

October 2015 Strategy Call



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Mastering Your Phone Intakes with Jose Diaz

Key Points:

- 1) [Click here](#) to download the recording of this October 2015 Strategy Call.
- 2) Three steps to mastering your phone intakes:
 - Bonding
 - Unique Price
 - Method of Retaining

Call Transcription

Philip: I have a great call for you today. It's on mastering your phone intakes. I know many of you do phone intakes right now. On the phone today, I have a guy who's been in the bankruptcy business for eight years. Over the past eight years, he's done over 3,000 intakes. Twenty-five percent of them have been over the phone. His average retain rate was \$2,150, and that is over the past 13 months. That's not his average retain rate over the past eight years. It was probably actually higher. Over the past 13 months, it was \$2,150, with 25% of those intakes happening over the phone. Jose, welcome. Thanks for being here.

Jose: Thanks for having me, Phil.

Philip: Let me just give you a little background on why I wanted Jose to be on this call. Jose is an independent contractor who works with various bankruptcy attorneys and works with some of our partners. That's how I met him. When he talked to me about how he sells in his intake, it really opened up my mind. I was thinking to myself, "Wow, this is unique. It's a little different." There's three components of his retain process which he uses in person and the phone, but we're going to focus on the phone today. Jose, before we start off, share the story that you shared with me about the lady that called into your call center, because I think this is a great example of what's possible.

Jose: I got an email from the girl that sets up consultations for this one firm. In the email, she said, "Jose, this woman was quoted \$650 by another attorney. She wants to know if you can do better. She doesn't want to waste her time." I said, "Okay. I'll go ahead and take that call." She scheduled the call, and I called her. She ended up retaining over the phone a Chapter 7 case that she was adamant at getting for \$650, for a \$2,100 case.

Philip: It's because of the three things we're going to talk about here. When we talked earlier, you broke it into three aspects. One, the bonding process in the beginning of the call. As you said, when you're in face to face, you have a captive audience. When you're on the phone, if you're not bonding upfront, they're hanging up.

Jose: Yeah, absolutely. They want to know that they're talking to someone who cares about them and what they're going through.

Philip: Perfect. The first thing we're going to talk about is bonding. The second process is about a unique way you price with your bankruptcy firms, which we'll talk about that. The third thing is the method of retaining. There's three parts, which we're going to review.

Okay. Jose, let's talk about this bonding process right away. Let's just use this lady as an example. She calls in, and she says, "I don't want to pay more than \$650 did that first five minutes start? How did that happen?"

Jose: I usually get to this with every client, but with her, I ended up starting with it. I explained to her that, of course, that she was going to find this service cheaper somewhere else. She already has. That we don't specialize in being the cheapest, that our firm specializes in being the best, and to let me explain to her why we're different, and then she can decide.

That gives me an opportunity to go in and build value for what we do, because as I mentioned, we are already pretty much at one of their highest stress points when they call in, because to, A, make the decision to file a bankruptcy, they've been pondering it usually for three to six months, if not longer. Then for them to finally get the courage to make that call, they are probably receiving all kinds of creditor calls, or they may have been receiving notices in the mail about lawsuits. Who knows what it was to drive them to make that call. I guarantee you it was a stress point, so they're stressed out when they're calling. They want that stress to be alleviated.

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Philip: There's a lot of empathy right up front on a

Jose: Absolutely. I never sell price. I think that's part of the reason why my case average is so high, is because a long time ago, someone told me, "Jose, don't ever do anything for money. Do what you love, and the money will come." I, frankly, love the feeling I get when I'm able to alleviate that stress for the client. When they sense that they're ready to sign up, they feel they're cared about, which is something that I'm trying to convey to these folks when they're in that most stressful situation. If they feel that, they're going to pay for your service as long as you can build value in it.

Philip: One thing I just forgot to bring up in the very, very beginning is, out of these 3,000 intakes that Jose did, 25% over the phone, his close ratio is somewhere between 65-70% at this fee level. We're talking to someone who knows what he's talking about. Let's talk about the process, the bonding process. You said there's three parts to the bonding process. One, it's creditor calls, two is 720, and three is FDCPA.

Jose: Then the FDCPA, which goes along with the creditor calls. The way it works is, as I mentioned, when they're calling, they've probably already received maybe a summons, or they may have received a demand letter, or they're getting calls from creditors and receiving letters from creditors that they haven't paid for a month or two or three months. The first thing I do is I'll go back to the example of the \$650 lady.

When I told her that, "We're not here to be the cheapest. We're here to be the best. Let me explain to you what we do," the first thing is, as soon as you retain, and that's key, that they don't have to pay the whole fee upfront. That alleviates a lot of stress right there from the get-go.

