

## **Real Estate Agent**

So my first conversation was with the real estate agent and that was actually a fairly easy one to get involved with because with the mortgage meltdown that we have got in the real estate market being affected and the bailout. And everything going on with Fannie Mae and Freddie Mac, fairly easy to start a conversation up with her about how the market is affecting her and what is going on.

So that is literally how I started, my opening gambit was to just talk about, "hey, how is the real estate market? How is this mortgage is being affecting your business?" And as you can imagine, here we are at the end of September beginning of October and the Poulsen bail out Fannie Mae and Freddie Mac is still in the news, it was prior to the vote when I originally talked to her. But even as I'm according as they still haven't resolved everything just yet.

So was easy to get that conversation going. "So how is business?" And she just started complaining, times are tough and you know, people aren't moving and the people who are interested in buying they are worried about whether or not they are getting a mortgage and blah, blah, blah, blah. And then I asked her how that was affecting her and her investments. And she gave me what was, at this time of the conversation, a very normal, natural knee-jerk reaction particularly because she has not come to me seeking financial advice. She gave me a surface knee-jerk reaction which was, "hahahahaha, don't even get me started!" And I said, "Well actually I'm curious. I mean how is it going how you handling it and what are you doing?"

And she immediately started to tell me about the fact that she has been a double dipper in terms of the meltdown in the economy. Her first whack was, in the neighborhood that we are in we had a massive run up, several years ago, in real estate prices. There was a period, I guess about a year and a half or two years ago that there was a new subdivision within my neighborhood that was opening up and it was literally run by lottery. Meaning if you felt like you wanted to live in this neighborhood, you would show up on the appointed day and you would get a ping-pong ball with a number on it. And number one, when number one went they got to go pick whatever lot that they could buy. Put the money down and go from there and then number two got to take and then number three. And as always happens in these speculative bubbles people began to think that this is going to go on forever and this is exactly what happened to my real estate friend.

She went out and started buying up real estate, flipping it made the ton of money very quickly, in a short period of time assumed that this was going to go on forever and found herself very overloaded in real estate at the point when the music stopped and things started to dry up and prices started to go down. And then suddenly all of these speculators are starting to sell which pushed the markets down even more. She was however, able to weather that storm and get out of her things and she does have a diversified portfolio.

So despite the fact that she is in the real estate business, she is not only in the real estate business, she does work with a full service adviser, with a nationally recognized firm has a nice diversified portfolio. But that is part two of the

whammy, just when things seemed like they were starting to come out of control, not only to real estate issues continue but now she has got the double whammy of the market being down 25% from where it was one year ago. And even though she hasn't got her statement, and I don't know she was running a chart she knew that that was about how much her portfolio was down from this time last year.

So when I got to my hyper open-ended question with her, which was just, "if you had a realistic magic wand and you could change anything about your financial situation. What would you change or what you eliminate?" It doesn't take a rocket scientist to figure out the first thing out of her mouth was, "stop the bleeding!" Now obviously my questioning of her has dredged up some particularly ugly history over the course of the last two and half to three years.

Which means that she is not going to be in a very resourceful state right now. And as either her adviser, if I was she existing adviser, or her prospective new adviser, if I was prospecting her. I am not in a good conversational place right now. In fact, think I can neither go back and change what has happened with her nor can I guarantee her that if she will come with me things will be better, I am at a dead end conversationally. Now even though I don't know this for a fact, my hallucination is this woman is going to be able to easily weather the storm and she is going to be okay at the end of it.

So what I need to do now is time bridge from where we are to get beyond this crisis and get her thinking forward again. And my strategy here would be the same regardless of whether I was prospecting her or she was already my existing client. So now I want to use a linguistic time machine, and I want to transport her beyond this current crisis. And to do that as she transported her back in time first. So I say it, "yeah it weird isn't it? These are unprecedented times. I don't think we have ever seen any thing exactly like this before." And then I said, "I don't remember anything like this. Do you?" Now this is a calibration question, she can either come back and say, "Oh yeah, I have seen something exactly like this before" or she can go back and to compare something like this, this reminds me of blah, blah, blah, blah or she can go the other way. Which is what she did she said, "you know, I don't think we've ever seen like this before. We are in uncharted waters!" So here we are travelling a little bit down this dead end but trying to get to a point where we can reframe the way that she is looking at this. And when she said to me, "uncharted waters" that was golden mental hook.

