

February 2015 Strategy Call



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How Sagaria Law Makes an Extra \$291 Per Case, By Selling 720 to Their Clients (Not including it in their fees).

Downloads from this call:

- 1) [Click here](#) to download the recording of this February 2015 Strategy Call.
- 2) [Click here](#) to download the January 2014 Strategy Call - "Selling 720 to Past Clients."

Call Transcription

Phil: Scott Sagaria from Sagaria Law is sharing with us how he and his firm use 720 in a way to sell it as opposed to just including it into their fees. We talk about having it included into your fees and also raising your fees and we've found that it's the easiest way to get our clients to make more money. Some clients of ours have a hard time charging extra for their services because of competition. When I heard about Scott and the way he is bringing in an additional \$291 per filing because of the way he's selling this at the signing meeting, I said you've got to get on the strategy call and share with the group how you're doing that.

Scott is a great marketer. He tests things. He's constantly calling me and saying, "What if we did this? How do we do that?" And he's the one who really masterminded selling it to his past clients. We talked about that in the January 2014 strategy call where he sent two emails and sold 49 units to his past clients for an additional \$9,800 in profit. I'll never forget he said, "Phil, I'd sooner sell 49 of your units than do 5 bankruptcies". Today, I'm going to interview Scott and talk about the process he has and open it up for questions after that.

Scott does about 120 filings per month. Is that right Scott?

Scott: Yeah, around there, around 100 to 120.

Phil: Before we begin, give us a little overview about your firm.

Scott: I have 13 offices all over Northern California and Oregon. We have 7 or 8 attorneys that service those offices. Most of them are remote offices where there may not be an attorney in them everyday. And the way we do our signings is we try to get all the Chapter 7 filings done on one day of the month, where we have the signers all come in and sign on one day per office each month. And we do the same with the 13's. We have what is known as signing days where clients have the copy of their petition beforehand, they have reviewed it, then they come into our office that day to sign the petition.

Phil: Explain how you bring up 720 in the intake meeting in the very beginning. So, they come in for the first time and then we'll work down.

Scott: We don't sell it at that meeting. We talk about this program that's going to improve your credit within 12-24 months and most of the clients are very receptive to that. So, we always mention it at some time during the consultation that we have this program that gets your credit restored rather than the myth that it takes 7-10 years to get your credit back.

Phil: So they come to the consultation or you get them in the door by saying, "Hey, we're going to handle your credit. It's something you don't have to worry about."

Scott: Yeah. We don't sell it there but we mention the program and definitely we say enough about it that the clients are interested enough that they're going to sign up if they're teetering. Then what we do is discuss 720 with them, get them to retain and we give them enough information at that point to tell them that we'll be discussing greater details about 720 down the line.

It's important to note that I've tried to do this at every different step. I've tried increasing my fees and doing it at the initial consultation. I've tried selling it during the time period from when they retain to before their signing or go to their 341. I've also tried to do it afterwards. After the meeting with creditors or post discharge. And what we found, hands down, is that the only place that we can really sell it effectively and make additional revenue is at the signing.

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At the signing, they've reviewed their petition and then after they've made those corrections they'll meet with either me or some of the members of my firm and we go through the 720 program with them. And the way I pose it to them is that this is a one-day offer. We discuss 720 and what the benefits are. But they have today to sign up and we charge them accordingly whether they are single or they are married, we charge different prices. And they have to make a decision today. They don't have to pay for it that day. They have to sign up for it. And they usually give us a debit card and we'll take payment as we go. If they don't sign, they can always re-sign later but the price that I show that for that is from the 720 website, so they know this is a \$1,000 program. And we give them a deep discount if they do it now, but the discount only occurs on their signing day.

Phil: We've done training calls for all of his staff members in those signing meetings so they're going through the same exact conversation of, "Hey, do you plan on buying a car"? What is the value of credit?" So you're building up the pain. So then when they look at this and they say, "Do you want to buy it today?", it pales in comparison to what they would overpay over the life of a car loan. Right?

Scott: We definitely bring that up and you could talk about that with clients until you're blue in the face. We've found that the signing is the right time because: One, if the case went well and the client got your documents and everything proceeded as normal then they're happy. If the process went fast and, hopefully, your service met their expectations and they have some trust in you, in the sense that you've gone through this process and it's been exactly as you've explained it to them and the staff has been courteous, it's a time when they feel relieved and they're going to move forward. And they're going to get the debts cleared off.

