

BUSINESS PLANNING CLINIC

PARTICIPANT MANUAL



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- calculation of agent compensation;
- evaluation of a Market Center's financial results;
- agent productivity strategies; and
- estimates of return on investment.

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GETTING STARTED

1. WHERE I AM TODAY

- I create and use a business plan as a daily, monthly, annual and long-term guide to run my business.
- I have created a business plan and intend to learn to understand and use it more effectively.
- I am fairly new to real estate and new to business planning.
- I am on a team and I am new to business planning.

My Numbers

1. The amount of money I need to pay for my lifestyle and get out of debt = \$ _____
2. My business expenses annually (estimate) = _____
3. My average commission amount = _____
4. Number of listing appointments gone on last year = _____
5. Number of buyer appointments gone on last year = _____
6. Number of listings sold last year = _____
7. Number of buyers sold last year = _____
8. Number of names in my database = _____
9. My team consists of me +

NOTES

2. WHERE I AM GOING

Goals of this Course

1. Understand the power of the Five Fundamental Business Models of The Millionaire Real Estate Agent (MREA) and recognize that the five models are interconnected for the important role of planning, checking on, and projecting your business.
2. Create a custom plan for your business whether you are new to real estate or a seasoned professional.
3. Initiate a plan of execution through accountability with a peer partner, productivity coach, Team Leader, team lead (if on a team), MCA, etc.

My Three Learning Goals

Three things I want to **understand** by the end of this training.

1. _____
2. _____
3. _____

3. HOW I WILL MAKE IT HAPPEN

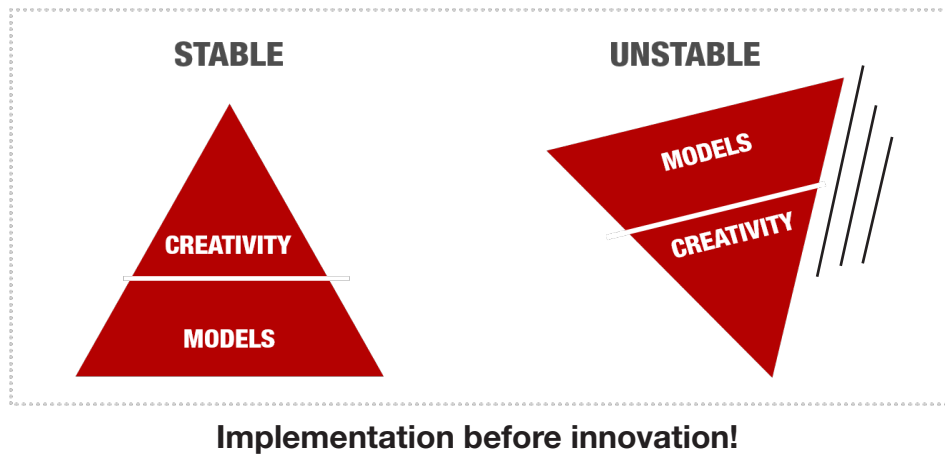
- Level One: Complete a business plan.
- Level Two: Complete a business plan and commit to following my written plan.
- Level Three: Complete a business plan, share it with my coach or peer partner who is committed to my personal growth, and execute my plan by checking my activities and results against it weekly, monthly, and annually.

