

Agent Business Plan

Creating Your Business Plan

In order to achieve balance, high performance people set goals in ALL areas of their lives:

• Family

• Career

• Social

• Physical

• Financial

So, decide what is important to you and choose what kind of commitment you’re willing to make to yourself, your family and to your business.

It is important that you write down your goals. There is a famous Harvard University study that followed a graduating class over a period of 20 years. In that study, researchers found that only 2% of a Harvard class wrote down on paper the goals they hoped to accomplish in their lives. Those students who had clearly defined written goals amassed more wealth than the remaining 98% combined!

The way to eliminate the “peaks and valleys” in income in much of the real estate business is to create a written plan.

Here are the steps to help you create your Business Plan:

• Calculate income wanted

• Include business expenses

• Analyze the number of prospects needed

• Develop a marketing plan

• Schedule yourself for success

• Evaluate effectiveness

Once you have created the plan, you’ll want to develop ways to implement your plan. Some agents develop a plan and never look at it from year to year, and then wonder why they haven’t reached their goals.

There is a famous quote, “insanity is doing the same thing over and over again and expecting different results.” To change the results, you’ll need to change habits. **The most important habit to change to be successful in real estate, is to learn to love to prospect. If you don’t prospect, you won’t have any business.**

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Determine Your Financial Goals

Once you have calculated the number of prospects you need as part of your business plan, you will be provided with some great “painless prospecting” tips to help you accomplish your financial goals. (The following page has a simple spreadsheet to help you analyze your business expenses to add to your totals on this page.)

Worksheet

$ Mortgage payment

$ Household expenses (cable, water, telephone, cell, credit cards, etc.)

$ Food (grocery and dining out)

$ Car expenses (payment, gas, oil, maintenance)

$ Entertainment (movies, shows)

$ Business expenses (including fees, dues, education, marketing)

$ Child care

$ Education

$ Investments

$ Other living expenses

$ SUBTOTAL (this is the income needed after taxes)

$ Divide by your split 60,70,80 etc.

$ Total Gross Income Required

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| INCOME | JAN | FEB | MAR | APR | MAY | JUN |
| Sales |  |  |  |  |  |  |
| Listings sold |  |  |  |  |  |  |
| Referrals |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| EXPENSES |  |  |  |  |  |  |
| Monthly office fee |  |  |  |  |  |  |
| RAPB/MLS dues |  |  |  |  |  |  |
| MLS lockboxes |  |  |  |  |  |  |
| Cell phone |  |  |  |  |  |  |
| Coaching/Mentoring |  |  |  |  |  |  |
| Car payment |  |  |  |  |  |  |
| Gas |  |  |  |  |  |  |
| Car maintenance/repairs |  |  |  |  |  |  |
| Car insurance |  |  |  |  |  |  |
| Office supplies |  |  |  |  |  |  |
| Meals & entertainment |  |  |  |  |  |  |
| Seminars & conventions |  |  |  |  |  |  |
| Special Advertising |  |  |  |  |  |  |
| Postcards |  |  |  |  |  |  |
| Postage |  |  |  |  |  |  |
| Flyers & brochures |  |  |  |  |  |  |
| Signs |  |  |  |  |  |  |
| Website maintenance |  |  |  |  |  |  |
| Newspaper & magazine ads |  |  |  |  |  |  |
| Legal/Professional/CPA |  |  |  |  |  |  |
| Assistant’s salary & benefits |  |  |  |  |  |  |
| Payroll taxes |  |  |  |  |  |  |
| Transaction coordinator |  |  |  |  |  |  |
| Monthly subscription service |  |  |  |  |  |  |
| Cont. Ed./License |  |  |  |  |  |  |
| E & O insurance |  |  |  |  |  |  |
| Misc. Expenses |  |  |  |  |  |  |
| Medical insurance |  |  |  |  |  |  |
| Charity |  |  |  |  |  |  |
| Virtual Assistant |  |  |  |  |  |  |
| Photography/Virtual Tours |  |  |  |  |  |  |
| Closing Gifts |  |  |  |  |  |  |
| Home Equipment/Printers/Computers |  |  |  |  |  |  |
| TOTAL INCOME |  |  |  |  |  |  |
| TOTAL EXPENSES |  |  |  |  |  |  |
| NET PROFIT |  |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| INCOME | JUL | AUG | SEP | OCT | NOV | DEC |
| Sales |  |  |  |  |  |  |
| Listings sold |  |  |  |  |  |  |
| Referrals |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| EXPENSES |  |  |  |  |  |  |
| Monthly office fee |  |  |  |  |  |  |
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| Seminars & conventions |  |  |  |  |  |  |
| Special Advertising |  |  |  |  |  |  |
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| Photography/Virtual Tours |  |  |  |  |  |  |
| Closing Gifts |  |  |  |  |  |  |
| Home Equipment/Printer/Computer |  |  |  |  |  |  |
| TOTAL INCOME |  |  |  |  |  |  |
| TOTAL EXPENSES |  |  |  |  |  |  |
| NET PROFIT |  |  |  |  |  |  |

