Occasionally, but not often, can you start a real estate deal with a formula, and work backwards to the successful closing. Normally, the formula is used once and the way you were trying to do the deal fails. Instead of giving up, you think, “how else could this deal be done?” Then you start reviewing formulas that might help you or your client get to the needed goal.

My favorite and most used formula is—Ask, Listen, Learn.

One of my partners, Bo Mitchell, reminds me; “When the facts are clear, decisions will jump out at you.” The most money I have made in the real estate business as a Broker or Principal has come directly from listening to what the other party in the transaction needed.

As an Example: When I went to look at a ranch on the edge of Denver’s growth, the owner wanted a price that would not work for ranching, or large lot land development. Upon further questioning and listening, what they really were seeking was a more productive ranch so they could run more cows.

After a little work we found a ranch in Nebraska that allowed them to increase their cow herd several times for the same money. We were able to buy the Nebraska ranch for substantially less than they had been asking, but they were happy to exchange for what they needed. We ended up with the Denver area ground and developed it into acreage lots for small ranches and made a profit.

The formula used was to Ask, Listen, and Learn. This is obviously the foundation of what we call real estate counseling. Of course, Chuck Chatham (Grand-daddy of RE Counseling) did not think of Counseling as a formula, but more as a way of life.

Bottom line? It works.