

The G.U.T.S. Update

By Claude W. Diamond J.D.

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Dedication

This book is dedicated to all the people who are tired of phony extrinsic motivation and who REALLY want a method and a set of tools to learn the true secret of wealth. To all of you who have gone to the seminars and bought all the stuff, here is a book, based on my own success, that will work.

Introduction

Hello, this is Claude Diamond and I'd like to tell you about my G.U.T.S.™ SALES SYSTEM. It can apply to any sales or service business or for someone who wants to work smart and go to the bank a lot more often. I'm in Creative Real Estate. I mentor people in business. I also do G.U.T.S.™ sales training, coaching and consulting.

I had a big problem. I was a good student and went to a lot of seminars. I bought tons of books and audio and video media. The problem I encountered was, even though I was working hard, I wasn't making much money. I knew my stuff. I studied hard, but I found that a lot of people were wasting my time. People called me often and tried to pick my brain. I would end up being a free consultant, giving away a lot of information in areas that I studied for years. I paid the price, but I wasn't generating any money. Often, I'd go to properties, I'd meet the owner of the property or I'd meet prospective tenants and we'd look at the house. I'd show them around and at the end I'd ask for the order. They'd say things like "I'll think about it" or "I'll get back to you." I was doing a lot of busy work, but I found that I wasn't being as productive as I'd like to be.

I wanted to make a lot of money. My business now generates a very high 7-figure lifestyle for my family and me. I attribute this to my G.U.T.S.™ 3-STEP SALES SYSTEM. We all have 24 hours in a day. Why do some of us make as much money as we want, while others keep struggling and go further into debt?

It's not about which product or service. We're probably all using good products and services. It's that we're not working as smart as we could. We're not working in a systematic way, particularly in sales, marketing and prospecting.

The purpose of this book is to give you ideas about how to work smarter. This can be applied to any system.

There are so many different ways to do Creative Real Estate. We get all this information, we do all this running around, but we aren't achieving our financial goals. People do not give us commitments up-front. We end up giving away free information. Many of us become frustrated. We all know that feeling, right? We work really hard and Friday comes too fast. We're emotionally drained and guess what? We didn't go to the bank that week. We didn't make money even though we were highly motivated and we had the best intentions. What we wanted to occur, didn't.

I ultimately realized (because I was working as hard as anyone in Creative Real Estate when I first started) that I wasn't working smart. I wasn't qualifying properly. I have rights in the sales process. You have rights in the sales process. One of the key rules I want to teach you is that you have the right to qualify your prospects; whether they're the buyer, the seller, an investor or another professional you are working with. You have to **get** the information, rather than **give** the information.

If you take my principles of the G.U.T.S.™ SALES SYSTEM and apply them to your Creative Real Estate business or any business that you are working with, you will see spectacular results. You will have more fun. Your self-esteem will increase. You'll be working smarter. You'll be happier. Of course, you will be much more profitable. There is only one problem with the G.U.T.S.™ Sales System. It's quite different from what you've heard about before. You're not going to give presentations. You're not going to ask for the order 20 times. You're not going to meet with a prospect until

you know for sure, that you're going to pick up a check or a contract. You're going to learn to work smart in my specific Step-By-Step System. I use the word "Step" because this is the Staircase of Success. The G.U.T.S.™ SALES SYSTEM is a 3-Step Staircase.

The Mind of Claude:

You may notice in my book many references to real estate as example's when explaining my G.U.T.S. Sales Method. The reason is simple; Creative real estate and more specifically Lease Purchasing is one of my earliest and most successful vertical business creations. I needed this sales system to stop wasting time and go to the bank more often.

My background in sales was based in a very few glorious successes and many more despondent rejections and frustrations.

I worked for corporate America with the 3 piece suit, company car, studied law and was a civil servant. Heck, I even sold simple automotive and industrial tools off the back of a beat up Ford F-100 pick up truck. These were all experiences that eventually brought me to a Mentor who gave me the tools or better said skills that helped me to understand sales and eventually create G.U.T.S.

Once I had an understanding of the power of persuasion my life was never the same. I had the tools to make it in America and become a one percent.

My first use of these powerful sales skills were gleaned from Max the Mentor (I know you know who I mean;-) was in creative real estate. I was able to do many deals, control real estate using a contract and G.U.T.S. Skills. I made enough money to pay off credit card debt and never get caught in that trap again!!

This led to other business but it finally happened (eureka) with real estate; Where as we all know many a fortune has been made in this filed of endeavor.

The only thing to remember as you read The G.U.T.S. Update is that the system that I discuss can be used in any business. Today I train G.U.T.S. To executives and entrepreneurs in everything from insurance, Investing, Network Marketing, door to door sales; you name it and I have a Mentee using G.U.T.S. successfully In it.

Why not You ? I do answer my own phone.

Why A Method/System?

The question I am often asked is “Claude, why a system?” I’ve studied all the greats - Dale Carnegie, Brian Tracy, Zig Ziegler - all great people with great ideas about sales. The problem is that most of the information has been around for so long that your prospects know what you are going to do, before you do it. They know that you’re going to try to corner them and pressure them. They expect you to ask for the order several times. We can’t go out in a disorganized fashion and give away a lot of information. We’ve got to stop the presentation mentality that we have. We have to stop the adversarial relationship between the buyer and the seller.

What we want to do is create an air of trust and of understanding with an up-front commitment between the two parties. Imagine, if you had a salesman ask you, “Mr. Prospect, I’d like to help you make a decision. I’m going to give you as much information as you need, but before I do that, I’d like to ask you a few questions and see how we can work together. At the end of this conversation you can ask me questions, too. I don’t believe in pressuring you. I’d like you to be comfortable enough to be able to say 'no' to me. If you don’t like my product, my service, the cost of it, it’s OK to say 'no' to me.”

