

Blueprint To Success™

Session 4

Pulling Your Success System Together



To your Achievement of Excellence in Life

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OBJECTIVES

During this session you will:

- Master and implement the Four Ways to Increase Your Production.
- Select and implement your lead strategy.
- Develop and implement your business management strategy.

FOUR WAYS TO INCREASE PRODUCTION

1. NUMBER OF CONTACTS

2. METHOD OF CONTACTS

*** See tool (Real Estate Business Sources) on Page 4**

3. QUALITY OF PROSPECTS

4. QUALITY OF THE MESSAGE PRESENTED

*** See tool (Self-Evaluation of Personal Selling Tasks) on Page 5**

REAL ESTATE BUSINESS SOURCES
CATEGORIES, COMPETITION, CONTROLLABILITY

More
Competitive



Less
Competitive

Reactive Sources

Possible sources of their current or future **direct** business

- * Open House Contacts
- * Ad & Sign Calls
- * Internet Leads, Pay-per-click

Probable sources of other's current or future **direct** business

- Referral leads from other agents *
- Referral leads from "referring businesses" *
- Referral leads from "personal relationships" *

Proactive Sources

Possible sources of their current or future **direct** business

- General/Cold Calling *
- Specific Activity/Warm Calling
- Social Media *

Probable sources of their current **direct** business

- * FSBO's
- * Expireds

Specific groups that are sources of their **direct** future business

- Geographic/Demographic Farms *
- Spheres of Influence *
- Social Media *
- Past Clients *

Specific groups that are sources of other's current and future **referral** business

- Past Clients *
- Spheres of Influence *
- Geographic/Demographic Farms *

SELF-EVALUATION OF PERSONAL SELLING TASKS

SKILL EVALUATOR QUESTIONNAIRE

Rate your work habits and disciplines for the following tasks on a scale from 1 to 10 in each of the four areas, ten being highly efficient. Add any information as to why you rate yourself accordingly.

AREAS:

1. Your Knowledge of the task.
2. Your Skill in performing the task.
3. Your Attitude in performing the task.
4. Your historic on-going Activity consistency in performing the task.

TASKS

RATING

A. Time Efficiency	K ___ S ___ A ___ A ___
B. Organization	K ___ S ___ A ___ A ___
C. Prospecting	K ___ S ___ A ___ A ___
D. Qualifying Sellers	K ___ S ___ A ___ A ___
E. Qualifying Buyers	K ___ S ___ A ___ A ___
F. Lead Follow-up	K ___ S ___ A ___ A ___
G. Listing Presentations	K ___ S ___ A ___ A ___
H. Showing Property	K ___ S ___ A ___ A ___
I. Handling Objections	K ___ S ___ A ___ A ___
J. Closing the Client	K ___ S ___ A ___ A ___
K. Negotiation	K ___ S ___ A ___ A ___
L. Administrative Work	K ___ S ___ A ___ A ___

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M. Delegation	K ___ S ___ A ___ A ___
N. Identifying pro-active lead generation sources	K ___ S ___ A ___ A ___
O. Working sources/finding leads	K ___ S ___ A ___ A ___
P. Contacting leads/identifying prospects	K ___ S ___ A ___ A ___
Q. Qualifying prospects	K ___ S ___ A ___ A ___
R. Avoiding & eliminating unqualified prospects	K ___ S ___ A ___ A ___
S. Getting meetings with qualified prospects	K ___ S ___ A ___ A ___
T. Making service presentations	K ___ S ___ A ___ A ___
U. Closing/asking for commitments	K ___ S ___ A ___ A ___
V. Overcoming objections/getting commitments	K ___ S ___ A ___ A ___
W. Providing client services	K ___ S ___ A ___ A ___
X. Assuring/confirming client satisfaction	K ___ S ___ A ___ A ___
Y. Building referral network	K ___ S ___ A ___ A ___
Z. Working referral network	K ___ S ___ A ___ A ___

THE 12 STEPS TO CREATING YOUR ANNUAL BUSINESS PLAN

Step 1:

Separate your bank accounts → Business, Personal & Taxes

Step 2:

Automate your finances using Quicken or QuickBooks

Step 3:

Establish the amount of money you need each month to fund your life → Your Net Income after Taxes

Step 4:

Calculate your Projected Tax Liability and your Net Profit Before Taxes

Step 5:

Establish, analyze and calculate Projected Operating Expenses and Gross Profit

Step 6:

Calculate the Projected Cost of Sales and Gross Revenues

Step 7:

Calculate the Average Gross Revenue per Transaction

Step 8:

Calculate the Number of Transactions required to Achieve Your Goal (of Monthly Net Income after Tax)

Step 9:

Calculate the Average Cost per Transaction

Step 10:

Calculate How Many Properly Priced Listings you must take to ensure that your goal will be achieved **NO MATTER WHAT**

Step 11:

Establish a Game Plan/Plan of Action

Step 12:

Review your plan weekly and make adjustments when necessary.

PUTTING IT ALL TOGETHER

STEP 1: SEPARATE YOUR ACCOUNTS

STEP 2: AUTOMATE YOUR FINANCES

STEPS 3 - 6:

*** See tools:**

Cash Flow Chart on Page 9

Sample Calculations on Page 10

Cash Flow Worksheet on Page 11

Formulas for Calculating Your Key Numbers on Page 12

CASH FLOW CHART

GROSS REVENUES
(from all sources)



- Commissions
- Referral Fees Collected
- Transaction Fees
- Conveyancing Fees
- Home Warranty Sales
- Title Company Dividends
- Mortgage Company Dividends
- Property Management Commissions

STEP 6

LESS COST OF SALES



- Per Transaction Franchise Fees
- Per Transaction Broker Fees
- Commission Splits w/ Broker
- Referral Fees Paid to Others
- Commission Splits to Others

STEP 6

EQUALS GROSS PROFIT



STEP 5

LESS OPERATING EXPENSES



- | | |
|-----------------|-----------------------|
| Marketing | Management Fees |
| Automobile | Phone |
| Business Taxes | Postage |
| Coaching | Professional Services |
| Dues | Rent |
| Education | Salaries |
| Entertainment | Supplies |
| Equipment | Technology |
| Insurances | Tech. Support |
| Interest Paid | Utilities |
| Lead Generation | |

STEP 5

EQUALS NET PROFIT



STEP 4

LESS PERSONAL TAXES



STEP 4

EQUALS PERSONAL NET INCOME

STEP 3

SAMPLE CALCULATIONS

This sample is using \$8,750 as a Monthly Net Income after Tax figure

Step 3: \$8,750/Mo* Monthly Net Income Figure (After Tax)
 The amount you need to fund your life
 *\$105,000/Yr.

Step 4: \$8,750 Monthly Net Income (After Tax)
 $\div .70$ 30% For Taxes
 \$12,500* Monthly Net Profit Goal
 *\$150,000/Yr.

\$12,500 Monthly Net Profit Goal
 - 8,750 Monthly Net Income Figure
 \$ 3,750* Projected Monthly Tax Liability
 *\$45,000/Yr.

Step 5: \$12,500 Monthly Net Profit Goal
 + 4,167 Monthly Operating Expenses (from Guidelines Chart)
 \$16,667* Monthly Gross Profit Goal
 *\$200,000/Yr.

Step 6: \$16,667 Monthly Gross Profit Goal
 + 9,000 Monthly Cost of Sales (from Guidelines Chart)
 \$25,667* Monthly Gross Revenue Goal
 *\$308,000/Yr.

