Audio: Calling Your Client Database

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Transcript

Okay team, so now I want to talk with you about the subject matter of nurturing your annuity income, which is your past client database. Database management is relationship management. And it's critically important that you have a plan to stay in touch with your past client database. Now, like I said in Vegas, "Set it and forget it is not what I'm talking about." Yes, Homebot is an incredibly valuable tool, so don't hear that I would not have that as a part of my plan, but if you're just relying on something that just drips on people and doesn't have and maintain and further evolve the personal connection, then you're really missing the entire point of database management. There are people in your past client database that will have a need this year. The question is, will you know that they have the need and maybe more importantly, will they think of you as the person that can fulfill that need?

So you have a document contained within this download, which is the annual financial review with the questions. And I'm not going to go into too much depth on that right now other than to say that what I want you to do is discipline yourself to calling your past client database on an annualized basis and reviewing that document with them. Because this is what's going to help you uncover if they have needs for other financial services, where you can make outbound referrals to accountants, financial planners, life insurance agents, etc. And the more business you refer out, the more you will get in return. So make sure that you are practicing the annual financial review strategy. Now, additionally, I want you to call everybody in your past client database. If you haven't started doing that, I want you to do it now. I want you to discipline yourself to calling two to three people a day, five days a week, over the course of the next six months or however long it takes to get through everybody, and be strategic about it.

Okay? So run a report. Call the people that have higher interest rates first and the people that have lower interest rates second, just so you're kind of prioritizing. But do not, do not, hear me clearly, do not fail to call the people that are at 2 7/8 or 3 1/8 or 3 1/4. And I'll get into why in a second. So the first philosophical thing, as we discussed in Vegas, that I want to revisit and hammer home, is the reason that most originators do not call their past client database to say hello is because they do not know what to say. And the reason that they don't know what to say is because they have the wrong intention behind the phone call. If your intention behind the phone call is to get a deal, you're absolutely right. In many people's cases, there isn't anything to say. But that's not the intention. And I want you to take that pressure off of yourself.

The intention is to connect. The intention is to be top-of-mind consciousness. The intention is to show that you care. So when they do have a need, you are the person that they are going to think of. Now here's what happens. You don't call people; rates stay high. Two or three years go by, and now all of a sudden, there is no relationship anymore. And again, if you just think that the Homebot or the newsletter is going to keep that connection, you're wrong. It's an addition to, but the primary objective is to be personalized and to reach out to them and to show them that you care, so there is loyalty that is being built and so you can be in service to them. So what if there was no intention other than to say hello, to see how they're doing, to show that you care?

That's easy. And that's what I really want you to do. And if the conversation ends right there with just you letting them know you were thinking about them and you were wondering how them and their family are doing, you've won. It's a successful phone call. And here's why. Because when rates do drop, the phone call you make to them with an offer will not be the first phone call you've made to them. Think about this for a minute. If you call them to say hello and see how they're doing, their guard comes down, you're not selling them anything, and they start to view you as an ally and a friend. And when interest rates drop, they're very open to the conversation with you. But if you don't call them for two or three years and then all of a sudden you're competing against their servicer, you're no different than their servicer who's also calling them, or some other mortgage broker that's calling them that's run a report on who has interest rates at certain levels.

You've left yourself prone to competition because you did not nurture the relationship. Now here's the real money script and, ultimately, where you want to be going. And I'm going to go ahead and lay it out in a role-play-type format, and then I'll make some comments at the end to make sure you understand the importance of it. So it goes something like this.

Success Scripts

Audio: Calling Your Client Database

Script Topic: Keeping in touch with past clients and discovering how you can help them

Establishing the strike rate to get a past client into their dream home

You: "*Hey Bill, it's Tim Braheem with First Rate Financial. How are you? I just want to give you a call and see how you and Mary and the kids have been doing.*"

Client: "*We've been doing great. Thanks a lot." "What's up?*"

You: "*I've been getting some phone calls lately from some clients and they have indicated to me that there might be some needs that they have in their life that I can help them with. So I've decided to start calling people to just make sure that they understood what I might be able to do to help.*"

"*So I've noticed that there are some people that would want to consolidate existing debt that they have, credit card debt. I mean, God knows credit cards are an extremely high interest rate right now. Some people want to wipe out their auto loans to improve their cash flow. Some people want to add on an ADU, or others even are just inquiring about what it would look like for them to move up or move to a different neighborhood because they've been in their home for a long enough period of time, and it doesn't serve them anymore. So rather than assume that I know your circumstances, I just wanted to actually ask you a question.*"