Have you ever met a salesperson who talks that way? If you are like me, you probably haven’t heard anything like this. We want to change, we want to stop the adversarial relationship between the buyer and seller and create an air of trust. We also want to have control of the entire process. I developed a question-based selling system based on the results I had when I started to change the way I operated. I found that a system is much better than just going out and giving away a lot of free information. I call it G.U.T.S.™ because it does take a bit of spine to ask some of the questions

we ask. G.U.T.S.™ stands for “Great Unorthodox Untraditional Techniques of Selling”. Most people in sales, for instance, never want to talk about the money issue in the beginning of the sales process. They are too worried about getting rejected and blowing the whole prospective sale. When do most sales people talk about money? They talk about it at the end.

I've been involved in real estate and lease purchasing since the late 1970's. I love Creative Real Estate and worked very hard at it, but I wasted an awful lot of time. I'd get in my car and drive to a property with the buyer or seller. We'd look at the home. We'd have endless phone conversations and at the end of all this time invested, guess what a lot of people said to me? “Claude, looks like a great deal, but we don't have the money right now. We'll have to do it some other time.” My heart just broke. Thanks to my mentor, I learned that it was my responsibility to qualify for the money at the very beginning of any sales process. “There are no bad prospects, just crappy salespeople”, Max, my Mentor would say.

We have to learn to work smart. We have to ask the right questions. We want to talk about the money up-front. We never want to ask for the order. We want the prospect to make their own decision and basically give us the order because it makes sense to them.

There are many rules in my G.U.T.S.™ SALES SYSTEM. Many of them will be contradictory or the opposite of what you have learned from other sales training courses, books and media. This system is based on getting to the bottom line, working smart, gaining trust and being OK with the word 'no'. In fact, we learn to love the word 'no', so we can concentrate on the higher probable prospect.

The word 'no' means it's over. Would you rather hear the word 'no' up-front, in the first 3-5 minutes or would you rather hear it after investing hours, days, weeks or months? The bottom line, I'd rather get the 'no' up-front and get on with my life and talk to other people and do many more deals. This is part of the ‘work smart’ concept in my G.U.T.S.™ SALES SYSTEM.

First, I want to talk about why people buy our products and services. What's the motivating factor? Why do people do what they do? They do things because of needs. Their needs can be very strong. They can even be emotional.

I liken this to my analogy of the dentist. Nobody really wants to go to the dentist, but often, we have to. Imagine, if you had a toothache on Christmas morning. Your dentist is not available and the tooth is really killing you. You went through the phonebook and you called dentist after dentist. You finally got one on the phone and that dentist said to you, “Sure, I’ll open my office and I’ll take care of that tooth, but I’ll have to charge you cash, up-front. I won’t take your Blue Cross or HMO card.” Are you really going to argue, if you’re truly in agony? Of course not! Are you going to negotiate? Are you going to ask for literature, for references? Are you going to say you’ll think about it? Of course not.

You’re going to go to that dentist’s office. You’re going to write him a check for whatever he asks because you are ready to buy. It’s not a decision making process. You’re in great need. That need is so great, it’s painful. It’s emotional for you. People buy things because of needs. People do not buy things because of fancy advertising and high pressure sales people. People buy things because they become emotional.

Once we understand why people truly buy things then we can direct the conversation with our G.U.T.S.™ SALES SYSTEM. We have to understand that people are not going to do Creative Real Estate with us because we have fancy literature or because we have this very expensive advertising campaign. The typical tenant/buyer is going to buy a home because:

- they’re tired of paying rent
- their neighbors are noisy
- they want appreciation
- they want greater security
- they want equity
- they want tax benefits

The reasons are countless. They go on forever.

They are not going to do real estate with you because they woke up one day and said, “Gee whiz, I want to go out and do a real estate deal.” They are going to do business because they have some kind of need. Is that need intellectual or is it emotional? It’s your job to find out. If someone is not ready to buy, let’s qualify them very quickly and get off the phone with them as fast as possible. If their needs are great, if their needs become

painful or they are emotional about these needs, they are going to take an action and do business with us. That's why people buy things. They want to avoid the problems they have been having; either existing or future problems and needs.

RULES AND QUESTIONS

I'd like to review a few of the rules of the G.U.T.S.™ SALES SYSTEM. One of my most basic rules is: Never give a presentation. That's right. Never give a presentation until you have completely qualified the prospect. You know that:

- they want to buy something
- they have motivation
- they have the money to buy those needs on a timely basis
- they are ready to make a commitment
- they can make a decision or they're part of the decision making process

Another rule: Never ask for the sale. That's what your traditional sales people do. They ask for the order. I don't want you asking for the order. I want the prospect to come to their own conclusion, their own decision and they'll give you the order. They'll give you the sale because they came to the decision. Remember everyone loves to buy, but no one wants to be sold. People are really tired of the traditional old fashioned salesperson who does a lot of tricky maneuvering, all the tricky closes. They want to buy if their needs are great enough and if you've qualified them properly.

Let them give you the order. You are going to help lead them down the road, so that they come to their own conclusion. If they don't buy from you because they don't have the need, the money, the timeliness or it's not within their commitment process, it's OK because it's over. It's over quickly, in the first couple minutes with the G.U.T.S.™ SALES SYSTEM.

How do we get information? How do we qualify people? How do we determine if we have a prospect or tire kicker? The strategy that makes this work is learning how to ask questions. This is a question-based selling system. We have rights in the process. We have the right to get information. Questions, by their very nature, become aggravating and annoying. Nobody wants to be constantly pummeled with a lot of questions from a salesperson who is trying to pry. We have to ask questions in a certain way.

Questions are the means for us to propel ourselves up the Staircase of Success, Step-By-Step. They allow us to get the information we need. As I said earlier, we have rights in this sales process. Unlike our sales counterparts, we are not going to give a presentation. We are going to ask questions, but there is a certain way we ask questions. We ask “with finesse”. We’re going to talk to people and formulate our questions so they are not harsh, not adversarial.