I explain to them that once they retain, they're going to direct their creditor calls to us. I explain to them that their creditors have one more opportunity after they retain a law firm to reach out to them so that they can tell them that they retained a law firm and to please call them and not me anymore. Any calls after that that they receive could be considered an RFDCPA violation, and that can be prosecuted, which could result in money back in their pocket after the bankruptcy. They already like the fact we can alleviate their immediate stress, which is creditor calls, or whatever letters they're getting, or whatever lawsuit. That's the first step.

One of the other stresses that they're dealing is they may be making the call, but they may not be ready to make the decision, because they're thinking, "If I do this, ultimately, my credit's going to go in the tank. Let me just call and find out, anyway, what my options are." I alleviate that right upfront by addressing it with the 720 program.

I say, "In addition to taking your creditor calls and alleviating that stress while you pay your retainer and you're on a payment plan with us, we're also going to help you after the bankruptcy rebuild your credit. We found a program that's going to help you rebuild your credit within twelve to twenty-four months after the bankruptcy. If you follow the steps in this 720 program, your credit will be at 720 or better within twelve to twenty-four months." That right there goes a long way in helping their decision process. They realize that a bankruptcy is not necessarily the end, but it could be a new beginning. It starts to sink in when they understand it like that.

Philip: Right out of the gate, when you get someone on the phone, they're thinking, who knows? They may have a phone book in front of them, and they're just calling people. Not only that. In the phone book, there are probably signs that say, "Bankruptcies for \$397, or something like that.

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Jose: Oh, of course. They're everywhere. You don't want to be that attorney.

Philip: No, of course. None of the people in 720 really are. The point is you're bonding upfront by saying, "Look. You're leaning heavily into these creditor calls, but the cherry on top is if a creditor call doesn't follow the law, you may be able to sue them." Do all the firms that you work with do the FDPCA work, or can that be ...

Jose: Very few actually do. I have an attorney that I work with that those cases can be referred out to. That's more revenue for both the firm, the law firm retaining the bankruptcy client, and it's a value builder for the client.

Philip: Then of course, 720, this whole conversation of, "You're going to have a 720 credit score in twelve to twenty-four months." That's needless to say. You go in that right away as soon as you get them on the call, those three points.

Jose: Yeah, as soon as I get them on the call, those three points. Those are the key. The attorney has to be able to, A, have the ability to take those creditor calls and just log them. The attorney that I use to prosecute those FDPCA violations, she has been doing this for many, many, many years. She cherry picks the ones that she knows she's going to win. When she presents your firm with a potential case, just note to self, go ahead and take her up on that, because that's going to be a moneymaker for you.

Philip: Okay. Then lastly, 720, which we don't need to get into, because we all know about 720.

Jose: 720 sells itself. If you're an attorney and you're not using 720, you're doing yourself a huge disservice.

Philip: Let's move onto the next point, because this next point I think is really where the rubber hits the road. This pricing structure that you have ... Let me give my two cents before you go into this, Jose, on why this works for you. Why, in the past thirteen months ... We actually talked about this in a previous strategy call. You've done three thousand over the past eight years. In the past thirteen months, you did four hundred intakes and, if I'm going off memory, three hundred and one retained you, which is about a sixty-seven percent retain rate, at a twenty-one fifty average case value.

Jose: That's right.

Philip: That's extraordinary in this market, because bankruptcies are slower. There's fewer leads out there. It's extraordinary. The way you do it is you create this ambiguity with regard to the price. You don't do it in an unethical way at all. Share the way you have the fees and the discounts. Let's go through that for our attorneys so they can understand.

Jose: Again, I never sell price. What I do is I first I explain, again, the benefits, the benefits of having the creditor calls come to us, the benefits of having the 720 class, which is included in these fees I'm about to disclose, and the benefit of having the ability to prosecute RFDCAs claims, and the benefit of having a payment plan and being protected while you're under that payment plan. It's not a complete protection, but it is a good amount of protection.

As soon as I explain all of those things and review them again with them, I say, "Now, what that's going to cost, as far as a consumer, consumer cases start at three thousand dollars. Business cases start at four thousand dollars, so it's an extra thousand dollars for a business case." Sure, sometimes people hit the ceiling, and it's my job to peel them back off. I have various discounts as well that I can offer to them. I have a single-mom discount or a single-parent discount. Got a military discount. Got a senior-citizen discount. I've got a under-median-income discount. There's all kinds of discounts that I can apply.

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Philip: Jose, I just want to stop you there for a second there. Upfront, you say you have ... Bankruptcy fee is three thousand dollars. Business fee is four thousand dollars. Does that include attorney fees?

Jose: Yeah, those are the attorney fees. The only thing that's included in that number is the attorney fees and the hundred and ninety-nine dollars for 720, so 720 is included in those fees. They know that upfront.

Philip: Does that include the processing fee?