And secondly, giving them that today is decision day, I think gives it a little bit of urgency where I know this program works for them and I've had a couple times where clients didn't go through the program or something. I've always given the money back. I don't really question it. So I'll say, "Look, if you don't like it, you don't have to keep it." I'm very open about that. But giving them that one-day... saying it's got to be today. This is where we make the decision whether you want to move forward with this or not. We have about a 90% close rate. I would say. So if we have 40 petitions that are going to be signed, we'll get at least 30-35 who will sign up for it at that time. And we charge \$295 for a single and \$495 for a couple.

Phil: When you're meeting with them, they review the petition, and they sign. Then you bring up 720. You bring up it's a one-day only thing. We buy these in bulk. And normally it's \$1,000 but today only you can buy it for \$299 for a single or \$495 as a couple, which is obviously a discount because it's 2, and then you have about a 90% hit rate on that.

Scott: And maybe it goes down to about 80 or 70 when you put in collections because we don't make them pay that money right there. They do give us, normally, a debit card. And they'll pay it over time but that's not something that they do right there.

Phil: It is what it is. If it's 3 payments of \$99 and someone misses the last payment, it's still all gravy. There's no doubt about that. But I think one of your key points is really critical - About the unconditional guarantee. I hear this a lot from our attorneys. I just had a conversation yesterday with one of our partners. And he's like, "Well, I'm worried about giving a money back guarantee."

Transcription, continued...

And my response was, "Why?" Because it's not like you're going to lose money on that, right? And out of all the hundreds of people you've sold that to, about how many times have you given any money back?

Scott: Maybe 2 or 3. I don't know specifically. But, I know a couple times it's come up but I can't think more than 2 or 3 times.

Phil: And that's standard. When I was selling to consumers and as you know we don't sell to the consumer anymore. But when I started I had a 30-day money back guarantee and I had about 3-5% of the people ask for their money back. I kept expanding out the guarantee and I said, "6-month guarantee. 12-month guarantee." Then I went to 24-month guarantee. The refunds were always the same. It was somewhere between 3 and 5%. But the sales increased because, it's the same thing, you can just study the Nordstrom guarantee and their return policy. Just Google that. That really changed the mindset of returning merchandise. And Nordstrom can show, without any doubt, completely definitive, that their guarantee and their return policy makes people buy more. So that's why you're hitting these numbers.

We have a question... Kathleen Donnelly from Cleveland.

Kathleen: So you're trying to get them to have a sense of urgency at the time that they sign for the petition? Before you have them sign up and then afterwards you're saying it's a limited time and then go back and sell it later? Or are you just saying one time only?

Scott: Well I don't sell it during the consult. I only sell it at the signing.

Kathleen: And you do it by debit card, then? And you said your bankruptcy fees were capped. Is that because the court says you can't charge any more?

Scott: No, it's not that. It's just competition. Because of the low filings, I have people here charging half of what I charge. And I've found with my attorneys that they have a mental block of how much they can charge for this. So, if they're charging \$1,500 or \$1,800 and I give them some discretion on what they can charge, they'll include 720 and charge the \$2,000 and they'll not include 720 and charge \$2,000. It wasn't making any additional money. It was their mental state of what they were going to charge didn't change based on 720.

And I think that's true for myself too. When you separated it out and one, it's the client doesn't hear \$2000 including 720. They only hear the number. And I really believe the clients only hear the number. If it's \$1,500 or \$1,800 or \$2,000, and when 720 gets sold it's another \$295, I think it helps the client a little bit because it splits it up. It's not just this one big number that they feel they can't achieve. And, it's extra revenue for the firm because it's at the end it wants to be \$2,300 not \$1,995.

Kathleen: You're charging \$295 for an individual and then \$495 for a couple?

Scott: Yes.

Phil: Kathleen, that's at signing date. And if they sign up on that date, that's what they pay. And he says, "If you need to sign up in the future, I can still ... You don't have to pay the \$1,000, but instead of it being \$295, it's going to be \$595. And instead of being \$495.

Scott have you had people actually pay double because they forgot or they didn't sign up that day?

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Scott: Yes. Very few.

Kathleen: How do you get around somebody who says, "Well, my wife wants to do it but I don't want to do it." You just charge for one?

Scott: The good thing about the signing appointment is that they're both in the room, right? So they have to both be in the room. And I'll work on the one that doesn't. Normally what I've done in those cases, I give it to both of them for the single price.