NOTES

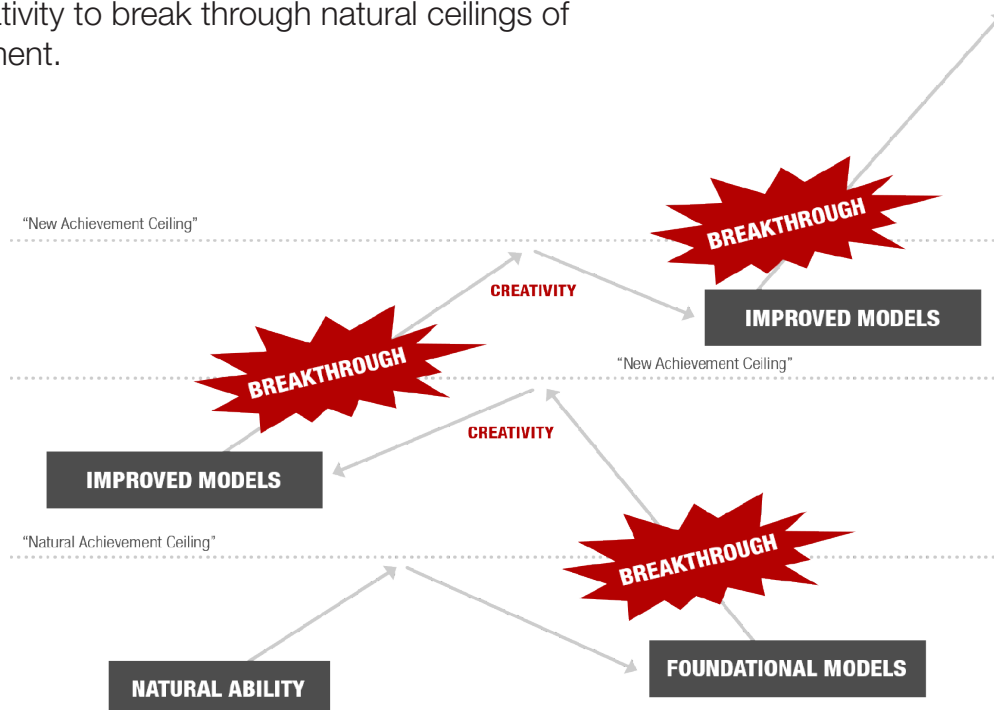
MODELS AND MINDSET

Model: A pattern of something to be made; an example for imitation; serving as or capable of serving as a pattern to be imitated.

Begin with models ...



Add creativity to break through natural ceilings of achievement.



NOTES

1. THE MYTHS AND MINDSETS ABOUT MODELS

Mindset: A person's way of thinking and set of opinions.

1. I don't need models

You use models now; they're how you get things done. When results matter, you don't want models that limit you. You want proven models that grow with you.

2. Models limit my freedom

Models set you free because you can make better decisions more quickly and have a better life as a result.

3. Models are just opinions

Models based on the success of others and that are implemented properly deliver predictable outcomes that are proven, not opinion.

4. The model won't work for me

A model will work for you if you follow it because it has predictable results.

5. I don't need to change—I'm getting the results I want

As you grow, you'll want better and better models. If it matters, "good enough" is not good enough.

NOTES

2. THINK LIKE A MILLIONAIRE REAL ESTATE AGENT

FOUNDATIONAL

1. Think Powered by a Big Why
2. Think Big Goals and Big Models
3. Think Value and Customer Service and Experience

SUPPORTIVE

4. Think Competitively and Strategically
5. Think Action and Accountability
6. Think Talent, Systems, and Standards
7. Think Knowledge and Skills
8. Think Persistence and Resilience
9. Think Profit

NOTES

1. Think Powered by a Big Why

Big—because you are after extraordinary results!

Why—is the reason you get up every day and do what you do.



Big Why:

- Is your purpose, mission, and need
- Fuels you with focus and energy
- Powers your action

My Big Why

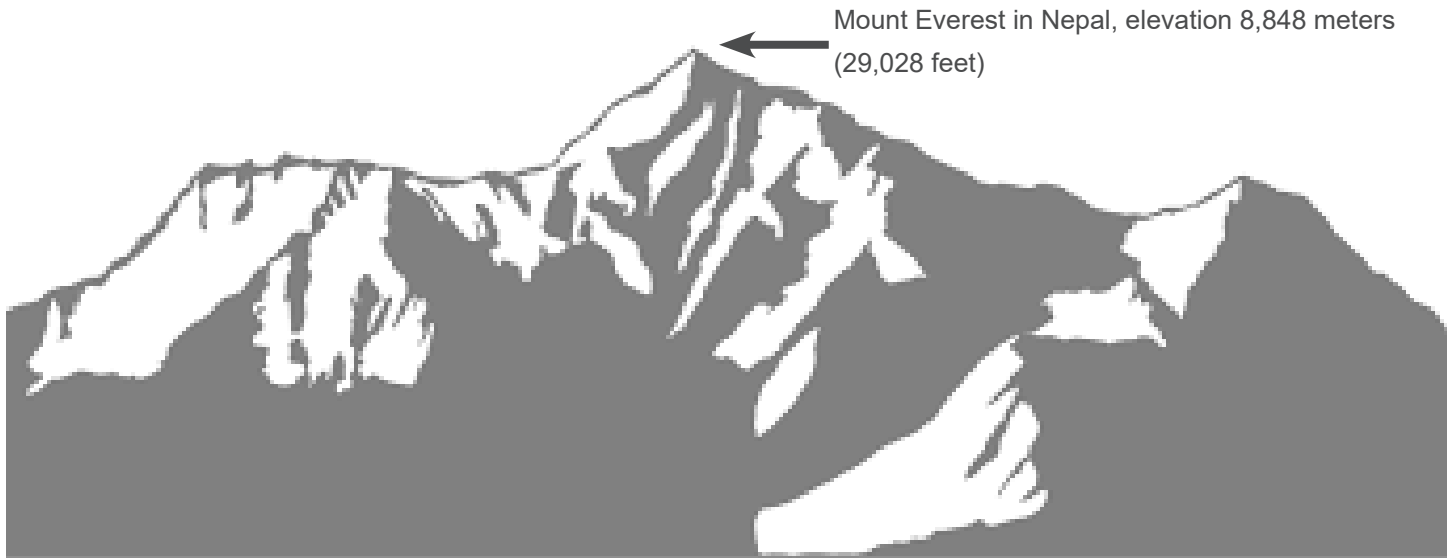
... one thing all high achievers have in common is they are working for a Big Why.

