

Real Estate Business

Business Insights Brought to You by Your Mortgage Professional

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TECHNOLOGY

How to Choose an IT Service Provider

A reliable information technology (IT) service provider can be a cost-effective way to minimize hassles by keeping your computing environment safe, reliable and up to date. Look for an IT support partner that:

- Specializes in working with small or medium-sized enterprises (SMEs) or even real estate brokerages
- Supports the computing platform you use
- Can customize services to meet your brokerage's unique needs

Often, a technology partner begins with a comprehensive audit of your system to determine the reliability and stability of your computing environment. Thereafter, a monthly retainer usually covers regular work such as:

- Proactive, preventative maintenance of desktops and servers
- Email protection, including spam, virus and phishing filtering
- Regular monitoring of key network elements
- Desktop and server backup

Other services you may access through a technology consultant could include:

- Strategic IT planning
- Procurement consulting, whereby an IT expert would recommend and/or procure hardware, software or other technology products
- Security, backup and disaster recovery strategies
- Selecting and implementing new technology for your business and/or your industry
- Special IT projects or disposing of obsolete technology

Real estate brokerages are typically unable to attract and retain high-level IT professionals who can handle all their technology needs. With a good IT support service, you have access to support from an entire team of experts.

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How to Survive the Recession ...Stronger Than Before

As bad as it is out there, it's important to recognize that this is a time of tremendous opportunity. Get my free report "How to Survive the Recession...Stronger Than Before" by emailing me at xxxxxx@xxxxx.com or by calling 555-555-5555.

FINANCE

Top Accounting Software for Your Brokerage

There are numerous low-cost accounting software programs that simplify accounting tasks, generate reports and provide tools that help you use your financial data.

Intuit QuickBooks is a popular accounting, bookkeeping and payroll program designed for small businesses. QuickBooks is available in Basic, Online, Pro and Premier editions. The Pro edition includes management tools such as a Vehicle Mileage Tracker and a Cash Flow Projector.

Simply Accounting by Sage offers First Step, Pro, Premium, Enterprise and Accountants editions. Professional versions can track customers and suppliers, manage inventory, prepare invoices and process payroll.

A key feature of **Microsoft Office Small Business Accounting** is its tight integration with MSOffice applications such as Excel, MSMoney and Outlook's Business Contact Manager. **Office Accounting Professional** has a slate of add-on features that can create purchase orders, track inventory, assess finance charges, support foreign currencies, do payroll and manage fixed assets.

The basic version called **Office Accounting Express** is free. It has the look and feel of familiar Microsoft Office products and can create quotes and invoices, write checks, track expenses and reconcile online bank accounts. A start-up wizard and step-by-step instructions get you up and running quickly. Office Accounting Express 2009 is designed for U.S.- and U.K.-based small businesses and does not support local requirements beyond these two countries. Both the free version and the Pro version offer bilingual English and Spanish interfaces.

How to Create an Offer That Clients Can't Resist

A good offer is a deal that tilts the scale so that value outweighs cost in a prospect's mind.

In today's economy, people often view price as the most important factor in an offer.

Yet customers are actually more likely to balk when the value of products and services isn't apparent to them.

An offer must reflect genuine value to a customer.

How can you help prospects understand the value of your offer?

- Relate the value to the problem they want to solve.
- Express the value in the customer's own words.
- Relate the value to something specific.
- Articulate both the short- and long-term value of the offer.
- Tell your prospects exactly what they're going to get.

- Compare the value of the offer to the opportunity cost of not taking the offer.

Getting Attention

To get customers to pay attention to your offer, make it instantly recognizable and state it succinctly.

Use strong, simple, bold language and dramatic colors.

Timeliness is critical, so you should carefully consider your launch dates and follow-up during the offer's duration.

A versatile offer that includes a variety of products at different price points will appeal to a range of customers and allow you to obtain maximum revenue.

You need to give prospects a convincing reason to act.

The offer should tell your prospects exactly what you want them to do.

WISDOM

Quotes by...Jack Welch

"My main job was developing talent. I was a gardener providing water and other nourishment to our top 750 people. Of course, I had to pull out some weeds too."

"Control your own destiny or someone else will."

"An organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage."

"I've learned that mistakes can often be as good a teacher as success."

"Willingness to change is a strength, even if it means plunging part of the company into total confusion for a while."

"Good business leaders create a vision, articulate the vision, passionately own the vision and relentlessly drive it to completion."

"Face reality as it is, not as it was or as you wish it to be."

"Giving people self-confidence is by far the most important thing that I can do. Because then they will act."

Worth Reading

Selections from the best articles seen online this month

Breaking Up...with Customers From Inc.com

"Over the course of the eight years we've been in business, we've had to 'break up' with a bunch of customers for various reasons, and you know what I've come to terms with? It's OK. Not every customer is right for every business."

More: <http://tinyurl.com/lfjwht>

Welcome to Island Marketing From Seth Godin's Blog

"If you run a business on a small island, every interaction matters and every customer is precious."

More: <http://tinyurl.com/mdmnav>

What's Your Tribe's Secret Language?

From Remarkable Communication

"When you're writing to persuade a particular tribe, you've got to find the language that they use every day. Every time you say notepaper when they expect writing paper, you send a signal that you're not one of them."