CASH FLOW WORKSHEET

GROSS REVENUES

- Commissions
- + Referral Fees Collected
- + Transaction Fees
- + Conveyancing Fees
- + Home Warranty Sales
- + Title Company Dividends
- + Mortgage Company Dividends
- + Property Management Commissions

TOTAL GROSS REVENUES \$

LESS COST OF SALES

- Per Transaction Franchise Fees
- Commission Splits w/ Broker
- Referral Fees Paid to Others
- Commission Splits to Others
- Per Transaction Broker Fees

TOTAL COST OF SALES -\$

EQUALS GROSS PROFIT *

LESS OPERATING EXPENSES** -\$

EQUALS NET PROFIT*** \$

x tax bracket x %

LESS PERSONAL TAXES -\$

EQUALS PERSONAL NET INCOME \$

* Total gross revenues - total cost of sales **From Operating Budget Worksheet ***Gross Profit – operating expenses

FORMULAS FOR CALCULATING YOUR KEY NUMBERS

➤ Net Income (After taxes)
 + Projected Tax Liability
 = Net Profit (before taxes)

Net Profit (Before taxes)
 - Projected Tax Liability
 = Net Income after Taxes

➤ Net Profit
 + Operating Expenses
 = Gross Profit

Gross Profit
 - Operating Expenses
 = Net Profit

➤ Gross Profit
 + Cost of Sales
 = Gross Revenues

Gross Revenues
 - Cost of Sales
 = Gross Profit

➤ Total Gross Revenues
 ÷ The # of Transactions
 = Average Gross Revenue/Transaction

➤ Annual Gross Revenue Goal
 ÷ Average Gross Revenue/Transaction
 = Annual # of Transactions Goal

➤ Total Annual Cost of Sales
 + Total Annual Operating Expenses
 ÷ Annual # of Transactions
 = The Average Cost/Transaction

➤ Annual Transaction Goal
 ÷ 85% (The % of properly priced listings that will sell)
 = The number of listings you must take to ensure that your goal will be achieved no matter what

- **Prospecting Ratios:**
 How many calls = 1 lead?
 How many leads = 1 appointment?
 How many appointments = 1 closed transaction?

BLUEPRINT TO SUCCESS SESSION 4 – PULLING YOUR SUCCESS SYSTEM TOGETHER

STEP 3: ESTABLISH THE AMOUNT YOU NEED EACH MONTH TO FUND YOUR LIFE

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GROSS PROFIT WORKSHEET

LISTING SIDES:	
GROSS REVENUES:	\$ Avg. Gross Revenue Per Transaction
	x # Of Projected Seller Sides
	\$ Total Listing-Side Revenues
COST OF SALES:	- Cost of Sales (from cash flow worksheet)
GROSS PROFIT FROM LISTING-SIDE REVENUES:	

BUYER SIDES:	
GROSS REVENUES:	\$ Avg. Gross Revenue Per Transaction
	x # Of Projected Buyer Sides
	\$ Total Buyer-Side Revenues
COST OF SALES:	- Cost of Sales (from cash flow worksheet)
GROSS PROFIT FROM BUYER-SIDE REVENUES:	

GROSS PROFIT FROM LISTING-SIDE REVENUES: \$

+ GROSS PROFIT FROM BUYER-SIDE REVENUES: \$

=TOTAL PROJECTED GROSS REVENUES: \$

LESS TOTAL COST OF SALES (from cash flow worksheet) _____

TOTAL PROJECTED GROSS PROFITS: \$

BLUEPRINT TO SUCCESS SESSION 4 – PULLING YOUR SUCCESS SYSTEM TOGETHER

STEP 6: CALCULATE THE COST OF SALES AND THE GROSS REVENUES

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STEP 8: CALCULATE THE NUMBER OF TRANSACTIONS REQUIRED TO ACHIEVE YOUR GOAL

STEP 9: CALCULATE THE AVERAGE COST PER TRANSACTION

BLUEPRINT TO SUCCESS SESSION 4 – PULLING YOUR SUCCESS SYSTEM TOGETHER

STEP 10: CALCULATE HOW MANY LISTINGS YOU MUST TAKE TO ASSURE YOUR GOAL

STEP 11: ESTABLISH A GAME PLAN – A PLAN OF ACTION

STEP 12: REVIEW YOUR PLAN AND MAKE ADJUSTMENTS WHEN NECESSARY

TAKING THE NEXT STEP

ACTION PLANS – WEEK 4

1. Determine which of The Four Ways to Increase Your Production you need to focus on.
2. Select your lead sources based on odds and competition.
3. Whom can you connect with for help, accountability, and support? Take the next step!