Examples of this would be when our prospect asks a question like, “How long can we rent this property?” The average salesperson in the Creative Real Estate example would say, “one year” or “two years” or whatever the length of the term is. The G.U.T.S.™ salesman would turn the question around. We call this redirecting. We direct questions that are asked of us, into our questions, so we get information. If the tenant/buyer asks us, “How long can I rent this property?” You might say something like, “That’s an excellent question, Mr. Prospect. Now could you just help me out? You must have asked that for a reason. Is the length of the lease important to you?”

Now you see, I did that with finesse, it hardly seems that I turned the prospect’s question into my question. Rather, I get out of having to answer the question, while obtaining information from the prospect. The prospect might reply, “I need a property for at least 2 years because that’s how long my company requires me to stay in the area.” So now you’ve gotten some more information, just because you redirected the question with finesse. You turned it around.

To give another example: Suppose someone asks you for the price. The prospect might ask, “How much is this house? How much are you selling it for?” You might say something like “It really depends, Mr. Prospect. Could

you give me an idea of your budget? What you're looking to spend? How much money do you have set aside? Maybe I could work with you. Could you give me an idea, please?"

I never answered the question. I redirected it with finesse. I'm trying to get the prospect to give me more information. Mr. Herb Cohen, who wrote the wonderful book How to Negotiate Everything said, "the first to mention price, always loses". If you are asked a money question, you want to redirect it or turn it around. As in the previous example, the prospect gives me more information, by my redirection.

Rule: Make sure, however, that you only redirect the original question once. If the prospect asks the same question again, then give a range, multiple choice answers or just say, "I don't know".

Whenever you are asked a question or whenever you are asking a question or answering one, turn it into another question and use finesse. Tie in a compliment or give a stroke before you ask another question.

If someone says to you, "How much is the rent?" You don't want to say, "that's a good question, why did you ask it?" That is too abrasive and annoying. Turn your questions around and smooth them over with the finesse concept.

As you can see, with my system, questions are very, very important to make the system work. There are different kinds of questions we can ask. While in law school, I came to this conclusion because a method called Socratic Teaching was taught. Socrates, the ancient philosopher believed that the best way he could teach his students was by turning their questions into his questions. He wanted this students to think. He wanted them come to their own answers and conclusions. I do the same with my G.U.T.S.™ SALES SYSTEM. We have to ask questions in different ways. One of the best ways to answer a question, is to redirect the question in a positive or negative way.

Someone might say to you, "What is a lease purchase? How does that work?" You might say something like, "Why are you interested in that, Mr. Prospect? I thought you were looking to buy a home. That isn't anything you'd want to do, is it?" You notice how I put a negative tonality to my

redirection. This is the way we want to answer questions to make the prospect go into the direction we want to lead them. Sometimes going negative or positive can get you the answer or help the prospect come to their own conclusions. At the very least, this technique will yield you more information.

People often call me and ask, "What's the difference between you and some other guru or trainer?" I might say, "That's a good question, Mr. Prospect. So and so is a very good trainer and if you've already researched her, why not work with her?" You noticed, I went very positive. My competition, in many cases, will go negative when another competitor is named. I always go positive. You know why? Their answer will usually explain to me why they didn't do business with that person. When I say to a client, "he's a good trainer and since you've investigated him, why don't you just do business with him?" They might say, "his program was too expensive. I didn't like his program. It didn't accomplish my goals." Now I'm getting more information just by redirecting the question in a positive or negative way. I'm getting more information in order to determine how I can do business. Remember, redirection should be positive or negative with open and closed questions. Go in the opposite direction, that your prospect expects, get them a little off balance. Essentially, do the opposite of the traditional sales person.

Another G.U.T.S.™ positive question is what I call the "ignorant redirection". That's where someone might ask us a question like, "How much money will I need to put down in order to do this deal with you?" I might answer, "I don't know, Mr. Prospect, that's a good question, could you help me out. What were you looking to spend? Did you have a budget for this? Is there something you are comfortable spending right now?" If you notice in that ignorant redirection I said "I don't know." "I don't know" is one of the best redirections you can possibly use because instead of making you the answer man, you are now putting the pressure where it belongs, back on the prospect.

People who call me about my mentoring program will ask, "Claude, tell me about your mentoring program. Guess what my answer is? "I don't know, Mr. Prospect. Which mentoring program are you talking about? Which facet of my mentoring program - lease purchasing, Creative Real Estate, sales training, coach training? I'm not sure if I understand your question.

Could you help me out a little please?” Now if you notice, I redirected the question with the “I don’t know” and then I used a little bit of finesse. I said “Could you help me, please?” There are so many ways that you can redirect and turn your prospects’ questions into your questions. It alleviates you from giving away free information and it allows you to take control without the prospect ever seeing what you are doing, if you use the correct finesse. You end up getting information and qualifying this prospect.

Another question-based G.U.T.S.™ technique I like to use is the “magic lamp technique”. I’ll say to a prospect, “Mr. and Mrs. Prospect, let’s pretend you found a lamp and were given 3 wishes. What would you want to accomplish if you bought my product or service. What are the things you would like to do?” Now they are going to give me more information.

No matter what method you use, you always want to answer questions with questions, but with finesse. Never give your Million Dollar Presentation, your proprietary knowledge, until you have qualified and received a tentative commitment from the prospect.

Another G.U.T.S.™ Strategy question is what I call the “Multiple Choice Technique”. This is where you ask the prospect “What is your budget?” They reply, “I don’t really know” or “I don’t want to talk about it.” You could respond with a multiple choice answer. You could say, “Mr. And Mrs. Prospect, would you be more comfortable spending \$1000, \$5000 or \$10,000?”

