
BUSINESS PLANNING

FOR REAL ESTATE AGENTS

BUSINESS PLANNING

CALCULATE KEY INDICATORS

CALCULATE YOUR COMMISSION PER TRANSACTION (CPT):

$$\begin{aligned} & \text{Total Commissions Amount for Previous 12 Months} \underline{\hspace{2cm}} \\ & \quad \quad \quad / \# \text{ of Transactions} \underline{\hspace{2cm}} \\ & \quad \quad \quad = \text{Commission per Transaction (CPT)} \underline{\hspace{2cm}} \end{aligned}$$

EXAMPLE

Last year, you sold 6 homes and made \$60,000 in GCI. Your Commission per Transaction would be: $\$60,000 / 6 = \$10,000$ Commission per Transaction

CALCULATE YOUR APPOINTMENT CONVERSION RATE:

$$\begin{aligned} & \quad \quad \quad \# \text{ of Contracts} \underline{\hspace{2cm}} \\ & / \# \text{ Appointments (both buyer and seller)} \underline{\hspace{2cm}} \\ & \quad \quad \quad = \text{Appointment conversion rate} \underline{\hspace{2cm}} \end{aligned}$$

EXAMPLE

You went on 10 listing appointments, 9 of the sellers listed their homes with you. Your appointment conversion rate would be: $9 / 10 = 90\%$ appointment conversion rate

CALCULATE YOUR LISTING-TO-SALE RATIO:

$$\begin{aligned} & \quad \quad \quad \# \text{ of Homes Sold} \underline{\hspace{2cm}} \\ & \quad \quad \quad / \# \text{ of Homes Listed} \underline{\hspace{2cm}} \\ & \quad \quad \quad = \text{Listing-to-Sale Ratio} \underline{\hspace{2cm}} \end{aligned}$$

EXAMPLE

You listed 9 homes last year, 8 of them sold. Your Listing-to-Sale Ratio would be: $8 / 9 = 89\%$ Listing-to-Sale Ratio

BUSINESS PLANNING

CALCULATE KEY INDICATORS

CALCULATE YOUR BUYER CLOSED-SALE RATIO:

$$\begin{array}{r} \# \text{ of Homes Sold} \underline{\hspace{2cm}} \\ / \# \text{ of Buyers} \underline{\hspace{2cm}} \\ = \text{Buyer Closed-Sale Ratio} \underline{\hspace{2cm}} \end{array}$$

EXAMPLE

You signed buyer representation contracts with 9 individuals last year; however, 1 decided to rent instead, and another lost their job and were unable to purchase. Your Buyer Closed-Sale Ratio would be: $7 / 9 = 77\%$ Buyer Closed Sale Ratio

CALCULATE YOUR SIMPLE CONVERSION RATE:

$$\begin{array}{r} \# \text{ of sales} \underline{\hspace{2cm}} \\ / \# \text{ of leads} \underline{\hspace{2cm}} \\ = \text{Conversion rate} \underline{\hspace{2cm}} \end{array}$$

EXAMPLE

1 sale/100 Internet leads = 1% conversion rate

MY KEY INDICATORS

COMMISSION PER
TRANSACTION
(CPT)

APPOINTMENT
CONVERSION RATE

LISTING-TO-SALE
RATIO

BUYER CLOSED-
SALE RATIO

CONVERSATION
RATE

BUSINESS PLANNING

WHERE IS YOUR BUSINESS COMING FROM?

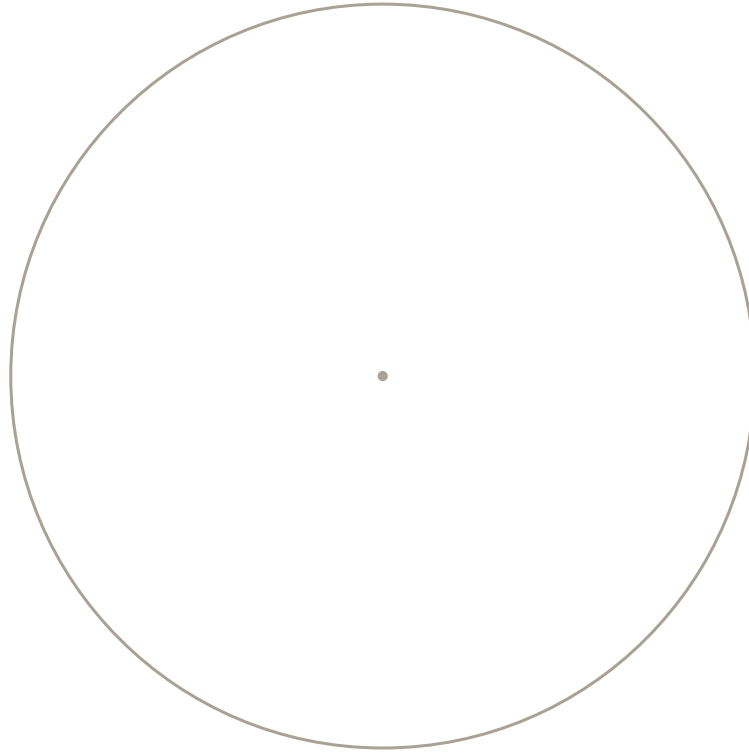
Look at the information you tracked last year and fill out the sheet below to analyze where last year's leads and transactions came from.

