

Buyer's Agent Coaching™

Session 2

Business Planning and Production



To your Achievement of Excellence in Life

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OBJECTIVES

During this session you will:

- Build your production based Business Plan.
- Break down your allocation of your production.
- Set up your Triple Track Monitoring system.

BUSINESS PLANNING

- Clarity of purpose

- Organized and executable priorities

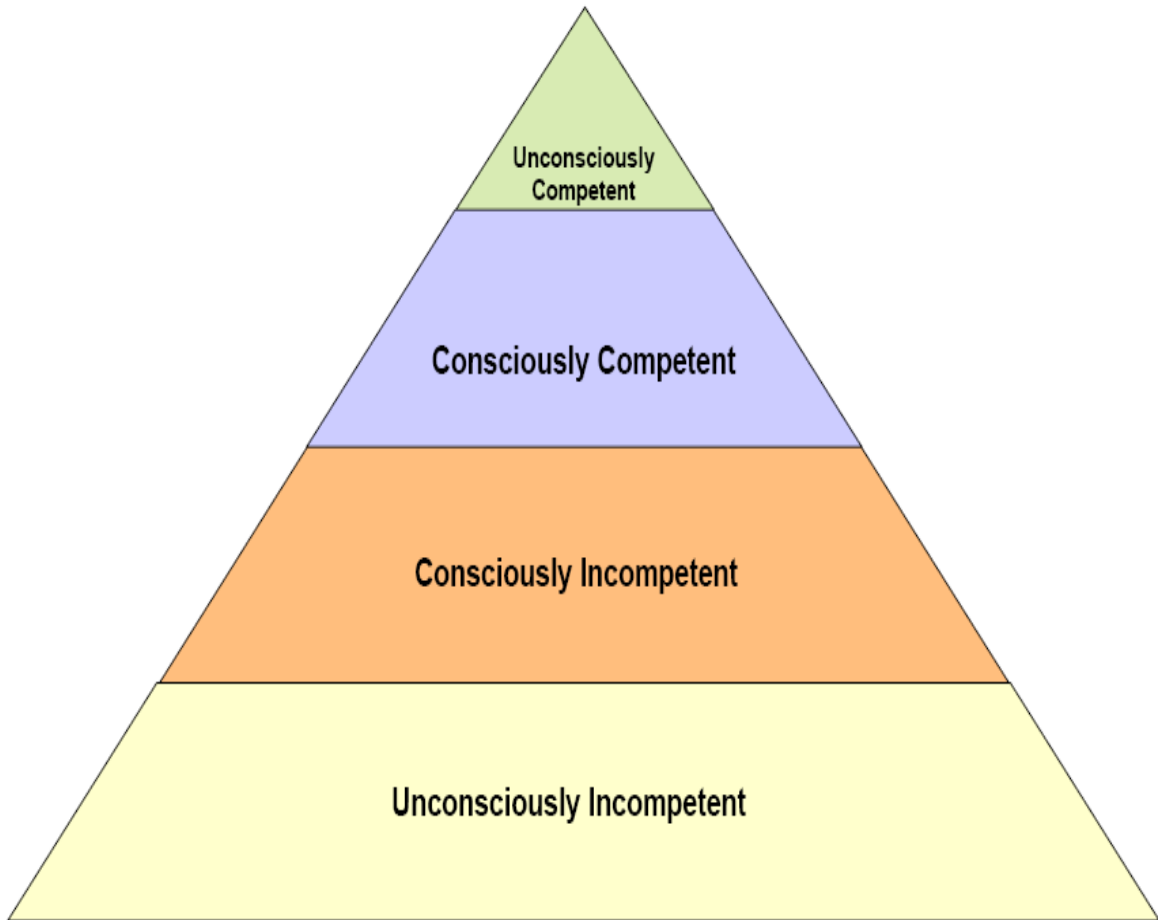
- Consistent action – what we do

“When the tide goes out you will know who has been skinny dipping.”