More: <http://tinyurl.com/mmg6el>

Positive Focus

From Perry Marshall

"You start every interaction, every meeting, and every day with this question: 'What's GOOD?'"

More: <http://tinyurl.com/kvgtbu>

Death Spiral!

From Seth Godin's Blog

"Change is a bear, but it's better than death."

More: <http://tinyurl.com/nodw6n>

Changes to Mortgages for First-Time Buyers

With the current drop in home prices, would-be home buyers who were previously unable to afford a home may now be finding that ownership is within their reach.

However, before starting, there are a few financial items that real estate agents working with first-time home buyers should be aware of.

Get Approved First

First, first-time buyers should contact their mortgage professionals to find out what they can afford to spend on a home *before* they start to look. This advice is obvious, but with constantly changing lending guidelines, and the promise of deals galore in today's marketplace, buyers may be under the impression that the sky's the limit. Being realistic from the beginning of the process will set appropriate expectations.

New Disclosure Rules

With this past few months, mortgage disclosure laws have changed for brokers and banks alike. Now, lenders must disclose to borrowers the fees they will be charged, before that lender is allowed to collect any fees. The exception is any credit report fee.

Lenders have different policies to how

Conditions in the mortgage market have brought about some changes that relate to first-time buyers. Here's what you need to know.

they will disclose these fees to borrowers (meaning either via post mail or email) and different timelines that they follow.

Lenders must also re-disclose these fees to borrowers prior to closing, if the annual percentage rate (APR) has changed by more than one-eighth (.125) of 1 percent compared to its rate at the beginning of the process. The borrower must be allowed three business days, excluding Sundays and holidays, to review and sign off on the new fees.

This is good in that lenders will no longer surprise borrowers at the closing table with fee and rate changes, but the process may now move a little bit slower than it has in the past, and buyers need to be aware of this.

Up-Front Costs

Borrowers should be prepared to put down a minimum of 3.5 to 5 percent of the purchase price. This money can

come from either their own funds or be in the form of a gift from a close relative. Other upfront expenses will include closing costs and escrows.

Foreclosures and Short Sales

If buyers are looking at either foreclosures or short sales, have them allow extra time to complete the process, as these sales need to be approved by the holders of the mortgages on these properties. These lenders are undoubtedly overwhelmed right now and may take several weeks or more just to respond to an offer submitted on a property.

First-Time Buyer Tax Credit

Keep in mind that the \$8,000 first-time home buyer tax credit will take effect when buyers file their taxes *next year*. A lot of the coverage of this program, which is set to end December 1, 2009, would have them believe that they can use some of this money at closing.

There are very rare instances where an at-closing credit would apply, but these cases involve the use of a third party, such as a charitable organization. Have your buyers contact their tax professionals for more details.

BOOK REVIEW

Here Comes Everybody by Clay Shirky

The world seems to be changing so quickly – mainly because of the Internet – that it can make your head spin.

Newspapers are in trouble, protesters organize via 140-character messages and entire encyclopedias are built by volunteers.

Shirky's book, *Here Comes Everybody*, tries to explain the social and economic factors behind the new technologies that have transformed a world based on scarcity to one based on abundance, where everyone can create, criticize and

contribute without being part of a traditional organization. He tells the story of how thousands of people were mobilized to find a stolen cell phone (and shame its thief) and what makes sites such as Wikipedia, which make no profits and have no real leaders, function so well.

This is a fascinating read for anyone doing business in 2009. After all, if you are to succeed today, you need to be aware of the revolution that is taking place around us.

Quick Quiz

Each month I'll give you a new question.

Just email me at xxxxx@xxxx.com or call xxx-xxx-xxxx for the answer.

This month's question:

What is the shortest word that uses all five vowels?

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MARKETING

How Even Small Brokerages Can Create a Powerful Brand

A strong brand is an invaluable asset. But how can a small, independent brokerage create a powerful brand? And how can you consistently deliver on the brand's promise?

Your brand incorporates elements of your name, logo, slogan, offerings and business philosophy.

It identifies your products and services, but even more important, it reflects the personality and integrity of your company.

It tells clients what they can expect from you, and it differentiates you from the competitors.

Your brand is derived largely from who you are, the value you deliver and perceptions people have about how you conduct business.

Effective brands establish a connection between the brand personality and the actual product/service. An effective brand will:

- Make a clear statement
- Affirm your credibility
- Connect with clients on an emotional level
- Cement client loyalty

It's important that you reinforce your brand at every point of public contact. Your website, business cards, vehicles, signage, letterhead, premises, etc., should all affirm your brand identity.

A strong brand is a powerful competitive advantage. It's important to spend time researching, defining and building your brand. After all, it is a promise to your customers that you and your employees will live out each and every day.

Ultimately, your brand resides in the hearts and minds of clients, prospects and the general public as the sum total of their perceptions and experiences with your brokerage.

Inside This Month

- How to Choose an IT Service Provider
- Top Accounting Software for Your Brokerage
- How to Create an Offer That Customers Can't Resist
- Changes to Mortgages for First-Time Buyers
- Book Review: Take Their Breath Away
- Worth Reading: The Best Articles This Month

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