

MAKING A DESTINATION OFFER

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Once understood we come to the realization that “Negotiations” are everywhere. At the center of negotiation is awareness. When we are “aware” we are able to use the momentum of what is around us to further our negotiation cause. Making a destination offer is just that: Understanding the desired destination of the seller, and presenting an offer that declares arrival to that destination.

Every seller has a reason to sell. Every seller's reasons are different. Some are clearly stated, others are observations we make as we get to engage with the seller. The obvious key to making a destination offer is to have a firm understanding of who the seller is, what they think, what their emotions are around the situation, and where they want to land when it is closed. For every observable reality, there is a destination solution that cures the reality.

If a seller is anxious about dealing with vacancies and tenants, the destination you would present would be the relief from this worry permanently. If the seller is concerned about running out of income in their retirement, you would present the benefits of income stream that if the interest were reasonable, you might pay interest only for many years. If the seller is stressed about their inability to keep up the property, offer to them a spruce up plan that will bring the property back to its glory within 60 days of closing. If the seller is overwhelmed at the prospect of what needs to be done before it is ready to sell, offer to buy it as-is and assure the seller that they will not need to do a thing. Perhaps the seller is concerned about what will happen when they die, offer to them the value of remainder beneficiaries that understand what will happen upon the sellers death. For every observable situation and concern and attitude, there is a card to put forth that will answer this concern and allow the seller to arrive at the desired destination.

The process of collecting “all available means of agreement” as Aristotle put it, is the job of the negotiator. You cannot solve the puzzle with the pieces turned downward. The process of discovery is subtle. It is hearing attitudes and concerns, passion and dread. It is observing what is important, and what has no meaning. “Pathos” is the process of knowing our seller in and out. This cannot be done well on the phone. Face to face is the preference to be sure. This is why negotiation on a piece of property that is listed is so very difficult. It is like being in a dodge ball game blindfolded.

It is equally as important to be aware of what our audience, the seller, thinks of us. This is “ethos”. As we observe them, we can discover connections and similarities that will serve to improve their impression of us. Remember, people like those who think like them. It is our job to find the similarities and accentuate the connectivity in order to improve their picture of us. The more we look like them, the more comfortable they feel. These similarities will also come into our offer presentation. Offering an “understanding” of their situation, because you are so similar in so many ways, brings comfort to the seller. “We are the same, and this is what would be good for you” is the essential message.

As we are meeting with the seller, be aware to match their vocabulary, their intensity, the rate of their speech, and the level of their emotion. It is like dancing. Stay in step with your “partner”. If we go too fast, defensiveness will be the result. If we go too slow, we are not getting the urgency of the situation. Take off your watch, leave the cell phone in the car, and FOCUS!!! One hundred percent focus and attention is what great negotiation requires. It is the subtle clue that you did not see or hear that could make or break your presentation.

Over the years I have sat face to face with hundreds of sellers. What I learned from Dr. Michael Shadow about the Art Form of Negotiation has been invaluable. I could literally write a book of stories whose crescendo would be the “destination offer”. Some of these destination offers

were boldly stated after the information / destination collecting process. Others were based on my subtle observations yet unstated by the seller. All however were put forth with what I felt and observed would be a desired destination on the part of the seller.

I think on the seller of a riverfront cabin who, as it turns out, wanted to sell because he wanted to buy a new Toyota Forerunner. It happened I had one and offered it to him as down payment. Deal done.

I think on the seller whose husband suddenly died. Who now would maintain the building? The thought of orchestrating this herself was unthinkable and overwhelming.
Solved!

I think on the seller who was told by the “stars” to sell now.....the problem is that there was only a 50 minute window when Mars would have his (or her) back turned. Mars could not know what is happening....surely I understand! Of Course, say I. Escrow was set, papers layed out like a race track. Courier ready to run documents to recording. All of this was done in the 50 minute window. Deal Done! Crazy you say, but this was the destination the seller sought, and it was my job to get her there.

I think on the seller who recently lost 30% of their retirement funds in the market. A positive return on investment was all they were looking for. My offer

underscored, before stating any numbers, that never again would they have a loss of principle and a negative return. This was the destination they sought. Mission accomplished. Deal signed.

As an entrepreneur it is our job to construct an offer that makes investment sense. Never disclose what is in this deal for you. Never discuss your criteria, your strategy, or the merits of the deal from your perspective. In your presentation, think “sellers perspective” and frame your presentation to highlight the “best attraction” within the overall destination first. The “primacy effect” states that the first thing people hear they will remember long term. Lead with the big attraction! As you wrap up, circle back around and restate the “big attraction” again. This is known as the “recency effect”. The last thing people hear they will also remember. We tend to forget what is in between. Be sure to time well the last thing you say. Deliver it as a crescendo, and speak no more. There is nothing worse than rambling on after you have delivered your most powerful statement of destination.

At Reach Returns, we teach the street. If what we are putting out there is not street smart and usable tomorrow, we are missing the mark. I hope this has given you a tool that will be used in your next offer. It takes practice and intention to create a destination offer and present it effectively. As always, if we can be of help, shoot me an e-mail at gregandshauna@reachreturns.com or look us up at www.reachreturns.com. My best energy will be with you as you present your next “destination offer.”