“*First of all, rate for me on a scale of one to 10, 10 being the best and one being awful, and hopefully, it's nothing close to a one. On a scale of one to 10, how would you rate your existing happiness with your home?*"

Client: "*Well, Tim, I don't know. It's a seven.*"

You: "*A seven. That's interesting. Why not a 10? What would a 10 look like, Bill?*"

Client: "*I mean, ultimately, my kids are getting a little bit older. I wish that we had a swimming pool in the backyard for them. Seems like the summers are getting hotter and hotter these days.*"

Or maybe Bill shares with me that he wishes that he had an extra room so he can have a home office because his commute to work is starting to become longer and longer with traffic, or they wish they were in a different school district, or they wish they had an ADU in their backyard so his elderly mother could move in with him. I mean, there's a myriad of different reasons that someone would not give their existing home a 10. And keep something in mind, Team, anybody that's been in their home for at least five years, it probably seems like seven or eight because, during COVID, they were locked in their home for a couple of years and didn't go anywhere.

So it even seems longer. And there are people that are not moving and not listening because they think it doesn't make good financial sense. Now here's what you want to do. You want to repeat back to Bill what you heard him say.

You: "*Okay, Bill, so what I'm hearing you say is that in your ideal circumstance, you'd be in this school district, and you'd have a swimming pool in your backyard for your kids. Is that right?*"

Client: "*Yeah, that's exactly right.*"

You: "*And if so, what kind of impact would that make on your life?" I mean, what would be the results of that?*"

Client: "*Well, it'd make my wife a lot happier, and I just would love to see my kids playing in the backyard in their swimming pool and all those types of things.*"

You: "*So Bill, let me ask you something. How much would that be worth it to you financially? Is there a number that you could afford that would be something beyond that of what you're paying right now?*"

Client: "*Well, I don't know. I mean, maybe if we're no less than $1,000 bucks a month more to be in that school district so we could take the kids out of a private school and put them into that really A-rated public school and also have that swimming pool, I think that that could work.*"

You: "*So, have you given consideration to listing your home and looking for something that fits that criteria?*"

Client: "*Well, no. I mean, I know interest rates are extremely high right now, Tim. I mean, I know they're like 6 1/2% or something like that and we're at 3 1/8th. I mean, I just can't justify it.*"

You: "*I kind of figured that you'd say that. And one of the things, Bill, that I think is really interesting is that a lot of people make assumptions about what the delta is between their current payment and what a future payment would look like based upon looking at mortgage calculators, online, et cetera.*"

"*And sometimes the delta is not as extreme as one thinks because the higher interest rate would yield a higher degree of tax write-off. So we have to look at the post-tax ramifications of that payment. What I'd like to do is I'd like to run some numbers of a few different loan scenarios for you. Taking a look at different values of new purchase prices and what you currently have in the way of equity in your home, and what you'd be able to put down, and look at the after-tax benefits of that.*"

"*Because what I really heard you say, Bill, is that having that pool in the backyard and being in that school district would really make life a lot better for you. So I'll run these numbers for you and what we want to ultimately do, Bill, is we want to develop a strike rate. And a strike rate is the rate that it would take for it to make sense for you to move forward.*"

"*So the rate may not be there right now, Bill, I mean, 6 1/2 may not get us to where we want. It could be that once we run these numbers and I put the spreadsheet together for you and send it to you, it could be that the difference after-tax is $1,500 a month right now to get you what you want, and we're 500 bucks a month away. But what I want to do is see what does the rate need to be at. Maybe it's 5 1/2; maybe it's 5 5/8 in order for us to have the exact scenario that you're looking for. Would you like me to do that for you?*"

Now, Bill's going to typically say, "Yes," I find in these types of circumstances, and now what we're doing is we're establishing, Team a rate that we need to target and watch for Bill, and then you're going to make that commitment to him.

So after you review the numbers, you're going to say,

You: "*Bill, it looks like what we need to be at is 5 5/8. I'm going to proactively watch for that rate for you and keep you posted. And when we get close to that rate, then what I'm going to want to do is start to have a conversation with you about talking to a real estate agent who can show you some property in some other neighborhoods that fit that school district, and kind of starting to look at what options we have available. So once that rate is available, boom, we can move forward. We can get you pre-approved. You can list your home for sale and buy the new house and get exactly what it is that you are looking for.*"

Team, the same strategy works the exact same strategy that a strike rate works when it comes to the consolidation of someone's debt. So if the person is in a situation where they're happy with their home, and they have no intentions to move, you can inquire about whether or not they have any existing debt that they've incurred since the last time you did their loan for them. And they may tell you that they bought a car, they may tell you they have $25,000 in credit card debt, and you run the numbers on that and establish a strike rate for the consolidation of that debt.