And I said, "Uncharted waters. That is exactly what this is. In fact, we have never had to the best of my knowledge a situation exactly like what we've got today."

Now I think that is a fairly safe statement to make all of the time because with as many of the variables that we have got. You are not going to repeat everything "but (this is me talking to her) we have been in uncharted waters before. In fact, as I look back over my investing career. You know what does occur to me? Is very often the times that we have been in uncharted waters, have in the end turned out to be some of the very best buying opportunities." And then I went back and listed several that I knew she might be able to remember as well. So I went back and talked about 1982, when prime was 21% and unemployment was

14%, and every day the newspapers were telling us that this is the end of the world, as we know it, unprecedented waters.

Crash in 1987, the largest single day drop still that we have ever had, unprecedented waters. 1993 and 1994 the Fed increasing interest rates I think nine times over a 12 month period, I may be a little wrong off of that but it was a lot, Unprecedented waters. The tech bubble that we had and the big burst, and the run up in Tech, unprecedented waters. Ummmm I wonder if we look back on it now sometime in the future and realize that this was one of the best buying opportunities, when there was panic in the streets. I just read that Warren Buffett put \$5 billion into Goldman Sachs, and he is a guy who knows just a little bit about buying when everybody else is selling.”

Okay so boom that is a reframe. And I used her trigger phrase – uncharted waters – as my conversational catalyst to get beyond what it was that we were talking about and take her through a linguistic time machine. Taking her back, taking her out into the future wondering if, from the future will we look back at today and think to ourselves. “Wow what a great opportunity was being presented here.” And then taking her out of the little trance type conversation into a factually verifiable thing. The Warren Buffett that’s been in the news as I am recording this, that he has just put a \$5 billion stake into Goldman Sachs. So I’m wanting to put a lid on the conversational trance work that I’m doing and get her into today. And what do you think her reaction would be?

And in any conversational gambit what you’re going to want to do is calibrate the reaction that the object of your persuasive desire is having. Because it is not working in her mind it is not working anywhere. Fortunately there with her, I got the state change that I was looking for. She was no longer mired in all of the bad news that is happening today, no longer worried about all of the money that she has lost in real estate and lost in stocks, and she is thinking instead about, “is this a good time to be plowing more money into there?” in fact that was the question that she asked me. “Do you think this is a good time to be investing?” And I said, “You know I really don’t know. But it is a good time to be sitting down and reviewing what you are doing with your money. And it’s a great time to ask yourself this question. What in your life do you want your money to do free you that you haven’t addressed yet or haven’t addressed completely?”

Now my work here wasn’t actually completely done because her reaction was, “stop going down. I would like my money to stop going down!” Now perhaps I could have done a better job inoculating against that response. Setting things up in such a way that she wouldn’t give me that answer. But because I got the reaction that I did I assumed that I really didn’t need to do that. And I was wrong, but that is okay because here is the great thing. They are not keeping score, I am not keeping score, and hopefully you are not even keeping score. You are in the moment, you’re calibrating the reaction to your prospect has and went something along comes like that, because you are doing this so conversationally it is easy to now go back and ask the question again and inoculate it this time. So what is inoculation you might be asking? Now you inoculate when you ask the, a magic wand hyper open-ended question.

Because if we merely would ask, “if you have a magic wand and could change anything about your financial situation what would you change?” And I could tell you from having asked that question that they frequently the answer that you get back has to do with, “give me Saturday night’s lottery numbers and I am good to go. That is all I need if you can give those to me with your magic wand. Then baby all my dreams are coming true.” So we have to inoculate against that response by using the phrase realistic magic wand instead of magic wand. That is an inoculation; it is pushing us away from the answer that we don’t want to get.

Another example of that is in the other hyper open-ended question that we asked, “on a scale of 1-10, 10 being perfection,” that is an inoculation because perfection is something that we don’t believe is something that we have the right to expect at least, not in this lifetime. So it is going to give the prospects unconscious mind a push away from that answer to force something a little lower down the scale. So I didn’t inoculate her but now I can go back and easily do that. And I did, I just said, “well yeah, obviously that would be the case. But in addition to the obvious that your money doesn’t go down from here” and this is the foundation for the next move up. “What else do you want your money to do for you, that you don’t have in place yet? That you haven’t addressed completely?”