- Warren Buffett

CONSCIOUS COMPETENT THEORY

Conscious Competent Theory



BUYER'S AGENT BUSINESS PLANNING TOOL

Name _____ Coach: _____ Date: _____

A. Gross Commission Income for prior 12 months \$ _____

B. Number of closed transactions in last 12 months _____

C. Number of buyer represented sales in last 12 months _____

D. Total Dollar volume closed in the last 12 months \$ _____

E. Average commission per closing for prior 12 months
 *Calculate by $A \div B$. \$ _____

F. Average sale price over the past 12 months
 *Calculate by $D \div B$ \$ _____

G. Number of exclusive buyer representation contracts written in the last 12 months _____

H. Number of buyer consultative appointments for the last 12 months _____

I. Buyers closed to buyer representative contracts % (# of buyers closed for the past 12 months \div # of buyer representative contracts for the past 12 months) $C \div G$ % _____

J. Conversion ratios % (# of buyer clients created (i.e. signed buyer agency agreement or committed to work with you) for the past 12 months \div # of buyer consultative appointments for the past 12 months) $G \div H$ % _____

SAMPLE BUSINESS PLANNING TOOL

A. Gross Commission Income for prior 12 months	\$75,000
B. Number of closed transactions in last 12 months	24
C. Number of buyer represented sales in last 12 months	24
D. Total Dollar volume closed in the last 12 months	\$5,016,000
E. Average commission per closing for prior 12 months *Calculate by $A \div B$.	\$3,125
F. Average sale price over the past 12 months *Calculate by $D \div B$	\$209,000
G. Number of exclusive buyer representation contracts written in the last 12 months	35
H. Number of buyer consultative appointments for the last 12 months	45
I. Buyers closed to buyer representative contracts % (# of buyers closed for the past 12 months \div # of buyer representative contracts for the past 12 months) $C \div I$	69%
J. Conversion ratios % (# of buyer clients created (i.e. signed buyer agency agreement or committed to work with you) for the past 12 months \div # of buyer consultative appointments for the past 12 months)	77%

PERSONAL PRODUCTION SEASONALITY TOOL

Name _____ Coach: _____ Date: _____

PRODUCTION SEASONALITY

My market averages

% of business produced in 1st calendar quarter _____%

% of business produced in 2nd calendar quarter _____%

% of business produced in 3rd calendar quarter _____%

% of business produced in 4th calendar quarter _____%

My personal averages

% of business produced in 1st calendar quarter _____%

% of business produced in 2nd calendar quarter _____%

% of business produced in 3rd calendar quarter _____%

% of business produced in 4th calendar quarter _____%

BUYER'S AGENT BUSINESS PLAN

Name _____ Coach: _____ Date: _____

	Production Seasonality:	_____ %	_____ %	_____ %	_____ %
1. What is my desired income level?	<u>Year</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2. Average commission per closing for the last 12 months (E. from prior page)	<u>Year</u>				
	\$ _____				
3. Number of closed transactions required (#1 ÷ #2)	<u>Year</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	_____	_____	_____	_____	_____
4. Number of closed transactions in last 12 months (B. from prior page)	<u>Year</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	_____	_____	_____	_____	_____
5. What is my average sale price? (F. from prior page)	<u>Year</u>				
	\$ _____				
6. What is my dollar volume closing goal? (#3 x #5)	<u>Year</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
7. % of closed transactions that are buyer controlled sales. (C from prior page ÷ #4.)	<u>Year</u>				
	_____ %				
8. Number of buyer controlled sales closed goal. (#3 x #6)	<u>Year</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	_____	_____	_____	_____	_____
9. % (I. from prior page). This should be a minimum of 80% - target of 95%.	<u>Year</u>				
	_____ %				
10. Calculate the number of buyer broker agreements or clients created I will need to meet my buyers unit closing goal. (#8 ÷ #9)	<u>Year</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	_____	_____	_____	_____	_____
11. Conversion percentage (# of buyer clients created ÷ # buyer appointments) (J. from prior page)	<u>Year</u>				
	_____ %				
12. Number of buyers appointments needed (#10 ÷ #11)	<u>Year</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	_____	_____	_____	_____	_____