Calculate the Number of

Transactions You Need

**Part 1:**

Average house price range

**Part 2:**

Income goal

X % commission

÷ by commission per transaction \_\_\_\_\_\_\_\_\_\_

= \_\_\_\_\_\_\_\_\_ = Transactions needed per year

X your commission split

= Commission per transaction

**EXAMPLE:**

Sample Calculation

Part 1:

Determine your average commission per transaction

Part 2:

Specify desired income, then divide

by average commission

$150,000 desired income

÷ $ 6,300

|  |
| --- |
| $ 300,000 average price range |
| x 6 % commission |
| = $18,000 |
| ÷ 2 |
| = $9,000 |
| x 70% (your split) |
| = $ 6,300  commission per transaction |

**= 24 transactions to reach goals**

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How Many Prospects Do You Need To

Reach Your Goals?

**Calculate prospects needed per year**

Take the total transactions you want X 25 (prospect to sale ratio is 25 to 1)

= Total number of prospects needed

**Break it down into a daily number!**

Annual prospects needed

÷ by 12 months

Example

24 transactions x 25 prospects **= 600 prospects per year**

÷ 12 months

**= 50 prospects per month**

÷ 30 days

**= 2 new prospects per day**

÷ by 30 days

= Prospects needed each day

**You can do this!**

Now that you’ve analyzed what you need to do to achieve your goals, let’s look at how you can reach those goals.

Painless Prospecting

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Here are some painless ways to add prospects to your database:

Buy as many leads as you can or subscribe to a lead generating program. It is a consistent way to obtain prospects.

Upload your sphere of influence – enroll them in IXACT. Call them and let them know you’ll be sending it to them “with their permission.”

Obtain email addresses from your past clients; let them know you’d like to stay in touch. Upload them as well to your IXACT account.

Send “Just Listed” and “Just Sold” postcards to the neighborhood after a listing and/or a sale – offer a FREE home consultation.

Ask for email addresses on your voice mail. Provide your email address when you leave a message.

Send monthly cards to your farm area. Ask them to submit their email address via your website or via email and (offer a free lotto ticket or emergency kit in return for their information.) Make sure to enroll them in IXACT.

Offer a FREE home consultation or to sign up for neighborhood valuation reports of new or recent sales in their neighborhood underneath your signature or contact information on all your outbound emails.

Think of a high caliber offer to place on your site, postcards and emails to get your audience to raise their hands and talk to you.

Send monthly e-newsletters to sphere of influence. Won’t cost you a dime using IXACT.

