

6 Ways to Demonstrate Professional Value

Follow these steps to show prospective clients that you would be a unique and valuable asset for them.

OCTOBER 2009 | BY [DIRK ZELLER](#)

A great real estate pro should be able to convey the six key rules that equate to professional value for any prospect or client. This includes driving home key points related to demonstrating alignment between the practitioner's capabilities and the customer's goals.

1. We Don't Sell Properties

Why does one attorney charge \$500 an hour and another only \$100 an hour? It's the same amount of time for both. Assuming they can perform a similar quantity of work in that time, why pay the higher price? The answer is obvious—greater knowledge and skill.

Just as attorneys, dentists, doctors, or accountants sell their time, so do we, in a manner of speaking. Because our fees are in a general range, the real variable to profitability is the amount of time required to earn our fees. If we can accomplish our clients' goal to their satisfaction in less time, we can increase our revenue and net profit.

We're salespeople, but we are really selling something other than property. *What we really sell is our knowledge. We must convince consumers that our knowledge is better and more complete than our competitors,' which enables us to charge a higher fee for our service.*

We really "broker" transactions, not sell homes. We represent the interests of another by advocating for their position in the marketplace or a particular transaction.

2. Know What Business You're In

We're in a service business. The purpose of a service business is to provide service for compensation. We often forget that last part—for compensation. We won't be in business long-term without the ability to charge enough compensation to cover our business expenses, personal living expenses, recreational expenses, retirement saving expenses, taxes, children's college funds, and investment savings. We often barely cover some of our costs and come up very short when we discount our fees.

The fact that we provide a service and receive compensation is important. A good service business goes beyond the sale, though. **Real estate pros should check in after the transaction. They might even survey their clients to see how they did and how to improve their service.**

3. You Have to Sell Yourself First

Sell your services, benefits, and value first. The first step is really believing in your value. If you don't believe it, you can't sell it. If you do believe it, it's much easier to communicate your value compared to other practitioners in the marketplace.

I often ask real estate pros what knowledge, skill, or production level they need to acquire or achieve before they will achieve an unshakeable belief in their service or value. The more you can quantify that, the easier it will be to attain. You have to know the target before you have any chance of hitting it.

4. Survey the Competition

The real estate business is extremely aggressive. With new competitors entering and advancing daily, we need to be prepared for competition. The key is to identify who your main competitors are—or may be at some point in the future—and understand how the services you provide clients is distinct from their offerings.

Here are a few key considerations to get started:

Who are key competitors?

- Who has more market share than you?
- Who has more name recognition than you?
- Who has similar market share to you?
- Who has equal or better results?

This evaluation should be made based on company statistics, as well as individual statistics and analysis.

What are your competitors offering?

Before every listing presentation, you should know exactly what the practitioner and company offer and what their stats are in their market. If you can acquire your competition's prelisting package, marketing brochures, or anything that will clue you in on how they promote and communicate their value and service, that will help you prepare for the appointment.

How can you be competitive while maximizing returns?

By checking out your competition, you will be able to present an offer that is in direct competition for the business. If, for example, you are charging 9 percent to sell a home when the market average is 6 percent, your price is not competitive enough to secure business. However, a premium service fee of, say, 1 percent above the competition moves your competitive position to a point where you can prove the value. You don't necessarily have to match the price another will charge if the service is different, but you will make a more effective presentation to compete.

Most people don't want to engage in a competitive environment because it can be so insecure and unnerving. They also recognize that it's more difficult. They will have to work harder to improve their skills, activities, knowledge, mental focus, and mental attitude. Many people don't want to engage in that kind of continuous development.

My response to this anxiety is always the same, "Don't wish it were easier; make yourself better." Take on the challenge that most won't in order to make yourself a more skillful real estate professional. Work through the short-term challenges to access the long-term opportunities.

5. Overcome the Competition

Successful real estate pros have figured out that they can beat the competition by:

- ***Being specific and deliberate in terms of what they offer.***
- ***Demonstrating the benefits clients can only receive from them.***
- ***Showing the value they bring to the market.***

Webster's Dictionary defines the word "generic" as "nonproprietary; any product or service that can be sold without a brand name." In other words, it's something that anyone can do or provide. If we offer generic "services," we must compete on price. An example of this would be the fact that any practitioner can put the home on an MLS.

When we move from generic to unique, we can compete on value and service and avoid price reduction. By clearly knowing our competitive points of difference and effectively communicating those differences, we're able to draw a stronger separation from the competition. In this way, we can beat the competition.

Through the use of personal commitments and personal guarantees, we also can create a higher level of comfort for them, reduce their risk, and separate ourselves from the crowd of competitors.

6. Help Prospects See the Difference

We need to sum up the differences, so prospects can see the clear distinction. Specifically, the prospect needs to know:

- All companies are not the same.
- All salespeople are not the same.
- Your differences create advantages for your clients.
- Significant or beneficial differences create greater value.

Finally, you should spell out how your specific skills, knowledge, and level of service will benefit your prospective clients.

The most successful real estate pros follow these steps to convey, without question, that they're a different type of practitioner—one that can uniquely benefit consumers. What's your competitive advantage? Are you effectively communicating that to prospects?