? How many appointments [crosstalk 00:50:58].

Steve LaMothe:

Year one we broke even. So year one, we started in April, and I closed, let's just call it, close to 100,000 GCI by the end of December. We started closing deals literally right away. I started generating leads the first month we turned it on. Over the fourth quarter, it was much slower, and I anticipated that, that's normal as you go into the fall. So the KPIs on it. I'm not as clear on, but I'd say we generate about if I average it, 10 to 15 leads a month and 50% of them convert at least.

Chris Watters:

So this year, so that's roughly seven listings taken per month on average times 12 months, so 84 listing a year.

Steve LaMothe:

That was my goal. Yeah, my goal was to get to around 80 sign listings, at least 45 closed, because some of them were rolled into 2022. Anything after October that I take will probably roll into 2022.

Chris Watters:

How much are you spending per month on radio?

Steve LaMothe:

Just under 10,000 a month?

Chris Watters:

Yeah. And then, you had to basically take a pile of cash and put it off to the side and be ready to let it burn up, and then wait until it started coming back around, what? Month six. Is that when you started when you started [crosstalk 00:52:20].

Steve LaMothe:

I started getting... Well, because you have to get the listings up. But I saw signed-

Chris Watters:

Escrow. Yeah.

Steve LaMothe:

Yeah. I signed listings within the first 60 days, and then got paid back on all the spend in 2020 by December. I was paid back the whole 78,000 I spent, and then we bumped it up a little bit for this year. But I think this key that people need to take away is, I don't even care if I got paid back that year. This is a long term game for me. Chris, you said how do I get to 200 or 300, those appointments don't need Steve to go on them. They don't even talk about Steve in the radio ads, they talk about Elevate Realty Group, and their options. And so, when those people call me, they say, "Can you send someone out to come and look at my house?"

Steve LaMothe:

So I then have a choice to go on that appointment or not. And then, I can tell my agents, "Hey, I'm going to pay you 10% on this deal, not 60% or 50%." So if I can generate leads at scale, appointments set for the agent, I control my cost of sale, and I think that's why I grew slow, I could probably get to 300 adding a bunch of agents to the team to convert internet leads and their sphere. But my goal is generate an appointment setting machine so I can control my cost of sale, and keep that somewhere around that 30% mark like the MREA. I may not be able to do it, but my goal would be 80% of the agent's appointments come from the company not the agent.

Frank Klesitz:

Chris does it.

Steve LaMothe:

Yeah, I've read your book 10 times, man. I'm following your footsteps.

Chris Watters:

You need to DM me offline because you've said a few things, and I don't want to go down this rabbit hole on this show. But send me a DM. And I don't know where I heard this quote but it goes something like, "It's not the fear of what you don't know. It's the fear of what know that's not so." And you just said a couple things that you're very sure of that I do not believe are so.

Steve LaMothe:

I need to DM that for sure.

Chris Watters:

Episode two. Send me a DM.

Steve LaMothe:

Well, I have to. Especially when we're talking about, if it's around radio and 10K a month, I want to know for sure.

Frank Klesitz:

I'm sure as people listen to the show going forward, we're going to get some really good nuggets on. It'll be a lot of the same pillar reoccurring themes. And as you listen since the scope of the podcast is so narrow in The Listing Lead Show, it's all I want to talk about, is we want to talk about... Chris and I decided to talk about is getting listings, you'll find a lot of common principles, and that we filtered through the lens of myself, 12 years in industry. And Chris, by the way, why don't you introduce yourself at the end of the podcast, Chris. Who are you?

Chris Watters:

Dude, people that are watching this on video, the reason why I'm sitting in this chair is because I have a herniated disk, and I couldn't get out of bed this morning, I was crawling on the floor to get out of bed. And so, I'm going tomorrow to get one of those cortisone shots. I don't know if anybody has ever been at the hospital and their wife is about to give a baby and they give them the epidural. They put this eight-inch needle in your back, so that's what I'm going to do tomorrow so I can walk. But anyways, that's why I'm not getting up on this chair.

Frank Klesitz:

How many homes for the audience that you saw last year, Chris?

Chris Watters:

So our Austin group closed just shy of 1,000, it was like 920 something. And then if I include all my franchise partners, we were a little over 5,000.

Frank Klesitz:

Wow, is that criminal?