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Planning Calendar

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| January | February | March | April | May | June |
|  |  |  |  |  |  |
| July | August | September | October | November | December |
|  |  |  |  |  |  |

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Sample Planning Calendar

|  |  |  |
| --- | --- | --- |
| October | November | December |
| • 300 postcards  • Add Web capture tool to Web site  • Begin delivering CMAs to follow up on all leads  • Call past clients to ask for email addresses | • 300 postcards  • Letter to geographic area asking for  email addresses  • Begin hand delivering buyer packets  • Continue delivering CMAs  to follow up on all leads | • 300 postcards  • Call sphere and ask for email addresses  • Continue hand delivering buyer packets  • Continue delivering CMAs  to follow up on all leads |

**Use the annual planning calendar to plan your marketing efforts for the year:**

• How many postcards will I send out?

• When will I send them?

• How many open houses per month am I going to do?

• How many follow-ups calls per month?

• How many new prospects will I add per month?

• How many FSBOs will I contact?

• How many Expired will I contact?

• How many signs will I place?

Remember, use your value propositions (your unique offer to customers) to drive prospects in your area to your own Web site!

**Plan your follow-up:**

• How many follow-up calls per day?

• When will I schedule my calls? (i.e., Tuesdays from 3:30-5:30PM)

• When will I drop off CMAs in person? (i.e., Saturdays from 9:30-11:30AM)

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Monitor Your Effectiveness

**WEEKLY TRACKER**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | New Prospects Added | Drop By or in person | Calls | Appointments | Listings | Sales | Listings  Sold |
| Goals |  |  |  |  |  |  |  |
| Monday |  |  |  |  |  |  |  |
| Tuesday |  |  |  |  |  |  |  |
| Wednesday |  |  |  |  |  |  |  |
| Thursday |  |  |  |  |  |  |  |
| Friday |  |  |  |  |  |  |  |
| Saturday |  |  |  |  |  |  |  |

The Weekly Tracker is a tool to help you track your goals and activities. Check your actual activities against your goals frequently. This will help you stay on track.

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Time Management Strategies

Internet leads take time to mature

o 80% of consumers search online

o They begin their search in the “thinking about it stage”

o 74% work with only 1 agent, providing you with a distinct competitive advantage.

Using your basic business system allows you to cultivate literally thousands of prospects via email and an occasional phone call until they are ready to buy and/or sell, while you work on today’s business.

Effective Time Management

o Time management is self-management

o Self-management is a conscious decision where we decide what is important, and then we plan our time and our lives around those things.

The key to success is not to PRIORITIZE your SCHEDULE but to SCHEDULE your PRIORITIES! “Hot Tips”

Time Savers: SELLERS

• Work with motivated sellers

• Price it right

• Advertise online – Facebook, Instagram, create a website for each listing, etc.

• Update CMA frequently

• Send Just Listed postcard

• Send Market Update

Time Savers: BUYERS

• Have them pre-approved

• Provide them with a CMA of properties they are interested in

• List before they buy

• Email listings regardless of what they asked for

• Email neighborhood news and information

Remember, when you change your habits, you change your results!

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Income goal for the year

Dollars per transaction to you

Number of transactions needed for goals

Number of listings

Number of listings sold

Number of sales

Number of prospects in your database

Number of prospects you need

**Break it down:**

Listings needed per week

Listings sold per week

Sales per week

Prospects needed per day

**Copy this page and tape it where you can see it every day, then:**

• Visualize what your business would be like if you accomplished your goals.

• Visualize what your life would be like if you accomplished your goals.

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Business Development

If you did not reach your production goals last year, what prevented you from doing so? What will you do this year to overcome this obstacle so you can reach your goals?

What seminars, conference calls and technical training do you plan to attend this year?

**Business goals:** (For instance, hiring an assistant, obtaining your broker’s license, etc.)

**What ONE thing can you do on a regular basis that would make a HUGE difference in**

**your business?** (Something you aren’t doing now).

**What worked last year? (**system, habit, process**).**

**REMAIN CONSISTENT, AND THE RESULTS WILL FOLLOW!**