There are as many techniques in redirecting questions as the mind can conceive. Can you think of some, on your own, right now? Why not make a list of all the different ways you can ask questions - positive, negative, multiple choice, “Magic Lamp”. Think about all the different ways and invent a few of your own. Remember, questions are the way to get to closing sales or getting out of sales, getting it over quickly or making the sale.

We only have so many hours in a day. We can go out and knock on a hundred doors a day and continually get rejected. As the old traditional sales gurus used to say, “Knock on a hundred doors and if 99 people say ‘no’, the 100th person will say ‘yes’.” Really? Does that make sense? Is that working smart?

It's great to have that kind of motivation, but do you want to spend 3 minutes with a prospect or do you want to spend 3 hours with them? If you can get to 'no' very quickly because there's no need, no money, no basis for making a commitment, you're working smarter. We all have 24 hours in a day. We can use 8 hours for sales, we need 8 hours for sleep and we need the rest of the time for eating and doing the things that we're busy doing in our lives.

The difference between someone who is successful and someone who is a failure is that the successful person uses their time smarter. I don't mind if someone says 'no' to me, as long as I get it quickly! Questions are the way this system works. We don't give presentations until we are ready to close. We are going to get the information we need in order to determine whether we can move forward or whether it's over. It's a good thing when it's over because we can move to the next prospect.

Now, let's move on to the real nitty gritty. Let's move on to the Staircase of Success of the G.U.T.S.™ SALES SYSTEM.

Staircase of Success

Now we're really going to get to the heart of the G.U.T.S.™ SALES SYSTEM, the Staircase of Success. I want you to take a plain sheet of paper and draw a staircase; a vertical line, a horizontal line and three little steps. That's all you have to do. Leave yourself enough room to name each of these Steps. Within each one of these 3 Steps is what I call the Baby Steps. We'll go over the Staircase of Success and then break it down into each individual step.

The 1st Step is the Agenda Step. The 2nd Step is called Qualification and the 3rd Step is The Close. At first, this may seem very simplistic, but you'll see my methodology, my method of madness, in a few moments. Each Step is going to be broken down into Substeps or what I call Baby Steps. The beauty of the system is that you are no longer having to guess or go in blind. We always want to have a plan. We have a system and we go Step-By-Step. That is how I got to the Staircase of Success. We're not going to skip any Steps. We always begin with The Agenda, proceed to the Qualification Step and end at The Close. We're not going to jump from one

Step to another because when we skip Steps; we tend to trip and fall, don't we? This is a System. We are in control and we work it as a System.

I came to this idea because I thought a lot about why people use systems. I thought about Henry Ford and the invention of the assembly line. When people used to build cars, it would literally take days with a team of men working together. Ford came to the idea of working on an assembly line, essentially like a railroad track. He put together groups, each having a different responsibility. He discovered that by working in a systematic assembly line process, he could reduce the time from days to literally hours. He discovered a better way to build a car.

Just like building a car, we have a System. Instead of being subservient and being a second class citizen to the prospect, we are now in control. We are going to use our System and have a lot of fun with it. We are going to make a heck of a lot more money and we're going to feel good about ourselves. We're going to have a lot of self-esteem in the process because we're in control. I can't tell you how many times I made sales presentations. I felt subservient and submissive to the prospect. I felt like a 2nd or 3rd class citizen. I was swinging at pinatas with a blindfold on. I had no idea whether or not I was going to make a sale. The prospect was the one in total control. That's why we use a System.

Now, let's get to the basics. The 1st Step in our ascending Staircase of Success is The Agenda Step. The Agenda Step is broken down into 3 Baby Steps. The 1st Baby Step is Permission to ask Questions. The 2nd Baby Step is to Draw A Road Map. The 3rd Baby Step is It's OK to Say 'No'. Let's review these 3 Steps in the Agenda.

Much has been written about what we are supposed to do in sales training, especially regarding instant and pretentious rapport and bonding. I entirely disagree with this concept. I don't think any prospect or salesperson is out to make friends in the initial sales call. Yes, of course it's wonderful if we can like each other and have a good and fruitful relationship. The initial purpose of doing business is just that, doing business, making the sale, getting paid and going to the bank. We are not going to be so transparent and so pretentious where we talk about baseball scores, weather and things like that. That's a waste of your time and it's a waste of the prospect's time. They know exactly what you're trying to do. Why don't we

do something really different? Why can't we be up-front? Why can't we be straight-forward? Why not be honest with the prospect and instead of trying to make a new best friend, let's just try to get some trust going? Let's change the way the buyer and the seller, the salesman and the prospect react to each other.

There are so many preconceived notions by buyers, about how the salesperson should be acting. When you say the word "salesman" to most people, they're going to think "tricky, polyester suit, high pressure". They have all these negative connotations about who a salesperson really is. The result is that the buyer has to be defensive. They're going to lie. They're going to say that they're "going to think about it" and all the other things they say. They know you might be acting very friendly because you want to get money from them. You want to make the sale. Of course, you do, but don't you want to get it in a way where you can have the respect and the trust? Wouldn't you love to have a relationship with your prospect where it's more like a doctor and patient relationship? That's why I developed The Agenda Step.

The 1st Baby Step is Permission to Ask Questions. Have you ever met a salesperson who said, "Mr. Prospect, would you mind if I asked you a few questions? Then I can see which way I can help you or maybe, I can't help you. Would that be a problem for you?" Have you ever met a salesperson who asked permission to ask questions? They just go into their presentation. When you are asking permission, you are gaining a certain amount of veracity and frankness with the prospect. I've never had anyone say 'no' to me when I ask permission to ask questions. In setting The Agenda, I'm setting the way we are going to be doing business today.