SAMPLE CLARIFYING YOUR TEAM BUSINESS PLAN

	Production Seasonality:	<u>19%</u>	<u>32%</u>	<u>34%</u>	<u>15%</u>
1. What is my desired income level?	<u>Year</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	\$ <u>125,000</u>	\$ <u>23,750</u>	\$ <u>40,000</u>	\$ <u>42,500</u>	\$ <u>18,750</u>
2. Average commission per closing for the last 12 months (E. from prior page)	<u>Year</u>				
	\$ <u>3,125</u>				
3. Number of closed transactions required (#1 ÷ #2)	<u>Year</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	<u>40</u>	<u>8</u>	<u>13</u>	<u>14</u>	<u>5</u>
4. Number of closed transactions in last 12 months (B. from prior page)	<u>Year</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	<u>21</u>	<u>4</u>	<u>8</u>	<u>6</u>	<u>3</u>
5. What is my average sale price? (F. from prior page)	<u>Year</u>				
	\$ <u>209,000</u>				
6. What is my dollar volume closing goal? (#3 x #5)	<u>Year</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	\$ <u>8,360,000</u>	\$ <u>1,588,400</u>	\$ <u>2,675,000</u>	\$ <u>2,842,000</u>	\$ <u>1,254,000</u>
7. % of closed transactions that are buyer controlled sales. (C from prior page ÷ #4.)	<u>Year</u>				
	<u>100%</u>				
8. Number of buyer controlled sales closed goal. (#3 x #6)	<u>Year</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	<u>40</u>	<u>8</u>	<u>13</u>	<u>14</u>	<u>5</u>
9. % (I. from prior page). This should be a minimum of 80% - target of 95%.	<u>Year</u>				
	<u>69%</u>				
10. Calculate the number of buyer broker agreements or clients created I will need to meet my buyers unit closing goal. (#8 ÷ #9)	<u>Year</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	<u>58</u>	<u>11</u>	<u>19</u>	<u>20</u>	<u>8</u>
11. Conversion percentage (# of buyer clients created ÷ # buyer appointments) (J. from prior page)	<u>Year</u>				
	<u>77%</u>				
12. Number of buyers appointments needed (#10 ÷ #11)	<u>Year</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	<u>75</u>	<u>14</u>	<u>24</u>	<u>26</u>	<u>11</u>

TRIPLE TRACK GOAL SETTING

As a young real estate salesperson I was fortunate to find early success in the business and I attributed much of this success to goal setting which I did faithfully on a yearly basis and revised my goals monthly.

Therefore, when I became manager of a real estate office I insisted that all my agents have goals and that we review them on a regular basis.

Each year my agents would parade into my office for their annual goal setting conference and, each year, I was confronted with improper approaches to goal setting that were doomed to failure.

Bill, who had never earned more than \$10,000 in any one year would approach me and promise that this year he was going to earn \$100,000. I didn't know if I should laugh in his face or tell him to get more realistic but I didn't want to discourage his dream so we set a goal of \$100,000.

Then Alice would appear for her appointed meeting. Alice had never made less than \$100,000 a year for the last four years, but she would suggest a goal of \$50,000. All my reasoning and persuasion could not alter her "safe" approach to goal setting and we would agree on a goal of \$50,000.

We would have monthly reviews but about 6 months into the year Bill would come to the startling revelation that he was not going to reach his \$100,000 goal. In fact, he was on track for his usual \$10,000 having earned only \$5,000 by mid-year. It didn't take much math prowess for him to compute that \$95,000 in earnings for the second half of the year was way over his ability, so he would abandon his goal.

Likewise, Alice would appear having already made her usual \$50,000 by mid-year and she would refuse to revise her annual goal upward so any motivation for her to stretch to a new level was gone.

It didn't take long for me to realize that there was something missing in "single track" goal setting. I began to notice that many of my agents would set too ambitious of a goal and when they would realize that they could not achieve their goal they simply gave up the challenge.

Conversely, other agents would set their goals low so they knew that they could beat them and, thus, had little challenge. In fact, there were precious few agents that were stretching at years end to accomplish a new earnings level as most had either abandoned their goal or already exceeded it.

I knew the program wasn't working well but I had no other alternative so I continued to annually perform the motions of "single track" goal setting.