SOURCE OF BUSINESS	LAST YEAR TRANSACTIONS		DO YOU FEEL THIS PERFORMED WELL FOR YOU?
	SELLERS	BUYERS	
Sphere of Influence			
Team Leads			
Agent Referrals			
Expireds & FSBO (For Sale by Owners)			
Relocation			
Door Knocking			
Network Referrals			
Open Houses			
Geo Farming			
Print Ads			
Sign Calls			
Seminars			
Your Website			
Company Website			
Social Media			
3rd Party Websites (note which one: Zillow, Realtor.com, Trulia, etc.)			
Other:			
Other:			
Other:			

BUSINESS PLANNING

WHERE IS MY BUSINESS COMING FROM?

Build your own pie chart.



SOURCE OF BUSINESS (MAIN SOURCES OF LEADS)	NUMBER OF TRANSACTIONS	# OF TRANSACTIONS / TOTAL TRANSACTIONS

BUSINESS PLANNING

WHERE IS MY BUSINESS COMING FROM?

How much did you spend on each of these categories?

SOURCE OF BUSINESS (MAIN SOURCES OF LEADS)	\$ SPENT	# OF SALES	COST PER SALE

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EXPENSES & BUDGETING

EXPENSES	MONTHLY \$	ANNUAL \$
Dues/Subscriptions		
Payroll		
Phone or Cell Phone		
Utilities		
Errors & Omissions Insurance		
Office Rent		
Auto Expense		
Health Plan Premiums		
Computer/Internet		
Postage/Delivery		
Print Ads (Newspaper, Magazines Etc)		
Direct Mail		
Web Site, Pay Per Click		
Listings Advertising Expenses (Photos, Signs, Flyers)		
Print/Brochures		
Promotional Items		
Other		
Office Supplies		
Education Expenses		
Client Entertainment/Gifts		
Travel Expense		
Agent Concessions		
Other		

MARKETING

BUSINESS PLANNING

CREATE ACCOUNTABILITY DEFINE & SHARE YOUR GOALS

What is your goal for your real estate business for the next 12 months?

GROSS
COMMISSION
INCOME

TOTAL SALES
REVENUE

NET INCOME (POST
EXPENSES & TAXES)

WHERE WILL YOU
POST YOUR GOAL?

WHO WILL YOU
SHARE YOUR GOAL
WITH?

BUSINESS PLANNING

CALCULATE YOUR GOAL TRANSACTIONS

LEADS → CONTACTS → APPOINTMENTS → SALES

QUALITY EFFORT

QUANTIFY # OF CONVERSIONS NEEDED

STEP 1: TRANSLATE YOUR GOAL NUMBER

GROSS COMMISSION INCOME (GCI):

Desired Take Home Pay _____

+ Expenses _____

+ Taxes _____

= **Gross Commission Income (GCI)** _____

STEP 2: CALCULATE YOUR AVERAGE COMMISSION PER TRANSACTION (CPT)

Total Commissions Amount for Previous 12 Months _____

/ # of Transactions _____

= **Commission per Transaction (CPT)** _____

EXAMPLE

You earned \$200,000 in commissions over the previous year and you had 20 transactions during that time.

\$200,000 Total Commissions Amount

/20 Transactions

= \$10,000 CPT

STEP 3: CALCULATE YOUR GOAL TRANSACTIONS (GT)

Gross Commission Income _____

/ Commission per Transaction _____

= **Goal Transactions (GT)** _____

EXAMPLE

Continued from above...

\$250,000 Gross Commission Income

/\$10,000 Commission Per Transaction

= 25 GT