The next Baby Step in The Agenda is to Draw a Road Map. Many times, the buyer has preconceived notions. They're wondering what's going on. They're doing a lot of Kreskin style mind reading. What is the salesperson up to? Why don't we just eliminate that and tell them what's going to happen before it happens? We're going to Draw a Road Map. It will sound something like this: "Mr. Prospect, if you don't mind, I'd like to ask you permission to ask a few questions and I'd like to ask you basically why we're talking today. What's the purpose of this conversation? What would you like to see happen? I'd like to find out what your needs are. I'd like to

ask you some questions about what you're comfortable spending and how you make commitments and decisions. Would that be all right?"

That's The Road Map. I basically told the prospect what's going to be happening before it happens. There's no second guessing. They don't have to worry about pressure or anything else.

I got this idea, once again, getting back to my dentist stories. I went to a really good dentist who I've been seeing for years in San Diego. I had a tooth that had to be drilled and he explained, "Claude, I've got a swab with some Ambesol that I'm going to use to swab the inside of your mouth to dull the pain. Then I'm going to give you this needle which is going to inject Novocain into your mouth. You won't feel much pain or discomfort because of the Ambesol we swabbed on the inside of your mouth. Then I'm going to take a drill and I'm going to drill the tooth."

He basically told me (without getting too morbid) what he was going to do before he did it. There were no surprises, no shocks. I didn't have to worry about the pain or the whole process. The same should occur in sales. Let's Draw A Road Map. Let's tell the prospect what's going to occur before it happens.

The 3rd Baby Step of the Agenda is OK to Say 'No'. I don't know about you, but I have never met a salesperson yet who said, "I'm going to show you my product, I'm going to answer all your questions and if it's not right for you and if you're not comfortable with the product or service, if you don't like the style, if it is not what you wanted to spend, it's ok to say 'no' to me. Can you do that?"

I remove the stress and pressure from the sales process by giving all my prospects permission to say 'no', It sounds something like this: "Miss Prospect, if it's all right with you, I'd like to ask you a few questions. What I basically want to find out is why we are talking today, what your needs are, what you are comfortable spending and how you make decisions. At the end of our conversation you can ask me questions. What I'd like us to do is come to a conclusion whether we should go ahead and do business. If you don't feel my product or service is right for you, I want you to feel comfortable enough to say 'no' to me. Can you do that Miss Prospect?"

The answer is usually, “Sure. I can say 'no'.” Then I continue and say, “I hope you can say 'yes' to me. I’d like to do business with you. I want you to know it’s OK to say 'no' to me and we’ll still be friends. I don’t believe in pressuring people, but what I’d like to know, at the end of this conversation, is that you’ll either say 'yes' or 'no'. You won’t say you’ll “think about it” or you’ll “get back to me”. Normally, people say that because they don’t want to hurt my feelings. I want you to know up-front, you don’t have to worry about that. I’m here to help you come to your own decision, your own conclusion and if you don’t think this is right for you and you are not comfortable, you can say 'no' to me. Is that okay with you?”

I challenge you, ladies and gentlemen, have you ever heard any salesperson in any situation, whether buying a car, life insurance or anything, who told you to say 'no'? This goes back to my original premise. We have to stop the adversarial relationship. We’re not looking for a new best friend with the prospect. We want their respect and their trust. I ask permission to ask questions and I tell them ahead of time using The Road Map, the kind of questions I’m going to ask and I tell them it’s OK to say 'no'. I create the most important thing in the whole process and that’s trust.

Qualification

We are ready to move up the Staircase. We’ve moved from The Agenda Step to the next Step, Qualification. Qualification is where we get the information to determine whether or not we have someone we can do business with or if it’s over. Qualification is broken down into 4 Baby Steps.

The 4 Baby Steps are:

- Needs
- Money
- Time
- Commitment (Full or Tentative)

I’ll begin with the first one – Needs. Why do people buy things? What are their needs? What is their passion? What is their desire? Why are they talking to us? What is their interest level? People buy because they have to satisfy their needs. I call it the Psychological Trigger.

Are their needs strong and emotional or are they very weak and academic? What I want you to do on your sheet of paper is to draw a scale from 1-10. Like a little Claude Barometer, 1-5 is logical and 5-10 is the psychological trigger.

People buy things because they become emotional about them. Let's take an example of someone we talk to who says, "I'm just looking. I just want to gather some information and kind of mull it over." That's someone who has really weak needs. That's someone we commonly refer to as having the "paralysis of analysis". That's someone who gathers information. Some people might refer to them as tire kickers or time-wasters. Their needs are not very strong right now.

On the other side of the barometer is where someone becomes emotional or upset or even hysterical about their needs. An example would be someone whose car breaks down in a bad neighborhood and it's getting dark. Are their needs strong? Do they need a tow truck? Are they going to sit there for a long time?

In real estate, for example, we want to talk about prospects who are renting a house and they are looking to get into their own place. They've been renting for a long time and there's no rush. There's no sense of urgency. They have another year on their contract. That's someone who would be a 3, 4 or 5 on the intellectual scale. A prospective tenant/buyer is someone who may be tired of paying rent. Maybe they have noisy neighbor. They're looking for equity, appreciation, they are looking for pride of ownership. That's someone who might be more emotional about their needs. On the scale, they are probably a 7 or 8. They are ready to take action because they are emotional about their needs. People buy things because they are concerned and upset, not because they are studying the matter, intellectualizing. You need to determine the needs of this prospect. How urgent are their needs, are they emotional or intellectual?

You have to ask questions like "Mr. Prospect, why are we talking today? What are you looking for?" You're going to ask questions like, "I know you are renting right now. Why do you want to change and buy a house when you are perfectly happy renting?" You are going to try to find their needs and if you can't find their needs, you have to create needs. If you do find needs, you are going to exacerbate their needs, make them worse.