Selling the refi for debt consolidation and a cash flow boost

"*Bill, it looks like if we can get an interest rate of 5 3/4%. It would make great sense for us to wipe out the $25,000 in credit card debt that you currently have at 30% interest rate and that car loan." Yes, I realize that we would be from 3 1/8th up to 5 3/4, but this is a cash flow play.*"

"*At the end of the day, the interest rate is pretty irrelevant compared to what's the amount of money that you're having to write a check for on a monthly basis to pay all of your expenditures, and I want to be able to free up cash flow. And if we can get five and three-quarters percent, Bill, I can get you a no points loan that'll cost you about $4,000 in closing costs, and we would be saving you just a little bit over $300 a month. So we're going to get that money back in one year. And most importantly, you're going to have a significant improvement in your cash flow savings right away. So I will watch this for you on a proactive basis and make you aware of opportunities as soon as they become available.*"

Boom, you now have a strike rate of 5 3/4 on this particular scenario.

So Team, let me embellish on some things here. First of all, notice that I got Bill in the first role-play scenario to talk to me about the emotional components of his home, what's important to his family, what his life would look like if he had that pool, if they were in that school district, and I reflected those feelings back to him to emotionally attach him to a new home. I then established an interest rate that it would take for it to make good financial sense for Bill and his family to move forward with listing their home and moving into the home that they really want and need in their life.

Finally, I started to prep Bill for me making a referral to a real estate agent to list his home and a real estate agent to show him property. Now, if you've got this relationship from a realtor, of course, you'd want to give it back to the same realtor, and you could pick up the phone and call the real estate agent that referred Bill to you and have a conversation with him or her and say …

Informing a referral partner that you have established a strike rate on a new home with a past client they referred

"*Hey, I have some great news. I've been talking to our mutual client, Bill and I'm watching rates for him. And if it gets to 5 3/4, it looks like you'll get a listing. You may want to lob a phone call. Don't mention my name because I wouldn't want them to think that I'm having a three-way conversation, but you may want to send him a personal handwritten note or something to stay in touch with them as well.*"

And now you're getting credit with your real estate agent for helping them for future business. On the second scenario, I've established a strike rate with the current homeowner as to what it would take for it to make sense for them to consolidate the debt that they have. Now here's the key thing. I'm going to put that into my CRM, that strike rate. And if you're making these phone calls, as I've shared with you, you should. You're going to start to build a war chest of past clients that you have different strike rates for. So when rates start to come down, and you wake up one morning and mortgage-backed securities are rallying, and you check Optimal Blue, and you see interest rates are at 6 1/4%, and you have five people at 5 7/8, and have another 11 people at 5 3/4, it's go time.

Now understand something, I'm not going to pick up the phone and call Bill and tell him, "Hey, guess what? That interest rate that we had established was your strike rate is available. Would you like me to run some numbers for you?" No. I'm going to pick up the phone, and I'm going to say …

Calling a client when rates drop to the strike rate

"*Hey Bill, I've got great news for you. Remember when we talked seven months ago about that strike rate of 5 7/8? I got you that rate. I'm really happy for you. We're going to save you the $300 a month. I locked you in. My team already got your loan approved. There's just some documents that we need to get from you to update your file. Really happy to be able to do this for you.*"

I'm going to make it easy on Bill. He's not going to have to start all over like he would if he used a different lender. And I'm not going to get engaged in a back-and-forth conversation with Bill having to sell him on doing something because I sold him on doing it seven months ago, and we agreed that once that rate becomes available, it's going to make sense for us to move forward.

This allows you to staff up your team as rates start to come down because you can run a report and see, all right, another quarter percent drop, it's go time. I've got 11 deals at 5 3/4. I got another six at 5 1/2. You can start to anticipate the demand in advance. And like I said, you're not going to get caught up in this back-and-forth game. I mean, you've all been there before. Rates drop, and you're scrambling, and you're not 100% sure who to call, and whoever it is that you do call, you're leaving them a message, and they're calling you back, and you're trading phone messages, and you're having to sell them, and then they want to run it by their CPA or their spouse. And before you know it, a month has gone by before you're actually facilitating these loans. I want to put you in a position to where when it happens, you are ready to take advantage of it and to turn that pipeline over quickly. All right, Team, go get it.