Over a period of time I discovered that goal setting must be more personalized and allow for success and reward and still be able to stimulate the participant to new accomplishments they never dreamed possible.

From this thought pattern "triple track" goal setting was born.

For new agents and low earning experienced agents it is important that they earn enough money to be able to pay for their daily obligations. These vary with the individual as some have only themselves while other have immediate or extended families for which they are responsible.

The “first track” is to assure sufficient earnings to pay for the basic needs in life such as food, clothing, shelter, automobile etc. No extras such as entertainment, sports etc. are to be included. This level is to assure sufficient money earned from real estate activities will pay for their annual obligations.

This first track is called *MINIMUM ACCEPATBLE* and simply means that they can not afford to make anything less than this amount and, if they do, they should consider leaving the real estate business. It is a cold, factual and unbending dollar amount but a challenge that one must confront.

For experienced agents like Alice who has been making \$100,000 a year for the last few years, “minimum acceptable” for her becomes \$100,000. She has proven she can do it and should accept no less.

However, we don't want to live our life in a minimum acceptable mode so let's consider what it would cost to have an average life. Again this varies with the individual but one can now add those items that would lead to an average life style. It may include music lessons or sporting events for the children, entertainment for the family, vacation, retirement reserves etc.

Once this amount is identified it will become our second track and be entitled *AVERAGE ANTICIPATED* because we honestly anticipate to live a life of no less than average amenities.

For our experienced agent, Alice, this goal should be tied to her lifestyle needs but, also, the next reasonable level of earnings accomplishment such as \$150,000.

Finally, we arrive at the third track which embraces our dreams and allows them to become reality. What are some of the special things you have always wanted out of life.....a large home, a fancy automobile, a trip around the world, sufficient retirement funds... and what will they cost? These “dreams” will be the basis for the third track called *MAXIMUM OBTAINABLE*.

Now that we have identified the three tracks and ascertained their importance to our personal life, we are ready to plan for our success.

The planning process requires that you know what your average listing and selling price is and that you know what percentage of listings taken will sell.

Utilizing the attached form, place your annual monetary goal in the “total” block under the “\$ generated” heading.

The codes for the other headings are:

LA: listing appointments / LT: listings taken / LS: listings sold (listing side only)
BA: buyer appointments / S: sales (selling side only)

You should now decide what percentage of your total income will be derived from the listing side or the selling side and, knowing the average value of each, compute the number of listing sides and sales side needed to achieve your goal. Also compute the total number of listings you must take to achieve your listing sold goal. For example, if 70% of your listings are selling and you need 10 listings sold then you will need 14+ listings to achieve your goal.

Now you are prepared to distribute your listing and sales activities plus the dollars you intend to generate throughout the calendar year and repeat the goal setting exercise for the *AVERAGE ANTICIPATED* and *MAXIMUM ATTAINABLE* columns.

Complete the “last year” column and monthly fill in the “actual” column and then review your progress. Are you ahead of last year to date? Where are our current activities exceeding or failing to support our goals. You may be at minimum acceptable in sales but at average anticipated in listings taken. Now you know where to focus your future activities for the next month.

The last two columns on the far right of the form allows you to track your “Net \$ Closed” and “\$ Volume Closed”.

When the Triple Track goal setting process is thoughtfully filled out it will allow you to set meaningful goals that apply directly to your needs and responsibilities and sensitize your activities and goal results to your market area and seasonality.

Manager Notes

You can encourage maximum accomplishment by assisting your agents with visual support. If an agents goal is to take a trip around the world then install, and monthly change, a travel poster at their desk. If they want a fancy automobile, purchase a miniature edition and place it on their desk. Goal setting should be fun and visual.

When the monthly goal setting statements are available, use a marking pen to circle their “actual” results compared with their triple track. If their “actual” listing taken activity is at the “minimum acceptable” level then circle the numbers in red so the agent can see they are in an unacceptable area. Use green for “average anticipated” and blue for “maximum obtainable”. This will allow the agent to quickly see and evaluate their strengths and weaknesses and also provide a colorful report.