People only buy things because their needs are becoming very important to them, very emotional, very stressful. Someone who has been renting for a while, has no problems or pain and is comfortable staying in that property and will probably not take an action. Do you really want to get in your car, travel through traffic and meet someone who is not going to take any action? On the other hand, if you get someone on the phone, you ask the right questions, find out if they want to get into a home they can own and they're ready to make that move, isn't that the person who is worth meeting and spending the time with? Needs are very, very important, they are the Qualifier! You have to create needs or increase the urgency. If there are no needs, it's over. If you can't get someone who seems concerned, compassionate or emotional about their needs, it's over. There's no sense going any further, giving a presentation or moving further up the Staircase.

The 2nd Baby Step is really important. It is Money. Money is the subject we have to talk about very early on in the process. At first, most sales people are afraid to talk about money, they want to put it off until the end, until they have given their presentation. They are too scared, they're worried about getting rejected. We have to talk about the money up-front. Why? If there is no money, there is no reason to give a presentation. You have to ask, "I know that you want to get into a house and you want to do it soon. Have you set aside a budget? Have you thought about how much money you'd like to pay in terms of rent? How much would you be able to put down as a commitment towards the option consideration?"

Some people play their cards, like in poker, very close to their chests. They might not want to give away that information. You have to keep redirecting. You have to keep asking questions, with finesse because questions, by their very nature, can be very aggressive, very arrogant. They can be very abrasive. Be careful how you ask your questions.

The Close

The 3rd and final Step of the G.U.T.S.™ SALES SYSTEM is The Close. This is where we get to finally make our presentation and we finally get to go to the bank, we get paid. The Close is broken down into 4 Baby Steps. These Steps are:

- The Review
- Satisfy
- Ask The Question
- Triple C

The Review is basically where we Review the entire Qualification and Agenda Step. It's where we go over and summarize what we've agreed on and what we've learned from our question-based system. It will sound something like: "Miss Prospect, thank you for allowing me to ask you these questions and as I said, if my product can help you, that's wonderful. If it can't, I encourage you to say 'no'. From our discussion, I have learned that you are looking to get out of renting, that you have been renting for ten years, you've spent thousands of dollars and you want to move, as soon as possible, because you want to get into a home of your own. You want security, you want tax benefits and you'd like a nice quiet place in a good school district for your children. You told me that you want to do this as soon as possible, that you can afford \$10,000 down and \$1500/month rent. You are the sole decision maker in this entire process. Is that a good summarization of what we've discussed, Miss Prospect?"

We're reviewing everything that was said. We're using the information they gave us, based on our questions, our redirections and we're keeping everything in the forefront. We're keeping a certain amount of urgency. We're trying to keep the needs of the prospects strong. We're trying to keep them emotional because we know the reason people buy things is because of that urgency, of that need.

The next Baby Step in our Close Step is what I call the Satisfaction. The Satisfaction is essentially where we finally, believe it or not, where we get to give our presentation. If there is one thing that is different from my G.U.T.S.™ SALES SYSTEM than any other system out there, is that we do not give the presentation until the very end. And the logical reason is, how can we give a presentation if we don't know what to present? If we don't know what the needs are, whether money is a problem. If we have multiple products and services, we don't want to talk to somebody about a million dollar home when they have a small condo budget. Right? So we don't give an over broad presentation until we know what we are talking about. Now we satisfy their needs. We relate our product, service or our real

estate, to their needs, whether they are a buyer or seller. It sounds something like this:

“Mr. Prospect, you told me why you are looking for a home and what your budget is. We have a property in the neighborhood in which you are looking. It is \$10,000 down and \$1,200/month. It is a rent-to-own and you can move into it in the next 30 days. I think this will solve your problem. It will give you the opportunity to plan so you can save ahead and can correct your credit. Then you can buy this house anytime within the next 2 years. That’s why I’ve been asking you all those questions about the rent-to-own.”

What I basically did in this 2nd Baby Step was try to satisfy the needs of the prospect. That’s why I call it the Satisfaction. You can call it a presentation or whatever you like, but we now know how to direct our product or service or real estate toward the qualification of the prospect. You can see how this is a much stronger system than faking it, giving overbroad presentations and free consultations. After we’ve asked the right questions, we can direct our real estate, product or service toward this prospect in exactly the way they’ve explained to us.

At this point we are going to move to the 3rd part of the Baby Step. This is the only Close strategy you’ll get from me. It’s called the Ask the Last Question. The last question sounds something like this:

“Miss Prospect, we’ve talked about what you’re looking for. We talked about a property I have that I think will fulfill your needs. What would you like to do next?” Hopefully, at this point, you have a high assurance that the prospect is going to say 'yes' because you’ve taken them Step-By-Step. You are going to use their own words from the information that they gave you. You are only going to ask one simple question. You’re not going to sound like the typical salesperson who keeps asking for the order in different, obvious, tacky and cheesy ways. You are just going to go to the prospect and say, “This is what you said you’re looking for. This is what I have. What would you like to do next? So you see, we only ask one question and if we do this the right way we have a very high likelihood that we’re going to get the order right now. A big psychological difference is that we’re not asking for the order, as much as the prospect has made the decision to give us the order. So they don’t feel pressured. They don’t feel

manipulated. The prospect made the decision. We led them down the path by taking an interest in them and creating trust.

Once again, we're back to the doctor/patient relationship. When you go to see a doctor, they don't sound like a salesperson. They ask questions so they can make a diagnosis. They want to find out where you're hurting, why you're hurting, when you're hurting. The patient would not go to the doctor and say, "I want to read your literature" and ask a lot of silly questions. Why, because there is a certain respect in that relationship. I want you to create that same respect by asking questions, the same as a doctor would. The prospect sees you as someone who is professional and who truly has an interest. That's why we ask questions with finesse.