Kathleen: But you start off charging them more and then...

Scott: I say I'm going to give it to you for free. You're going to do it. So if the husband wants to do it, the wife doesn't. I'll say, you're going to do it for the \$295. I'm going to give it to the wife for free. And I'll make a joke that she'll be the one to come and thank me when her credit goes up.

That's what I've done in the past and that's always worked. Because now they see no reason not to because the one person buys says, "No, I'm doing it." And I've had a couple times where it's been a little ... You know how married couples can get.

Kathleen: Oh yeah. I have divorces happen right in my office.

Phil: Kathleen, you bring up a key distinction. I get this comment often from my bankruptcy attorneys. For example, for those who charge to past clients and they call and they're saying, "It's 3 payments of \$99." I say, who cares? Even if it's one payment of \$99, it's all gravy. It's just all gravy. But I'm glad you asked the question.

Phil: Scott, anything else come to mind from all these experiences and training your staff with regards to this?

Scott: I just tried a lot of different ways. You just have to keep trying. Even if you fail at one you just keep trying until you find the one that works. That's what I've found. And, I've tried every which way and this is the way, to me, that seems to be the most effective. When the client's going to be most receptive and when they see the value in it and urgency pushes them to do it that day. It's pretty straightforward.

Phil: We do have another question. It just popped up. Phillip Boardman, from Virginia.

Phillip: I have been advertising the 720 program for free, in fact, it's on my website. It's in the phone book and that kind of thing. I like what I'm hearing in terms of trying to sell this at the signing. I see the benefit of doing that. Is there a way that I could give something for free to honor that advertising but then, the whole 720 program charge for that.

Do you have any ideas on that? That seems to be what I see as my problem right now, is being able to transition immediately into this system that you're proposing.

Scott: What I'd probably do is, I'd change my website which you could do tomorrow. And, I'd have to honor it for the phone book. And when you come in and you ask where the referral is, you'll know where they came from.

Or maybe you change it and you say, "Well this is what we're doing now but because you did see it for free, I will honor that." And, I agree. But I would just change your website and probably 80-90% you're not going to have a problem with. The 10%, you just give it to them free anyway. That's probably what I would do. Or you wait until next year's phone book. I don't know when your publication is but...

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Phil: One thing you could do also is we have multiple types of e-books that you could print out. There's a big difference between reading an e-book or reading a book that you print out and put in a binder than the portal. The portal is updated constantly, have video emails. It's a big, big difference. Even when we were selling the book, which is now out-of-date and out-of-print, the portal we could sell for so much more. That's when we were selling to consumers. But we do have a e-book type thing that we could make sure you have. And, that could go for anybody.

Phillip: Yeah. That's a great idea. And I'll talk to you offline about that.

Phil: Yeah and for anyone on the line or anyone listening to this recording, let's test this out. Work with me and say, "Let's test this out." Let's test this out in other markets. When I heard Scott doing it this way, I immediately said, "Let's jump on the call."

So, Phillip thanks so much. We have another question.

Burke: This is Burke Smith. When somebody takes you up on the offer at the signing, do you list that on the SOFA as far as compensation towards the bankruptcy?

Scott: I do not. And the reason why I do not is because it is not compensation I receive. Because before the filing, I don't accept any money on 720. So it's not money that I take upfront. And, I don't want to mess with the date of filing bank statement. If they came in that day, I file all my cases the day they sign. The \$295 charge shows up on their bank statement on the date of filing. I've had it with a trustee where they've asked about it, with the client going up, but there was not a problem. Because it was post-filing anyway.

Phil: Well Scott, that's all the questions. And, on behalf of all our attorneys and myself, thank you so much for being a giver and if anyone has a referral in Northern California, SagariaLaw.com. You can tell the type of giver he is. He's an advocate for the industry. He's an advocate of help. You just non-stop give, Scott. And I just so appreciate that.

And anyone who's listening to this. Call me specifically if you'd like to set up a time to talk, to brainstorm this. This is just another way to use 720. It's opposite from what other people have done like Rick Abelman shared how he's incorporating it into his fee and he's ready to see \$1,100. I mean, per case. I just want to give you all as many arrows for your quiver as possible. And, of course, I'm here to support you.

So Scott, thank you so much. And if anyone would like an appointment just email me and we'll be in touch.