Chris Watters:

And the reason for you, Steve, I've now helped 15 people launch teams right. And there's 12 people I have right now that we're all bred from the same cloth, we're from the same freaking cloth. I mean I don't know how else to put it. If we were sitting at a table people would be like, "Man, are y'all cousins or some shit? You're all the same." And so anyways, my point is, every single one of these guys that I've partnered with, that have very similar experiences and backgrounds as you Steve, was able in year one scale to 100 to 150, year to 250 to 300 years, year three 350 to 500 in year three. And so, I didn't know what your numbers were, Steve, prior to this podcast. But I just want to tell you, you're way underselling yourself.

Chris Watters:

And not to mention that to reference Tony Robbins again, I don't know if he's the one that said that or somebody else, but somebody and I think is Tony Robbins. I went to his event Unleash the Power Within, and he has all these great analogies for things, and he said, "When you hit the golf ball, you're only two millimeters off from hitting a hole in one if you can apply enough force to the ball. You're only two millimeters off, on average to hit a hole in one." And so, there's a lot of different little impact zones in your business where you're just two millimeters off in each one, but it's the difference between you, I don't know, doing 200 deals this year and four to 500. You're doing a lot of the right things, but there's a lot of little tiny tweaks that you've got off. I know we're going off topic here on the show. But anyways, dude, you've got all the makings to be somebody doing 5, 6, 7, 800 transactions. So anyways, don't sell yourself short. [crosstalk 00:58:04].

Steve LaMothe:

That you for that. And that's a welcome-

Frank Klesitz:

I agree too.

Chris Watters:

Frank, more so than me, I mean Frank gets to see everybody in the industry, which is really cool. And I've had the opportunity to meet a lot of the people on the RealTrends top 100, and I think I know all of them. And dude, I mean you're going to be on that list. It's not a matter of if it's just a matter of when that happens.

Steve LaMothe:

[crosstalk 00:58:32] it takes.

Chris Watters:

You'll be on that top 100 list. So anyways, Frank, I think a little nugget, I think maybe. I don't know, Frank, if you can help with this, but what I love about you, Frank, is you spend a lot of time in the marketing world outside of real estate. So you pull from some of the godfathers of marketing like Dan Kennedy and Bill Glazer and stuff. And so, I think what would be great for the next show, is for us to bring somebody on that as one of the foremost experts at IP targeting and OTT. I think that's going to be one of the growing trends to drill down client acquisition costs.

Frank Klesitz:

Well, I'll tell you, I actually have a call with Cox Media this week for a custom audienceing television ads. So you can take a property list that Steve you're calling, maybe not circle prospecting, but drill it down to length of ownership, a likely to sell list, whatever it is. And normally, you would call it, you would direct mail it, but now you can take those addresses and send them over to a cable company that run television, and they'll only run the ads just to those addresses.

Steve LaMothe:

Is that not through a streaming platform? That's actual cable, cable.

Frank Klesitz:

It depends upon the cable box.

Steve LaMothe:

Got it.

Frank Klesitz:

There's nuances depending on certain things, but it's that type of using of precise...

Chris Watters:

Frank, I don't know if you've heard of these two, but I've been researching IP targeting solutions, and there's a lot of people trying to sell IP targeting, and there's only two big players in the space that I found. One of them, I mean, this is all they do, is IP targeting. And they did over \$250 million in revenue last year with their IP targeting solution, that's all they do. And it's called Simpli.fi. And Frank, I think we should get somebody from Simpli.fi on the show. And then, the other platform is called El Toro. And it is the only IP targeting solution in the world that is cookie free. So both of these platforms claim that they can take the latitude and longitude for a parcel and pinpoint the IP address to the router, and then hit all of the devices within that house, and then also hit all of the streaming options above their cable box OTT.

Steve LaMothe:

Without having a cookie installed on... They don't have to go visit your website or something.

Chris Watters:

Right. It's El Toro and the other ones Simpli.fi. Simpli.fi is S-I-M-P-L-I-F-I, that's Simpli.fi. They did \$250 million in revenue last year, they're a juggernaut.

Steve LaMothe:

At this level, you're spending a lot of money. I didn't mean to cut you off. But I mean, to get into that game you're [crosstalk 01:01:26].

Chris Watters:

So that's a great question. So to be able to use these platforms, there's a minimum spend per month of 10 grand per month.