Hopefully, we've received the order after we've asked the last question and then we move to the final Step, The Triple C – The Confirm, The Change and The Close. We Confirm the order and ask the prospect, "Mr. and Mrs. Prospect, are you comfortable with this decision? You're not going to call me tomorrow and tell me you've changed your mind?" If you can do this one Baby Step, you will never get a buyer, a prospect, who will call you the next day with remorse. You've taken care of any problems up-front. Most salespeople, once they get an order, get real excited. They jump up and down, take the check and cash it, only to find the next day the prospect had remorse. This happened to me many times because I didn't tie the loose ends. That is, before I developed my G.U.T.S.™ Sales System.

The next part of The Triple C is Change. Sometimes you have to modify or change or renegotiate steps. The prospect may say something like, "I'm not comfortable putting \$10,000 down. Is there any way we can finance it?" In response, you would ask the prospect, "If we could finance it, what would you say next?" or "If we could finance it, what would you be comfortable putting down?" You're going to Change, you're going to modify, you're going to renegotiate. That's why I call it The Change. You've got the sale. You've got to fine tune it. You've got to fix some things. This happens in any sales situation, especially in Creative Real Estate.

The last Step of The Baby Steps is The Final Close. That's where you thank the prospect for the order, you reconfirm the order and then you're done for the day.

How I Use G.U.T.S.™

For demonstration purposes, I will explain using my Lease Purchase business model. This G.U.T.S.™ model, however, can be used in any sales career. In Lease Purchasing, when I mentor people, I specifically tell them that there are 2 things we have to do. We have to find buyers and we have to find sellers. We have to find property owners or landlords and we have to find tenant/buyers. We have to work smart with these people. We have to qualify them so we are not wasting our time.

When we are talking about the tenant/buyers, the buyers or the renters, the first point of contact, is the phone. In the old days, I would meet these people at a coffee shop for breakfast or lunch. I wouldn't have a clue about their needs, how much money they had available, their urgency, their time frame, their ability to make commitments. We'd go to the property and afterwards, I would spend a great deal of time with multiple phone calls, giving away a lot of free information. Those days are over with my G.U.T.S.™ SALES SYSTEM.

With the tenant/buyer, for instance or the buyer or tenant, the quick key question is: Why are they looking for a property? You need to think ahead of time what questions you need to ask prospective buyers in order to do business. My nickname, by the way is "One Call Close Claude". Why? In one phone call, I can determine if this is a tenant/buyer who I can do business with or if I should politely get off the phone quickly.

What you want to do ahead of time is think about the questions you need to ask in order for you to determine whether or not you can do business with this person. Take a fresh piece of paper and write down those questions. Here a few ideas. Why are you looking to get into a property? Why don't you continue renting? Remember to use negative and/or positive redirection. When you do this correctly, your prospect will do the presentation for you. They'll tell you why they are looking for a property, what their sense of urgency is, their time frame. They'll tell you everything you need to know. Your prospect will do the work for you if you ask your questions – you redirect your questions - in a positive or negative way.

Remember, they expect you to be forthcoming with your answers. You might just want to turn their questions into your questions and even go in the opposite direction they expect you to go. Write down questions like:

- Why are you looking for a house?
- When did you want to move?
- Do you have a budget?
- Do you want to pay the same rent or more rent?
- How much money can you put down?
- What stopped you from just going out and buying your own property?
- Why are we talking today, Mr. Prospect?

Can you imagine, if you were Kreskin and you could get all this information up-front? If you could read the mind of your prospect and you knew that they didn't have any money to do a deal. Maybe they weren't going to move for at least 6 months. Maybe they can't make any other decisions unless they have their partner or spouse available. Wouldn't it be great to read their mind and know this all up-front before you spend countless hours giving away free information?

We can't be telepathic, so we have to learn how to ask questions with finesse, redirect the questions so we get the information we need to know up-front. Think about the questions you need to ask and practice. When someone asks you a question, turn their question into a question, so you learn to work smart with your prospective buyers. If your buyer doesn't qualify, get as much information as possible and put it into your data base. Set up a tickler file so you call them back in the future. Know up-front, it is not worth getting in your car, mailing tons of literature, it's not worth meeting with them and making presentations. This is the difference between someone who can make a very high 6 or 7 figure income and someone who is just spinning their wheels like a gerbil in a cage. Eventually you get frustrated from all of the rejection and then you quit. We have to learn to work smart and you have a right to ask these questions of your prospective buyer.

Let's change gears a little and talk about the seller or the landlord of a property that we're looking to control and do business with. What are the questions we need to ask the owner of the property?

- Why are you selling the home?
- What is the price you want to get for the home?
- How did you get to that price?
- Would you be willing to let me rent your home and buy it at some time in the future?

These are the questions you want to ask with finesse. You want to ask them in such a way that you're not giving information, but rather you're getting information. You want to find out if this seller is motivated. On a 1-10 scale, what are their psychological and emotional needs? Are they living in the house or is the house vacant? Why are they selling the house? Are they moving? Are they being transferred? Are they building a larger home? Is it a family situation? Why do they have this house for sale or for rent? You need this hard information up-front so that you can determine how you can do business. What strategy are you using? Are you going to do a sandwich, are you going to do an assignment? Are you going to do a land sale contract? If you're a realtor, how are you going to list the property? Is the listing commission a question here? Do they want 6% or are they willing to do it for 3%? These are the questions you need to ask.

Your competition will be glad to have a prospect. They're going to give a presentation. They're going to do their Power Point Million Dollar slide show. They're going to give it all away!

You, on the other hand, are going to sound like a doctor. You're going to be asking the questions so you can do your diagnosis and determine if this is a prospect you can do business with. Remember, 'no', is a great answer if you get to it early. You don't want to get a 'no' after investing hours and days and months on a prospective deal. Isn't it better to get a 'no' up front?

