



The Right Fit

Not all potential clients are good for business. Here are five signs it might be time to walk away.



By Gwen Moran

When times are tough, any business might seem better than no business. But that's a dangerous line of thinking, says Russell Shaw, CRS, with John Hall & Associates in Phoenix. "Take any five clients, and four of them are going to be fine, sane. In my experience, though, there's one out of five who is crazy. Now, 'crazy' may range from being difficult and disrupting your business to causing big problems for you. But either way," he explains, "they'll take more from your business than you could ever get back from them."

Difficult clients can be a drain on REALTORS'® time and energy. Agents can easily lose focus by spending too much time servicing the "squeaky wheels" — and not enough time seeking out and cultivating more profitable contacts, says Dave Robison, CRS, founder of Robison & Company Real Estate in Jordan, Utah. Robison says it's easy to calculate the negative impact of a high-maintenance client by using a general formula: simply divide the potential commission by the number of hours it takes to answer the demands of the client. He also keeps a close eye on the amount of lost productivity he experiences doing "busy work" for the demanding client instead of cultivating more business or making other deals.

"Over the past several years, I've figured out some warning signs that tell me when a client isn't a good fit for us," Robison says. "We bring them in our office and qualify them first, asking them questions about what they're looking for and what their expectations are." As people answer his questions, he probes for more details because, he says, most initial answers can be superficial. He follows up with a simple phrase — "tell me more about that" — which he says gives him the detail he needs to determine if the client is going to be a good fit or a potential problem.

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Now more than ever, given the housing market and economic conditions, it's imperative for agents to be selective about the clients they choose to serve. Sellers who cling to unrealistic expectations or buyers who are overly demanding can be a major drain on a real estate business's bottom line, not to mention on agent productivity and morale. Before agreeing to work with a potential client, REALTORS® would be wise to look for warning signs that signal the relationship might be a bad fit.

First-Meeting Phobia

While some REALTORS® will hop in the car at a moment's notice to meet prospective

aren't a good fit. "That's why we don't jump to go to the house. It's about the relationship. If the relationship isn't a good fit, then it doesn't matter what the house looks like," she says.

Demand Overload

Some clients think hiring a REALTOR® means hiring a 24/7 call service. Gary Rogers, CRS, with RE/MAX First Realty in Waltham, Mass., knew he might have trouble on his hands during one qualification meeting when a couple walked in with a three-page list of demands and asked him to lower his commission rate. Rogers knew that if he worked with this couple, he'd be earning every penny of his commission,

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clients in their homes or elsewhere, Alyce Dailey, CRS, isn't one of them. She and her husband, Seth, with RE/MAX American Dream in Baltimore, require a meeting at their office to go over the client's expectations and the level of service they expect the Daileys to provide. "If somebody isn't willing to drive 15 to 20 minutes to get to our office and spend 45 minutes talking about what is important in an agent they would pick or who they would work with, then we automatically have red flags," she says.

Of course, she says, sometimes there are legitimate reasons for REALTORS® to go to the house first — for a longtime client or for someone who is physically unable to travel to the agent's office — and they try to be flexible about meeting times and locations. However, the couple balances their workload with caring for their three young children. They learned long ago that clients who cannot respect that responsibility

so he declined, but the clients still signed with him.

After they repeatedly "pushed the envelope" with their demands, however, the final straw came when Rogers received a rude e-mail from the husband, who thought Rogers wasn't being responsive enough. "That was it. I don't work that way. I responded professionally to his questioning of how I was working and then told him I believed we weren't a good fit anymore, which is something I also say in the first meeting — if either of us feels that we're not a good fit at any time, we'll end the relationship," he says. Now, when clients walk through the door with multiple pages of demands, Rogers is usually less than eager to work with them.

Belligerent Badgering

Robison recounts this story to illustrate another deal-breaker. "I went to a listing appointment and was asking [the potential

clients] questions about their house. The husband was very happy about how he had negotiated the huge front porch. He said, 'Well, basically I just called the builder every single day and told him I wanted a bigger porch and just made them do it.'"

Anyone who has the time and inclination to be that troublesome to get something extra that the builder didn't agree to isn't someone who is interested in a long-term, mutually beneficial relationship, Robison says. "That type of client I also call 'Todd Fraud,' because they act like they want to do business with you, but behind the scenes, they are the type that call you up demanding that you either give them a rebate or you give them a commission breakdown or some sort of discount. They are really in it for only them," he says.

The Endless Hunters

Even after thorough conversations with clients about what they're looking for in a home, Rogers has often found himself with buyers who never seem satisfied with the houses they're shown. "We'll show them house after house after house, and there's always something wrong with every one of them," he says. To manage the situation, Robison brings the client back in for a sit-down to go over the client's needs and wants. He asks them to be specific about why they're not happy with what they're seeing. This either uncovers a misunderstanding, he says, or reveals that this is just a difficult buyer.

If the buyer is difficult and Robison suspects he or she can't be pleased, he'll explain that he suspects the relationship isn't a good fit, and he may terminate it if he thinks it can't be salvaged. Clues to watch for, he says, include buyers who can't clearly articulate what they're looking for or who are overly critical of minor issues with houses in the first few visits.

The Cheapskates

Robison sometimes gets calls about properties his firm has listed because the buyer wants to "work with the listing agent." To Robison, that's a red flag indicating that the buyer assumes the agent will cut the

commission if he or she is representing both the buyer and the seller (and, thus, getting a bigger piece of the commission pie). Dual agency rules differ from state to state, but regardless, Robison short-circuits that idea by explaining that his agency has buyer's agents and seller's agents, so the commissions are separate — and remain intact. There is no “discount” for dual representation.

Beyond these warning signs, agents should also pay close attention to the initial reaction they have upon meeting with a potential client. Shaw describes it as how you feel when you're in a room with the person — is it draining, or do you feel energized? If it's the former, then the client may be a long-term drain on your business.

Dailey uses a different benchmark. “One of the ways we assess if clients will be a good fit and vice versa is if we both feel that we would invite them into our home,” she says. “We build our business around throwing parties. Our biggest party is at our home every year in January, and we want to feel comfortable that the people we work with are people we'd like to have in our home. If we wouldn't want to invite them, they're probably not a good fit for us.” 🏠

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In the No

Sometimes, you just need to walk away. Here are three ways to say goodbye nicely.

Be direct. After receiving a rude e-mail from a buyer client, Dave Robison, CRS, responded in a way that was both professional and clear. “I wrote back, ‘As I said when we first met, if either of us feels that we are not a good match, we should let the other know. I think we've reached that point, and I don't think that I am able to work the way and in the manner that you require. I wish you all the best and hope you find the house you are looking for.’” That note resulted in a handwritten apology from the client, who found a new REALTOR® and still hadn't purchased anything eight months later.

Turn it around. Leslie Edwards, CRS, at RE/MAX Around Atlanta says her training in psychology and human behavior helps her work with just about anyone. Most of the time, she ignores annoying behavior, but one troublesome client had a bad habit of yelling at and verbally abusing her staff. After it was no longer bearable, she called and told him he had a choice: Edwards could either raise the commission fee by 1 percent, and he could continue to behave badly, or he could change his behavior, and she would hold her commission steady. He laughed and agreed to be nicer in the future.

Set boundaries. When Robison finds himself with a buyer client who is particularly demanding and high-maintenance, he gives the client a choice: Follow the guidelines his agency has for selecting a home, or forgo the guidelines and pay a \$200-per-hour consulting fee. If the client chooses the latter, he or she can continue searching and nitpicking for as long as they like, says Robison. “But we've never had anyone take us up on it,” he adds.