For new agents and agents struggling to meet their goals, monthly personal reviews are suggested. For those meeting and exceeding their goals personal reviews every 2 or 3 months is sufficient but always issue them their monthly Triple Track report.

By the way, triple track goal setting is also a powerful way to plan and maintain budgets for a residential office.

Al Mayer
Coach
Real Estate Champions

Buyer's Agent Triple Track

% of Business	Month	Minimum Acceptable				Average Anticipated				Maximum Obtainable				Actual				Last Year				Net \$Closed	\$ Volume Closed
		BA	BC	BP	\$ Gen'rd	BA	BC	BP	\$ Gen'rd	BA	BC	BP	\$ Gen'rd	BA	BC	BP	\$ Gen'rd	BA	BC	BP	\$ Gen'rd		
	January																						
	February																						
	March																						
	Subtotal																						
	April																						
	May																						
	June																						
	Subtotal																						
	July																						
	August																						
	September																						
	Subtotal																						
	October																						
	November																						
	December																						
	Subtotal																						
	Total																						

Legend for the Triple Track
 BA = New Buyer Appointments
 BC = Binding Buyer Contracts
 BP = Pending Contracts

Buyer's Agent Triple Track - EXAMPLE

% of Business	Month	Minimum Acceptable				Average Anticipated				Maximum Obtainable				Actual				Last Year				Net \$Closed	\$ Volume Closed
		BA	BC	BP	\$ Gen'rtd	BA	BC	BP	\$ Gen'rtd	BA	BC	BP	\$ Gen'rtd	BA	BC	BP	\$ Gen'rtd	BA	BC	BP	\$ Gen'rtd		
	January	3	2	1	6,250	4	3	2	6,250	5	4	3	9,375										
	February	4	3	2	6,250	5	4	3	9,375	6	4	3	9,375										
	March	4	4	3	9,375	5	4	3	9,375	6	5	4	12,500										
	Subtotal	11	9	6	18,750	14	11	8	25,000	17	13	9	31,250										
	April	6	5	4	12,500	8	6	4	12,500	9	7	5	15,625										
	May	7	5	3	9,375	8	7	6	15,625	10	8	5	15,625										
	June	6	5	3	9,375	8	6	4	12,500	10	7	5	15,625										
	Subtotal	19	15	10	31,250	24	19	13	40,625	29	22	15	46,875										
	July	7	6	4	12,500	9	7	5	15,625	11	8	6	18,750										
	August	6	5	3	9,375	9	7	5	15,625	10	8	5	15,625										
	September	7	5	4	12,500	8	6	4	12,500	10	8	5	15,625										
	Subtotal	20	16	11	34,375	26	20	14	73,750	31	24	16	50,000										
	October	4	3	3	9,375	6	4	3	9,375	7	6	4	12,500										
	November	2	2	1	3,125	3	2	1	3,125	4	3	2	6,250										
	December	2	1	1	3,125	2	2	1	3,125	3	2	2	6,250										
	Subtotal	8	6	5	15,625	11	8	5	15,625	14	11	8	25,000										
	Total	58	46	32	100,000	75	58	40	125,000	91	70	48	150,000										

Legend for the Triple Track

BA = New Buyer Appointments

BC = Binding Buyer Contracts

BP = Pending Contracts

BREAKOUT SESSION

BREAKOUT SESSION RULES

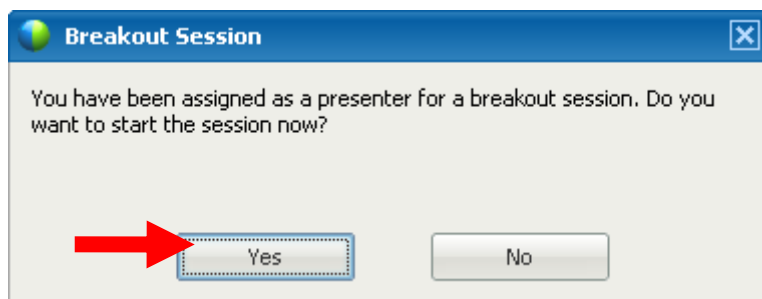
Breakout Session Rules:

- ➔ It should be fun so wear a smile!
- ➔ You will perform how you practice so be focused whether you are the agent, buyer, seller, or observer.
- ➔ When you are the buyer or seller provide some resistance that is realistic but don't be a jerk.
- ➔ If your role-play partner goes over the top you have the right to say no and hang up graciously as you would with a prospect.
- ➔ Practice only successful outcomes of appointments booked and contracts signed.
- ➔ Quick 15-30 second debriefs before trading places will lock in learning.