Steve LaMothe:

Okay, so you're-

Frank Klesitz:

Yeah. You're also starting to get into what they call DSPs, demand side providers. It's a big online marketing stuff. But yeah, that's-

Chris Watters:

Another interesting thing, Frank, would be us to maybe get one of these subject matter experts with Oracle that's helping get all those layers of data that used to be provided on Facebook before Facebook got stripped of all of its data segments. That'd be another really hot...

Frank Klesitz:

Yeah, that would be Axiom, to get them on.

Chris Watters:

Axiom. Yeah, Axiom. That's the one. Yeah.

Frank Klesitz:

Yeah. Well, let's wrap it up, guys. That was a wonderful show. We promised people for our very first show to get right to the point without any BS of what are top agents doing that are actually in the market to get listings. And if you're listening to the show, and you want to know what do to get listings, you probably had some pretty solid tips here from Steve. So I want to thank you all for watching, and we'll be at listingleadshow.com. Subscribe to us on iTunes, all the other podcast sites and listen to us interview and get the details of what does it take to get listings as things become more competitive in the lower inventory market with more competition. To show a homeowner that you're the best option to help them sell their home.

Chris Watters:

So Frank, are you in Clubhouse, buddy?

Frank Klesitz:

No, it requires a cellphone-

Steve LaMothe:

I asked him this couple of weeks ago.

Frank Klesitz:

I had-

Steve LaMothe:

[crosstalk 01:02:56].

Frank Klesitz:

I literally went and got... I hadn't had a cell phone for five or six years. I figured I even have a little iPhone holder I got for myself because I was actually going to have a phone to do Clubhouse right here. And then, the phone just sitting in front of me gave me so much crippling anxiety, I still don't have it, not around me.

Chris Watters:

So interesting thing, okay, about Clubhouse that I'm noticing right now we're way off topic here. So I got on Clubhouse a couple weeks ago. And the first couple days that I was really excited about it. I was like, "Man, this is awesome." I'd walk into a room with a couple hundred people on it, get on the panels, start talking and they're like socks are blown off when I'm giving them all these little nuggets or whatever. And it was awesome. And you get a little ego stroke, you get followers and all that. And then, after two weeks, I was like, "Dude, man, this is exhausting. I don't have time to be going on this damn..."

Chris Watters:

I would walk into these rooms randomly, and it's the same people hosting rooms, and I'm like, "Dude, how are you selling any houses? What the hell are you doing? How are you hosting a room 24/7?" And I randomly would open up the app when I've got my four-year-old going to bed next to me like 10 o'clock or nine o'clock at night or whatever, and I'm seeing the same people that were on there at 5:30 in the morning when I was at the gym on my phone curious who was on there. But the app is fascinating. Anybody that wants to follow me my handle is, I think @Chris Watters, and you guys can follow me. But I'm not going to randomly get on there anymore. I'll host a room or something and be strategic about it.

Frank Klesitz:

I think what we'll do, Chris, is we should look into doing Clubhouse where we record the raw podcast versus ones produced afterwards, would be interesting.

Chris Watters:

Right. Man, I think what is amazing about Clubhouse is if you have a business selling shit to realtors you should totally be on there.

Steve LaMothe:

That's what I was saying.

Frank Klesitz:

So I had to overcome my crippling self-anxiety.

Steve LaMothe:

It's a sales funnel all on its own, man, you don't even a website.

Chris Watters:

Frank, you definitely should be on there. What sucks though is, man, it's so emotionally draining. Frank, you're a natural introvert, right?

Frank Klesitz:

Yeah.

Chris Watters:

And so am I. And so, it's mentally exhausting to be on Clubhouse. I mean, it's such a-

Frank Klesitz:

Chris, me just being around a cell phone is mentally exhausting.

Steve LaMothe:

Well, that's what I was blown away by, Frank. I don't drink and I haven't drank for, God, nine years now.

Frank Klesitz:

Yeah, there was probably some moment where like, "I need to stop this because this is bad."

Steve LaMothe:

Exactly. And that's what I-

Frank Klesitz:

And I had the same thing with my cell phone.

Steve LaMothe:

So I can see, I would love to have a beer, but the anxiety of picking up that beer and that turning into more than one beer is enough anxiety to keep me away from it. So I can see why you would not want to pick up the cell phone.

