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What is Prospecting? – The Truth About Lead Generation!

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Many years ago, I found myself without a date for Valentine's Day. It was February 11th and I was in my mid-20's.

I had recently broken up with a long-time girlfriend and wasn't sure what I wanted in a relationship. So I went to the local florist and ordered a dozen roses. I then asked the florist to send one rose to each of twelve different young women I had selected. The florist said "*You're kidding, right?*" I wasn't. That's called prospecting. Select a target audience and let them know you have something to offer them.

In the Real Estate Industry, as in most sales professions, prospecting is a dirty word. Far too many Realtors enter the field of Real Estate believing they can wait for the phone to ring and earn an above average income if they only select a brokerage with great advertising. Most new agents, as they venture into this endeavor, expect that the company will generate leads for them. While it is true that most good real estate organizations generate some buyers and sellers from the advertising done by the company, you will not make a great living at any company waiting for the phone to ring. That is the kiss of death in the real estate industry.

Prospecting, however, is not simply picking up the phone and calling possible buyers and sellers. To be effective, prospecting must be a consistent planned process. Your goal is to create a steady flow of business into your pipeline that will result in an above average income.

Your business will build like a wave over the long term of your career if you deliver exceptional service. Starting small, it can grow to tsunami proportions as more and more of your past clients, business associates, friends and relatives refer you business. It's a process to create those referrals, and you have to survive long enough in the industry, making a living, until you have a database of people who like and trust you that will continually feed and expand your business and client base.

There are two fundamental truths about prospecting.

The first truth is that you must prospect consistently to be successful. Set aside time each and every week to perform the task. If you don't block out time, other *stuff* will get in the way. "*Well, Loren, I couldn't prospect today because I really needed to go shopping for groceries, and I had an out-of-town client, and I had this awful hangnail.*" My experience with training hundreds of Realtors over the years has taught me that prospecting is the hardest part of any real estate career. The number one reason that Realtors fail in this industry is that they fail to schedule the time to find prospects. This is particularly important early in a Realtor's career. In the long run, Realtors who deliver exceptional service receive many referrals from their clients, which limits the amount of prospecting successful Realtors need to do. However, when building a real estate business for yourself, you need to look at the various options available to seek out qualified property sellers and buyers.

The second truth is that prospecting is a *process*, not an *event*. Some real estate trainers teach Realtors to randomly pick up the phone and call people until they get an appointment. A much smarter approach is to carefully select a target market that you feel is not being serviced, or where you may find a competitive advantage, and lay out a game plan to target that audience. The game plan will include a method, or several methods, of contacting the target audience, a reason for your contact or something of value for the group you're prospecting, and a systematic way to follow up with that group.

The Prospecting System:

There are four steps to a successful prospecting system.

- 1. Select Your Target Market** - Determine *who* you want to be the recipient of your message, advertising, or direct prospecting.
- 2. Select Your Method of Contact** - There are literally hundreds of methods of contacting prospective buyers and sellers in your marketplace. Methods may include phone calls, door knocking, emailing, mailing, and some special deliveries. Some of them are quite fun, like delivering flags or pumpkins.
- 3. Give Your Prospect Something of Value** - The primary goal of prospecting is to identify a potential client. You want to entice a client to raise their hand and acknowledge that they may be in the market to buy or sell some time in the near future.
- 4. Follow Up Consistently** - Once you've identified prospective future clients, you'll need to begin building a relationship with them.

Again, prospecting is a process, not an event. You can **hope for** business, **pray for** business or **go get business**. It's your choice!