When I mentor people, I discuss multiple streams of income. I talk about consulting with people and about selling products. I use the exact same system. In the old days, when someone called me, I used to talk on the phone for hours, answering all the questions. One day my wife heard me giving away all this free information. When I got off the phone she asked, "why are you giving it away for free? You were willing to pay the price. Why don't you make your prospects pay?" From that one idea from my wife, I

discovered there is a different way to sell. I could ask the questions, qualify the prospect, consult with people and make money!

Many of you have spent a lot of time and money on education and doing deals. You don't have to give it away. You can consult with people. You can get paid for your time, knowledge and energy, but you have to qualify the prospect. What are their needs? How urgent are their needs? What is their time frame? How much can they afford to pay you? How do they make decisions for paying consultants? Same thing for products. I sell a great deal of products. Really good informational products like the one you are reading right now. I ask people what they're looking to accomplish, what their budget is. Not everybody is willing to pay for a consultant or a mentor. They don't have the money. Maybe they want to spend a smaller amount on informational products. It's better for me to learn that up-front than investing an hour or two with someone who can't afford a consultant. No matter what aspect of Creative Real Estate or sales, whether you're selling products or you're consulting or coaching clients, you need to use the G.U.T.S.™ Sales System, if you want to be successful. It is the Million Dollar Skill and it is necessary to be successful in sales.

I've been mentoring and teaching people for years. I've had marvelous people who really took their studies seriously. They learned the strategies. They knew the different ways of doing Creative Real Estate. Not just lease purchasing, my favorite, but other strategies. Here's what is sad, people still fail. You know why? No one ever taught them how to sell, how to market and how to negotiate themselves. No one ever taught them that sales is about working smart, feeling good about yourself, having high self esteem, asking the questions and moving from Step-to-Step in an organized systematic way. This is the way you become successful in Sales!

Epilogue

I do mentor people in the G.U.T.S.™ Sales System. I have yet to meet someone who does not substantially increase their sales in Creative Real Estate or whatever sales they're in if they learn and practice G.U.T.S.™ **Diligently**. It's a marvelous system. I would not be writing this book, if I did not learn this Question Based System. It allows you to have a blank check for the rest of your life, no matter what product or service you're involved with. I've worked a long time to get to the financial freedom that

my family and I enjoy. We live in different parts of the country, in the mountains in Colorado and by the beach in San Diego. We have a wonderful life, we're debt free. We make a wonderful income, we have financial security and it's all about learning how to give good phone. How to have a Sales System so that you're in control, so that you feel good about yourself. So you're not getting the rejection your competition does.

I often tell people that I define success as follows: "You can take everything away from me, all the money, the security, the houses, the cars, everything. You could literally take it all away from me, put me in Times Square with nothing in my pockets and I guarantee you that I will find my way to a telephone. I will find a way to be up and running and I will be back on top in 30 days". When you can say that, you're truly successful. It's not about the money and the wealth and the things you accumulate. It's about the freedom, the self-esteem to know you can do it over and over again. Ladies and Gentlemen, that's what the G.U.T.S.™ Sales System did for me. It's not about what business you choose. It's about having a system that allows you to be in control, to live your life the way you want, to feel good about yourself. No one is ever rejecting you again. You are rejecting the prospect. You're in control with the G.U.T.S.™ SALES SYSTEM.

Now for a quick review. We've basically talked about the 3 Steps, The Agenda, Qualification and The Close. We're not going to do transparent or obvious bonding and rapport because we know that's superficial. What we are going to do is gain trust. Following our Agenda Step, we're going to ask permission to ask questions. We're going to draw a road map with the prospect. And we're going to tell them it's ok to say 'no' to us because we like the word 'no'. We love the word 'yes' more, but we want to get the 'no's' out of the way so we have the time to spend with the 'yes' or what we call, the high probability prospects.

Next is Qualification. Instead of giving presentations, right away, like our competition does, we have the right to ask questions. We have the right to know the prospect's needs and if we can't find their needs, we have to create them. We know our business, we know why people sell properties, why people want to move into them and we have to raise these needs. We have to exacerbate existing needs, make them worse because we know people buy things because they are emotional, not because they are

studying and reviewing and have “paralysis of analysis”. They take action because they are emotionally involved. We know that we have to find out how much money they have because if they have no money, it doesn't matter how strong their needs are, it's over.

We have to know the time frame. We have to know how they make commitments. We need to have all this information up-front. You give no presentations, no matter how much you are dying to, you don't answer their questions until you've qualified the prospect up-front. You're in control.

We also get all this information by asking questions. That is the fuel for ascending the Staircase of Success. We have to ask questions in a certain way, with finesse. We have to ask them the right way. We redirect their questions. We can do the ignorant, the multiple choice, the positive and negative or the magic lamp redirections. There are so many different ways that we can redirect the questions, with finesse, that they don't even see us asking the questions. We feel wonderful about ourselves because we are getting the hard information that determines whether we should spend more time with this prospect or if it's over.

We then move to The Final Step, The Close Step. This is where we review all the information. We see if our product or service can satisfy their needs. Then we move to The Triple C. We Confirm, Change and Close.

I'm going to tell you one caveat. This is a tough system. This is going to take practice. My mentor used to say, “Claude, everybody wants to be rich, but few are willing to pay the price.” The price of success, of financial freedom is getting a system that works. You are going to have to put time into this. This is not intuitive. When you were in school, you were told that when a teacher asked you a question, you had to answer the question. Now along comes Claude and he's telling you “Don't answer people's questions. Redirect them into other questions because that's your right.” This is going to take time. This is going to take practice, but I can assure you that this is the way to Success. Sales is the Million Dollar Skill. I would not be making the income and having the freedom and the wonderful lifestyle today, if it weren't for sales. Please remember that I was a former “World's Worst Salesman”. I was the kid in the back of the room who never raised his hand. I was the person who never spoke up. You can change

and Sales is the way you can get to your financial dreams, to the life you deserve.

The End

Claude W. Diamond J.D.