Chris Watters:

Frank, you know what's even more frustrating is people go on Clubhouse as moderators and speakers on panels, and they start talking about how they're focused on building a YouTube channel to build their real estate business. And then, I'll go down their rabbit hole, and I'll ask them, "Okay. How many deals did you close in the first year?" Yeah. And they'll go, "Well, I mean I have 5,000 followers, and [crosstalk 01:06:24]."

Steve LaMothe:

I was on that actual room with you.

Chris Watters:

Yeah. He said, "I closed-"

Steve LaMothe:

I was just cracking up all the way to an appointment, a listing appointment. Actually-

Frank Klesitz:

[crosstalk 01:06:31] listen to Chris Watters troll everybody on Clubhouse.

Chris Watters:

He said, "I closed three deals." And I'm like, "Okay, well it was your first year." And I said, "Well, how many did you do the second year? I mean you're up to 5,000 followers now." He's like, "Well, I closed -"

Frank Klesitz:

Chris you're being mean, this is mean.

Chris Watters:

"I think I closed 11-

Frank Klesitz:

You're being cruel.

Chris Watters:

... or 12 deals."

Steve LaMothe:

I know. But they're giving the wrong advice.

Chris Watters:

Don't be giving people advice to go start a YouTube. Here's the thing, social media is good, but building a really great business, as even a solo agent through social media takes a really, really long time. And I'm not saying social media doesn't work, but at the end of the day you're working to make money. And there's a much faster way to make money than spending two years stroking your ego trying to get 5,000 subscribers on YouTube that resulted in 11 to 12 closings, because instead of you allocating 10,000 hours on YouTube to get 5,000 subscribers and close 11 deals, you could have gone done a couple of freaking open houses, a couple other random things, and got those 11 transactions for a fraction -

Frank Klesitz:

Steve you as a client of Vyril Marketing whoever you told you to build out your YouTube channel and get SEO leads from there.

Steve LaMothe:

No.

Frank Klesitz:

No.

Steve LaMothe:

No. I want to jump out, I want to piggyback on that, bringing it back to The Listing Lead Show. I would say I was a gung ho on the Clubhouse right away. I was like, "Man, this is great value." But it really is the same recycled people with the same recycled message and the same ego stroke. So anyone listening to this, that is that my level, let's just say 30 deals to 100 deals. It's very important to focus on income generating activities. And I think all these people pitching that you can grow your business on social media and do our home buyer seminars and Clubhouse rooms to find buyers, I think it's total BS.

Chris Watters:

Oh, God, it makes me sick.

Steve LaMothe:

It would work if you already have influence. Like if you're a Chris Watters. Chris Watters can go and generate opportunities through those levers, but if you don't have that influence already go out and knock some fucking doors and call some strangers because that's what's going to grow your business. And I just hope I chase that social media guru channel, man, it's all about ego.

Chris Watters:

Frank, I'm really not trying to troll on Clubhouse. I hear-

Frank Klesitz:

Oh, they have no idea who they're talking to, when you're asking those questions, Chris?

Chris Watters:

Well, I hear them giving advice, and the thing is, I know the trap that a lot of people will fall in. And it's the human component of the self-confirming bias, which is you are 100% committed that some tactical thing you're going to do from a lead generation or business building perspective is going to work, and you're so confident that you keep telling people about it, and you don't actually know quite yet if it works.

Frank Klesitz:

You know who said that is Ray Dalio when he published Principles.

Steve LaMothe:

That's a smart guy [crosstalk 01:09:37].

Frank Klesitz:

Yeah. He built his whole book. I mean if I took one thing away from that whole book of Principles and Ray Dalio one of the wealthiest men in the world.

Chris Watters:

There he is, right there.

Frank Klesitz:

Yep. Is how do we know this is true? That's the key question. How do you know something is true?

Chris Watters:

And that's what pisses me off about Clubhouse is 99% of the shit I hear on Clubhouse is not true.

Frank Klesitz:

We'll make sure to put in the title of promoting the podcast on your thoughts on Clubhouse.

Steve LaMothe:

I do think it would be valuable, though, if you did a live room while you're recording the podcast, I do think that that's could have some value.

Frank Klesitz:

Yeah. I like that good idea. Yeah.