Now this particular person is extremely, actively involved in an animal rescue organization. In fact, she works; my guess is the equivalent of a whole second job. I think she probably puts in 7 or 8 hours a day volunteered, in an unpaid position working for this animal rescue organization. And when I asked her that question, she said, “that is easy. I would love to be able to fund the sanctuary.” Not this is a mental quantum leap for her. Away from the climbs in the market place, that fact that she knew without having to look it up, just quantitatively, she knew she was down about 25% from the highs a year earlier to now suddenly be talking about. What her money can do for her! Not about her money! And this leap is gigantic; this is the first step that you are looking for in your process.

The moment that we start talking about what is most important to you about what your money can give to you, we have made a quantum leap in our conversational trail. Now at this point in the conversation I did something very, very well and something very, very poorly and I knew the second that I did it, I had really screwed up. But again if you understand where it is that you are going, the fact that you go off course a little bit is not the end of the world. In fact, it is not even the end of the conversation.

So here we are I have made the quantum leap with this person toward what her money is going to do for her. And I anchored that in verbally by saying, “Umm the sanctuary. That is really what it is all about at the end of the day isn’t it?” and she got this dreamy look in her eyes. That because I was watching and paying attention I could see that I was defiantly on the right track. I mean her eyes almost half misted up, a little bit and she said, “It really is.” So boom, man I have literally hit the conversational nail on the head. But then I missed my exit.

My next question was, “well let me ask you. How much would it take for you to be able to fund the sanctuary?” now this is actually not a bad question to ask, but where I have asked it is horrible. And in fact, what it ended up being is the wet

towel, or the wet pail of water that I am throwing onto the fire and dousing all of these embers that I have been stocking to try to get born into a big flame. In fact, that is a question that I am going to need to ask at some point. In fact, all of the questions that you ask, the ibis and charts and hypothetical illustrations and the how much money, all of those things we need to ask those questions. But here is what we want to do. We want to ask those questions once we have got the mental buy in, that our client is going to take the journey and they are going to take it with us and then all of a sudden about how much? And how often? And When? And all of those types of things they become important but you have already got the buy in.

So they then become the necessary questions that in order to help to get to where it is you want to go, I have to understand where you are today and where it is that you want to go? So I asked an okay question but I asked it at the exact worst possible time. Now my GPS was working though because I was watching her in the moment and I saw that misty, far away, dreamy sort of look go from that to a crunched up look that we all get when we are sitting down and working on our budget or taxes or our expense accounts. The moment was over and it was over in a very big and thankfully obvious way.

So once I noticed her mentally struggling, I literally said to her, “you know what. Stop! Don’t have an answer that question; don’t even think about that right now. Because you know what? That it’s not really important. I want to get back to where we were a second ago because I could see from the look in your eyes just how important the sanctuary is for you. And you know what? Up until now I didn’t really realize just how much this must mean to you and tell me a little bit more about that.” So just know any time that you realize you went down the wrong path, you can correct it.

As you increase your sensory acuity and your ability to watch what’s going on, in the mind of the person you’re talking to you will be able to correct more quickly. If you get really sharp, which I wasn’t in this particular situation, but sometimes am, often am then you will be able to know that you don’t even want to go down that path to begin with.

So I went back and recognize the mistake and I said, “you know what? Forget about that don’t even answer that question. But I am seeing that this really means a lot more to you than I think I ever realized that it means to you. So tell me a little bit more about that.” So she went on with the story of what she would like to do and why that is important to her. And as she was telling that story, I just kept it going. I mean, she got to the point where, about the joy and the sense of contribution and the good feelings that she gets inside from the work that she does with that organization.

So from that point on it was easy to accelerate the emotions that she was experiencing and work towards the floodgate experience. By saying, “imagine yourself out at some point in the future. Having achieved this dream of being able to fund the sanctuary in the way that you want to do it. That you have accomplished that life goal. What would have that mean to you?” Okay so there is a very different version of the relationship question. The conversational stack question that we talked about earlier. But it is basically accomplishing the same

goals, predicting them out into the future, asking them to build their happiness cake. Tell me what the recipe is and then look back at today and code it as a memory. So you are getting closer to it happening.

Now one thing that I did not do if you go back and listen to the piece that we just talked about there, that I would do if I were you. Or would do if I was a financial adviser trying to earn the right to have her business was I did not encode myself into that question. I didn't say, "You know, as you think about this what would we have done or what would we want to have accomplished. And once we have accomplished that what would that mean to you?" Which when you are asking the question to a prospect, you definitely want to do that. You want to have them build their happiness cake and Bake you right into the recipe.