

Recruiting Mastery™

Session 8

Recruiting, Review and Retention

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OBJECTIVES

During this session you will:

- Review past sessions
- Learn how retain your salespeople

REVIEW

Have you:

1. Calculated your red line/green line?
2. Conducted your MOA (Market Opportunity Analysis)?
3. Identified how many sales associates you need in your office or your company?
4. Identified from your MOA how many new, rising stars and experienced agents are available in the marketplace?
5. Constructed your Hot List?
6. Reviewed and practiced your prospecting scripts?
7. Completed an entire time-block form for the week, which includes recruiting time?
8. Made your recruiting prospecting calls each day or each week?
9. Held yourself accountable on a daily basis?
10. Defined your company's culture?
11. Identified your company's value propositions?
12. Designed a recruiting/marketing campaign that may include brochures/DVD/letters or online marketing?
13. Created a Pre-interview Checklist?
14. Continued to make your calls?
15. Held recruiting interviews?
16. Designed a Post-interview Checklist?
17. Hired someone above your red line?
18. Begun to conquer the recruiting challenge?

QUESTIONS

Questions I want to ask myself as I'm going through the interview process:

- Does this agent really fit our company profile, our mission statement and the market area that our company serves?
- Can I help them achieve their goals?
- Do I really know what the goals of this potential agent are? Can I pinpoint this agent's motivators?
- What are their behavioral styles? Dominant, influencer, steady or compliant and are they a fit with your market?
- Will they achieve no less than our red line within a twelve-month period of time?

EXERCISE

Go over the red line / green line. Identify how many of your agents are under the red line.

Mathematical exercise:

What would happen to my bottom line if I could get all the people that are under my red line to at least break even?

What would happen if all the people under the red line actually ended up in the next 12 months \$5,000 over the red line?

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

TRIPLE TRACK

AGENT: _____

YEAR: _____

	Minimum Acceptable						Average Anticipated						Maximum Obtainable						Actual						Last Year						Net \$Closed	\$ Volume Closed						
	L _A	L _T	L _S	B _A	S	\$ Gen'rtd	L _A	L _T	L _S	B _A	S	\$ Gen'rtd	L _A	L _T	L _S	B _A	S	\$ Gen'rtd	L _A	L _T	L _S	B _A	S	\$ Gen'rtd	L _A	L _T	L _S	B _A	S	\$ Gen'rtd								
January																																						
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Subtotal																																						
October																																						
November																																						
December																																						
Subtotal																																						
Total																																						

LA = Listings Appointments

BA = Buyer Appointments

LT = Listings Taken

S = Sales (on buyers side)

LS = Listings Sold

BREAKOUT SESSION

Manager

You have an agent that's been with your company for 8 years and they've always been just around the red line, some years a little over, some years a little under. You are going to try and find out what some of the motivators are with the agent (Minimum, Average, Max).

Switch roles, and build on your discovery thus far.

BREAKOUT DEBRIEF

Notes:

THE BIG 3

- Listings Taken versus Listings Sold percentage
- Listing Price versus Sold Price percentage
- Days on Market

RETENTION

One of the keys to retention is making sure the agents understand the value of your company.

Retention begins by me understanding what the needs and wants of that agent is. In their income, and in their needs in their personal life and then putting together a program that allows them to meet those needs and to be a well-balanced, successful agent and having measurement systems that show them that, in fact, we are accomplishing the goal.

EXERCISE

Review your personal goals and make sure they are in line with the overall company plan.

Start with a date that is three or four years out (example 2014) and work backwards.

What do you want to see around you? How many agents do I have? What percentage of those agents are above the red line? What kind of profitability am I looking for? What type of market share do I want to have? What's my image in the marketplace?

Drop it into the previous year: "In 2013 we have to here with this number of agents and this productivity and we have to have this type of image."

Drop it into the previous year: "In 2012 I have to be here."

ACTION PLANS – WEEK 8

1. Don't let it fall off.
2. Stay intensely focused on that which you want to accomplish.