Chris Watters:

Frank, so you know what's cool, is I've been going into Clubhouse rooms totally unrelated to real estate, and it's been awesome. I went into this room with Grant Cardone, and a couple other speakers. And they brought me on this big stage, there were four to 5,000 people in the room, and the title of the room was pitch me anything. And so, I went in there to pitch, for anybody listening to the show, I'd invested personally, I bought shares of stock in a technology company. It's an integration platform called Real Synch. So I gave them money for exchange for shares of stock. And the reason I did it was I personally needed it just...

Frank Klesitz:

Real Synch, everyone, is the Zapier of real estate apps.

Chris Watters:

Yeah. And so-

Steve LaMothe:

It's a custom integration beyond, you could integrate whatever you want, honestly. It's an amazing system.

Chris Watters:

I've invested a substantial amount of money in it. So anyways, I'm not involved in the business. I'm not on sales calls, you're not going to see me in any of that stuff, but I am telling him all the time, like, "Hey, you need to go connect to Vyril. Hey, you need to go connect to this. You need to go connect this." So my thing was I've never pitched Real Synch. I've never sold it, like trying to sell a house or buy a house. And I went into this room on Clubhouse and pitched Real Synch, and I got completely destroyed.

Chris Watters:

It was the most humbling experience of my life. All these people like Grant Cardone. I mean there was also a famous actor. I forgot what her name is. I couldn't believe she was on there. It's like this super famous actor that's got an entrepreneurial thing going on. She's a comedian, she's been in tons of movies. Anyways, everybody had to rank my pitch from a one to 10, and I got absolutely destroyed. But for me it gets a little bit sadistic, but I appreciate it because, damn, I need to work on this. I need to understand how to articulate this in a better fashion.

Chris Watters:

And that's where I see massive value in it is, there is the ability to get brutal feedback from people that are subject matter experts. And so again, to come full circle, the thing is, when you get into Clubhouse,

you just got to be really careful who is the subject matter expert you're listening to. And to Frank's point is what they're saying true? Probably Ray Dalio.

Frank Klesitz:

And I think what's so nice about this is, Chris, is that we have so many connections over the years that we can actually get to people who really are selling lots houses, and keep the podcast very narrow in scope to just getting listings. It was funny, as I was doing the research for the show, there just wasn't any podcast dedicated to that to be honest with you. They were very wide in scope of stories and whatnot, and I wanted to keep the show narrow to these topics. So that's me -

Steve LaMothe:

I love it.

Frank Klesitz:

... and Chris [inaudible 01:13:16].

Chris Watters:

Frank, we need to... Speaking of Clubhouse, there's a guy that I kept seeing plug into Clubhouse and he is a beast. He's a freaking beast. His name is Terrence Murphy, and I'm willing to bet a lot of people don't know who he is.

Steve LaMothe:

I listened to your podcast with him, he's awesome.

Chris Watters:

Dude, Terrence Murphy is a freaking beast. The guy is in College Station, a small market, and his group absolutely crashes it.

Frank Klesitz:

He's an agent?

Chris Watters:

He runs a huge brokerage. And then he's got a homebuilding division, property management division. He was a collegiate athlete. He got drafted by the Green Bay Packers out of A&M. And he was on his way to being a superstar NFL player and he got injured in his first season. When I interviewed him on the podcast he was roommates with Aaron Rodgers. They both entered Green Bay at the same time, and were roommates when they both went into their rookie year at Green Bay.

Chris Watters:

And so, he got this debilitating injury where he never thought he'd be able to walk again. And he went into the real estate industry in this really small town, and just absolutely, I mean, murdered it. And he would be a great guy to get on the show because he doesn't do radio or direct mail. He doesn't do any of those things. But he does do a lot of other things that are really, really good.

Frank Klesitz:

One of the things we're going to have on the website, guys, is there's a form where you can submit somebody, maybe if you want to apply to be a guest, or you know somebody so you can reach out. And I like to get some good people in here in getting listings.

Chris Watters:

You know who I would like to get on here Frank is Gary Keller.

Frank Klesitz:

That's going to be our vision. I'll send him a FedEx.

Steve LaMothe:

I actually, let me just say this, I don't know if I have real pull with him, but when Tom left KW, one of the main reasons I stayed was Gary flew me out to Austin, Texas. I got to sit with him for six hours, and it was incredible in his office. And I made commitments to Gary, our first year we were going to close 100 units. Second year we were going to close 160, we fell short, but we hit our GCI goal. In year three I wanted to be in his top 100 right, that was the goal. So I'll email him, I check in with him about every two weeks, and he always checks right back with me, every time. I report numbers to him every two weeks.