BREAKOUT WEBEX INSTRUCTIONS

PRESENTER – A Leader will be selected to be a Presenter in a Breakout Session.

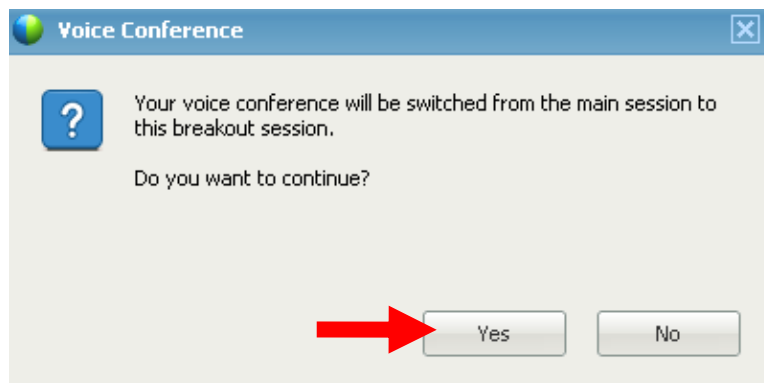
1. Presenters will get the following screen.



Click on the "Yes" button.

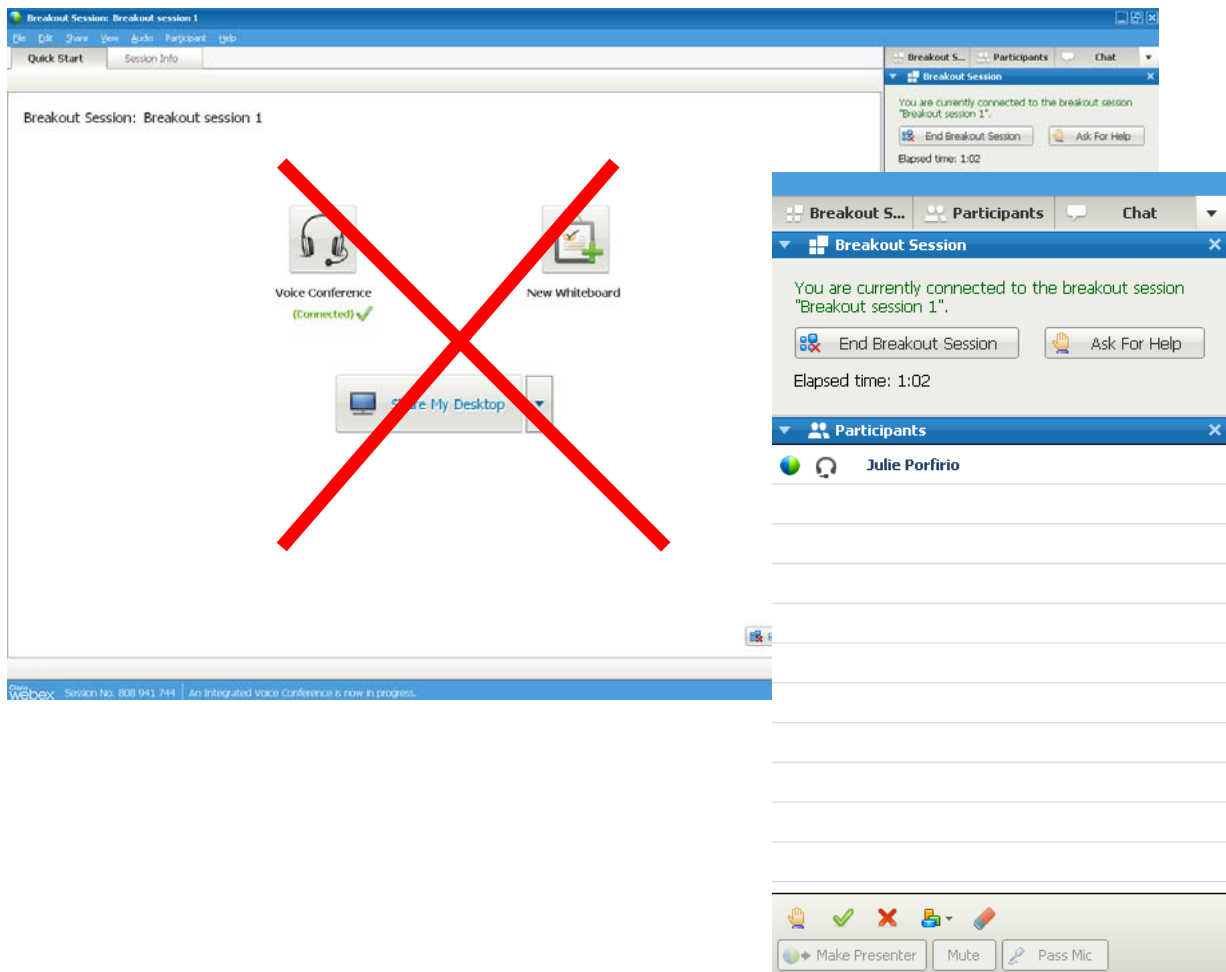
BUYER'S AGENT COACHING SESSION 2 – BUSINESS PLANNING AND PRODUCTION

2. Presenters will then get the following screen.



Click on the "Yes" button.

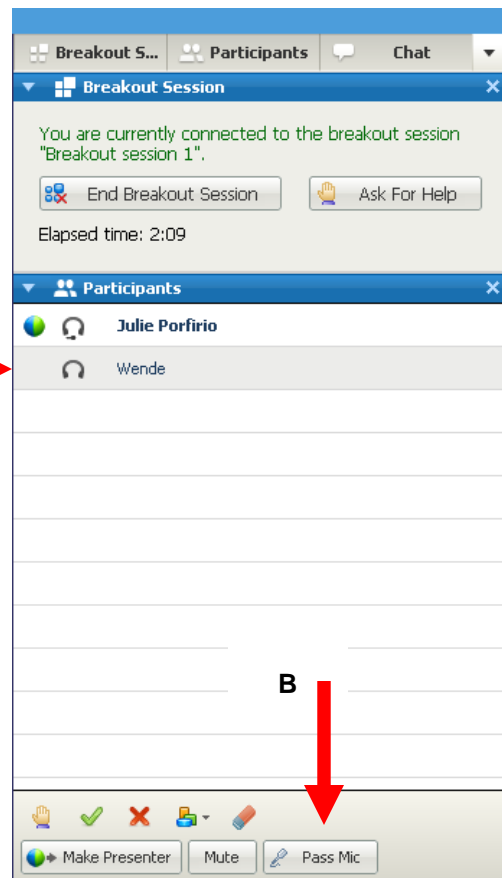
3. Your screen will look like this. DO NOT click on any of the options on the left-hand side of your screen (noted by the Red X). You will be using the right-side Breakout panel.



BUYER'S AGENT COACHING SESSION 2 – BUSINESS PLANNING AND PRODUCTION

4. The Presenter can then pass the microphone to one student at a time. To do this:

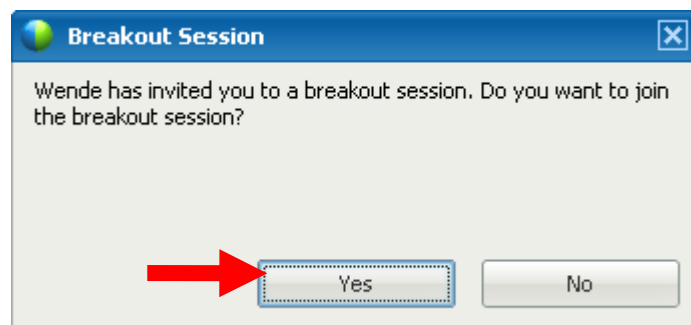
- A. Highlight the name of the student by left clicking on it.
- B. Then click on the “Pass Mic” button (located under the list of attendees).