Jose: What that doesn't include is it doesn't include the filing fee, it doesn't include the processing fee. The processing fee is a hundred and twenty-five dollars. That's what I charge to do the payment plan, to do the six-month payment plan. Sometimes people who are on the fence are like, "I don't know. I think I may be able to pay it in two months or four months. I don't want to pay the processing fee." I say, "Okay. No problem. Here's what I'll do. I'm going to set you up on a payment plan for six months. If you do pay it off within the first ninety days or within the first three months, then my staff knows to waive that processing fee." I'm giving it right back to them.

Philip: Right. You have the fees, which is bankruptcy fee is three thousand, the business fee is four thousand, which include the attorney fees and the 720 fee, but doesn't include the processing fee and the filing fee.

Jose: Yeah, the processing fee and the filing fee are separate. The processing fee is if they want a payment plan. The filing fee is the filing fee. Then there's also an additional charge for whatever credit report they're going to run, whatever the attorneys charge for that. It's usually forty to sixty dollars.

Philip: Just so we're clear, you got a three thousand fee for a bankruptcy, four thousand for a bankruptcy. Then you have the processing fee. On the opposite side of that, I have it written down right here, on the left side of my page, it has these fees, but on the right side of the page, we have these discounts. The discounts include the single-parent discount, the value-pack discount, the military discount, the senior-citizen discount, the below-median-income discount, and the special discount.

This is where I think is very unique about this. They're calling up other attorneys, and like that lady, "It's six hundred and fifty dollars. Are you going to charge me over six hundred fifty dollars?" "I still want to talk to you." You get her on the phone. You bond. You're empathetic. She's feeling that you're alleviating this pain, this concern about bankruptcy. You're talking about her creditor calls. You're talking about how you're going to raise her credit score. You're talking about how you're going to protect her with, if creditors do something that's illegal, you're going to sue the creditors, and she could even make some money back. That's the first thing.

Then you're bringing up these fees. Yes, you're starting at three and four thousand dollars, but I just want to remind everyone is that your average retain rate's twenty-one fifty. And the majority of the time, you're using discounts, and probably multiple discounts.

Jose: Absolutely. Multiple discounts to get down to that twenty-one fifty average.

Philip: What do you say, and how does it work like that?

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Jose: For example, let's say I'm talking to a single mom who is below the median income. There's two discounts right there. At that point, I say, "Okay. The fees for the Chapter 7 after ..." Again, this is key. This only comes, I only talk about price directly after I have just outlined, again, even if I've done it before, I'll review the benefits again. I review the creditor calls. I review the 720. I review ... pardon me ... the RFDC. I review the fact that she's going to be on a payment plan and under that protection while she's on the payment plan.

Then I'm going to say, "These cases start at three thousand dollars for consumer cases, four thousand for business cases." That does one thing right there. It tells her, yeah, three thousand, but you know what? There's a more expensive case. In their mind, they're thinking, "Oh, gosh. They're even more expensive than what he just told me." That's the first psychological thing. Then I say the only thing that they need to do is figure out what they're comfortable putting down to retain, and then I can do a payment plan for six months. "Here's the thing. Because you're a single mom and you're below the median income, I can give you a five-hundred-dollar discount for each one of those." Now all of a sudden, her case just became two thousand dollars. She just got a thousand-dollar discount.

Then at that point, I immediately go into the close. I say, "Look, I can take five hundred dollars off for the single-parent discount." Excuse me. "I can take another five hundred dollars off because you're below the median income for your household size. That means your case is going to be two thousand dollars, plus the filing fee, plus the credit report. If you're going to do a payment plan, we charge a one-time processing fee of a hundred and twenty-five dollars. If the case is paid off within ninety days, my staff knows to waive that fee. The only thing you need to figure out is what you're comfortable putting down to retain." That's key. You want them to be comfortable. I say, "What you're comfortable putting down to retain, and then what you're comfortable paying a month."

Then inevitably, ninety-five percent of the time, the next question that comes is, "How much is the retainer?" That's where I know I've closed this client already. When they're asking me what the retainer is, I know that that is a closed client.

Philip: That goes to your third point, the method of retaining. Talk about that. When they say to you, "How much is the retainer?"

Jose: Then I let them know. I don't tell them, "Oh, it's this much, and you have to do this and this." I give them the freedom to make their own case at their own pace. I often tell them that. I say, "Look, most people put down between five hundred and a thousand dollars. Then I'll put the rest on a six-month payment plan. All you need to do is tell me what you're comfortable putting down today." Do you see how I'm going right back in for the close? It's not a hard close. It's just I'm asking them, "What are you comfortable putting down today? If you can tell me what you're comfortable putting down today, then I can show you what the six-month payment plan looks like to see if that works for you."