Frank Klesitz:

Really?

Steve LaMothe:

Yeah.

Frank Klesitz:

And he reads it.

Steve LaMothe:

He emails me right back usually, like boom, within seconds.

Chris Watters:

Hey, Steve tell him-

Steve LaMothe:

Even amid all the KWx stuff that was going on. Yeah.

Chris Watters:

Steve, tell him the show is with me, and Frank. And I actually bought the house across the street from Gary Keller.

Steve LaMothe:

Really?

Chris Watters:

Literally, he pulls out of his driveway, and there is the front door. And I tore the house down, and it's just a lot now. But I've never met Gary Keller in my life-

Frank Klesitz:

You tore down the house, come on.

Steve LaMothe:

I'm surprised he hasn't called you to try get-

Frank Klesitz:

I'm sure Gary Keller's house is very nice, and you tore -

Chris Watters:

Oh, my God-

Frank Klesitz:

... down a luxury home across the street.

Chris Watters:

No. So Gary's house is unbelievable, he basically owns the whole damn block. And this house that was literally across, literally it's like right in front of his driveway. This house was the total biggest POS, like decrepit, falling apart thing. I was at the house when it was being torn down and Gary's wife walked down the driveway to take the trash out, and she was saying, "Yeah, we were thinking about, buying and remodeling this, but it was such a disaster, and we just didn't want to spend the time doing it." But this street that Gary lives on is... The people that live on this street is unbelievable. So next door to this lot is the guy that founded Yeti. The guy that lives to the left of this house is the 24 Hour Fitness guy. Guess who? We just mentioned Tim Heil. Tim Heil lives at the end of this street.

Frank Klesitz:

And all you guys-

Chris Watters:

Tim is building a house at the end of the street. Anyways, it's very coincidental. I'm putting a spec house on there. But anyways, point is if you email him, Steve, tell Gary he should be on the show.

Steve LaMothe:

I will absolutely try. I will say that was the one of the main reasons I decided to stay at KW.

Chris Watters:

So speaking of Clubhouse again. I got into Clubhouse, and Glen Stanford was on Clubhouse speaking.

Steve LaMothe:

He's always up in there.

Chris Watters:

I mean it's cool, right?

Steve LaMothe:

Oh, very cool.

Chris Watters:

I mean I have to commend him for doing that. And then, man, you know who else would be another great guest, Frank, is Dave Liniger of RE/MAX. That would be another great one to get on.

Steve LaMothe:

I think that's how Grant Cardone and Glenn even came into contact was through-

Frank Klesitz:

I just got an email to join somebody on Clubhouse on Thursday, February 11th. Oh my God. [crosstalk 01:18:21] Clubhouse.

Steve LaMothe:

Yeah. Grant Cardone joined eXp, did you know that?

Chris Watters:

Yep.

Frank Klesitz:

[crosstalk 01:18:25].

Steve LaMothe:

Yeah. So I think that relationship actually started in Clubhouse, and they probably... We can use Clubhouse to recruit a bunch of agents. But all right, I got to jump.

Chris Watters:

Yeah. I saw that it puts... Yeah. All right, guys, this has been great show. Great start Frank. [crosstalk 01:18:39].

Steve LaMothe:

Thank you very much for the opportunity. Yeah-

Chris Watters:

Yeah. Thank you, Steve.

Steve LaMothe:

... for sure, it's a real pleasure.

Chris Watters:

Props to you, Steve. Man, you're crushing it. Your potential is so much higher, so, dude, don't sell yourself short.

Steve LaMothe:

I'll hit you up with a DM. I'm now curious on that, should be a 300 thing. So I'll reach out to you.

Chris Watters:

Yeah, dude, I think you're short, you should be doing a lot more. And just tiny little two millimeter shifts in a couple different impact zone.

Steve LaMothe:

Got it.

Chris Watters:

Yeah.

Steve LaMothe:

All right. Hey, you guys have a great night. Thanks for the opportunity.

Chris Watters:

Great first show, guys.

Steve LaMothe:

Yeah, that was awesome.

Chris Watters:

Great first show.

Frank Klesitz:

See you.

Steve LaMothe:

All right, bye.

Chris Watters:

Thanks, Frank.

Steve LaMothe:

See you, Frank.

Chris Watters:

Bye, everybody.