B

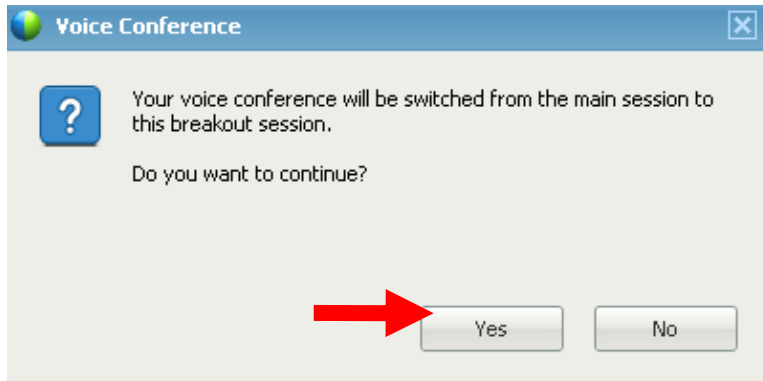
PARTICIPANT – All others in the Breakout Session will be participants.

1. Participants will get the following screen:



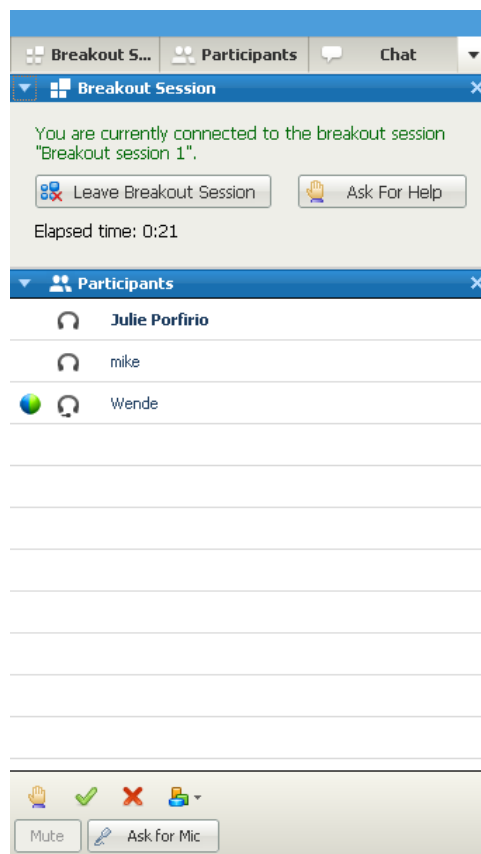
Click on the “Yes” button.

2. Participants will then get this screen.



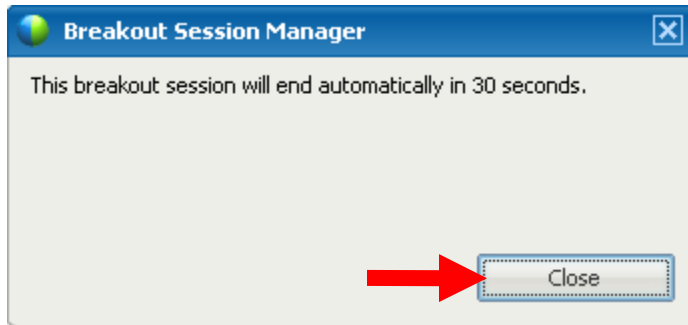
Click on the "Yes" button.

3. Your right-side Breakout panel will look like this.



BUYER'S AGENT COACHING SESSION 2 – BUSINESS PLANNING AND PRODUCTION

All Presenters and Participants: When the breakout session is over you will see this screen. You can click close to return to your course session faster or you may wait for the breakout session to end itself.



BREAKOUT SESSION

BREAKOUT SESSION 2

Discuss: Strategies on how to engage a lead through the sales funnel who might not be ready to meet with you face-to-face or phone-to-phone.

BREAKOUT DEBRIEF

ACTION PLANS – WEEK 2

1. Calculate your seasonality for your business.
2. Complete your personal Business Plan calculations.
3. Lay out the Team Triple Track form.