Then they say, "Okay. What if I just put down five hundred dollars, or what if I put down a thousand dollars?" I say, "Okay. Let me do the math." Then I put it in, and I show them, I say, "Okay, you're going to put five hundred down. After the filing fees and the processing fee for the payment plan and the credit report, your six months of payments are going to be about four hundred dollars a month for the next six months. They're thinking, "Okay. I can do that," because they're paying that towards their credit cards, anyway.

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Now you've got a client who just retained for five hundred dollars, is going to be making ... They've made a residual income to the firm for the next six months for four hundred dollars a month. Then you collect their stuff, and you file their case. During that time, as a firm, you have the ability, the potential to get an RFDCA claim should her creditors continue to harass her. It's really a win-win-win situation. The client is happier, because they're getting a better service. They're going to pay more for that service, because they recognize the value of 720, of alleviating the creditor calls, and of the ability for the RFDCA claims, and the payment plan.

The payment plan alone is a huge alleviator, because they're thinking, "Oh God, I'm going to have to pay a thousand or fifteen hundred dollars or whatever for this bankruptcy, and I don't have it." For them to be able to retain with five hundred dollars, five hundred to a thousand dollars ... Some clients put down seven fifty. Some do a thousand. Some want to get it over quick. That's really what I use the processing fee for. Believe it or not, that's a tool, because I know that these attorneys want these cases paid off as quickly as possible.

Philip: I love it. I love it.

Jose: Yeah. Even though it's only a hundred and twenty-five dollars, when I tell the clients, "Hey, if you can pay this case off within three months, my staff's going to waive that hundred-and-twenty-five-dollar processing fee," you'd be surprised how many of those people pay within three months. These are all just little tools that I like to use to raise revenue for the attorneys, to get them what they're worth. You went to law school. You have a whole bunch of student loans, probably, not so you could do cases for a thousand dollars a pop. That's not worth your time. I'm sorry if that's what you're doing. If you learn how to build value in what you're doing, you can do this.

The thing about attorneys, too, is a lot of them are great attorneys, but they may not be great salespeople. If they need that help, that's what I'm here for. If you're getting the calls and can't close them for whatever reason, use me. That's why I'm here. I'm here to help. I can help you. I can help your client. Your clients are going to be happier. They're going to send you more referrals as a result.

Philip: Excellent. Jose, let me ask you this question. On the spectrum of intakes, and let's talk specifically phone intakes, where does the spectrum range from ... What would be a cheap fee that you get? Because you got to give a lot of discounts.

Jose: Fifteen, sixteen hundred dollars. That's as low as I think I've ever seen, really, for me. Unless it's an expensive case

These are rare, but I've done pro bono cases, basically, where all they pay is the filing fee, the credit report, and two hundred and fifty dollars to have the attorney show up in court. Then I print all the docs and select everything and do that. I like to do one pro bono case a month, just because. Other than that, there may be a random case here and there ... This is what brings that case average down, is there may be a case here and there that gets done for a thousand dollars. Those facts have got to be so dire that it warrants it. Again, that's very rare that you run across those kinds of facts. That is one of the reasons that that case average is twenty-one fifty and not higher, because if I had to guess, I'd say that the general case goes out the door at somewhere between twenty-four and twenty-six hundred dollars.

Philip: Okay. That's where you get the twenty-one fifty, right

Jose: Yeah. Twenty-one fifty because I do have some of those cases where you really have somebody who's close to being homeless.

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Philip: No, it doesn't matter. It's all about averages. It's obvious that you're going to have things below, but obviously you're going to have things higher. Twenty-one fifty is an extraordinary average.

Jose: Yeah. I've been doing sales for a long time, not just bankruptcy sales. Some of you out there may realize this when I say this. What I've found as the general rule is the clients who pay top dollar, they are the happiest clients, and they send you the most referrals. The clients who are scraping by at a thousand, eleven hundred, twelve-hundred-dollar cases, they are the sometimes the hardest to work with. They require so many more man hours from your office and you. Ultimately, it's not worth taking those cases, anyway. Your focus should be to get the clients who recognize the value that you can build in that service for them.

Philip: I got to say, I can't think of a better way doing the call. I completely agree with what you just said. Second of all, I think your three points here, Jose, your bonding upfront with credit card collecting calls, 720, and FDCPA, your second point around the fee schedule with the discount schedule, and the third about the method of retaining, I think this is a very unique way not just to do phone intakes, but any type of intakes.

I just appreciate you being on the call and sharing this information. Jose, if someone, one of our bankruptcy attorneys wants to contact you, what's the best way to reach you?

Jose: They can reach me either by email. They can reach me at jrdholdings@icloud.com, or they can reach me by phone at 530-321-8292. I can do intakes for any district in the state of California.

Philip: On behalf of 720 Systems Strategies, thanks for joining us.