- The Millionaire Real Estate Agent

NOTES

2. Think Big Goals and Big Models

Climbing a big mountain is a Big Goal. A Big Goal takes a big plan.



GOAL SETTING to the NOW

SOMEDAY GOAL



FIVE-YEAR GOAL



ONE-YEAR GOAL



MONTHLY GOAL



WEEKLY GOAL



DAILY GOAL



RIGHT NOW

NOTES

5. Think Action and Accountability

Once you have a plan, execute your plan!

- Take action; get into activities.
- Hold yourself accountable to staying focused and on task.

Individuals with **written goals** are **42.1%** more likely to achieve them.

Individuals with **accountability** are **77.6%** more likely to achieve them.*



NOTES

* Matthews, Gail. "Goals research summary." Ninth Annual International Conference of the Psychology Research Unit of Athens Institute for Education and Research (ATINER). San Rafael, CA: Dominican University of California. 2015

NOTES


5. Think Action and Accountability (continued)

KW provides several tools to hold yourself accountable to staying focused and on task.

- The 4-1-1
- Command Apps and Tools

The 4-1-1

4-1-1 Stands for 4 weeks, 1 month, and 1 year. The 4-1-1 is a productivity tool that drives your goal-setting from the desired end results to the present. It is designed to help you set both long-range goals (results) and the short-range goals (activities), which bring those results to fruition. You will build your 4-1-1 throughout this course.



4-1-1 ACTION GOAL WORKSHEET

First Name Last Name

ANNUAL GOALS

YEAR

Enter Annual Goals

MONTHLY GOALS

MONTH OF

Enter Monthly Goals

WEEKLY GOALS

| WEEK 1 | WEEK 2 | WEEK 3 | WEEK 4 |
|--------------------|--------------------|--------------------|--------------------|
| Enter Weekly Goals | Enter Weekly Goals | Enter Weekly Goals | Enter Weekly Goals |

Find this tool on the Training applet and on KWConnect under Resources, KWU, 4-1-1.

NOTES



4-1-1 ACTION GOAL WORKSHEET

| ANNUAL GOALS YEAR | | | |
|---------------------------------|-------------------------------|---|-------------------------------|
| <i>Annual Job Goals</i> | <i>Annual Business Goals</i> | <i>Annual Personal Financial Goals</i> | <i>Annual Personal Goals</i> |
| | | | |
| MONTHLY GOALS MONTH OF | | | |
| <i>Monthly Job Goals</i> | <i>Monthly Business Goals</i> | <i>Monthly Personal Financial Goals</i> | <i>Monthly Personal Goals</i> |
| | | | |
| WEEKLY GOALS | | | |
| WEEK 1 | WEEK 2 | WEEK 3 | WEEK 4 |
| <i>Weekly Goals</i> | <i>Weekly Goals</i> | <i>Weekly Goals</i> | <i>Weekly Goals</i> |
| | | | |

NOTES

5. Think Action and Accountability (continued)

Leverage **Command**

Command is more than just a CRM (customer relationship management)—it houses a suite of industry-defining, interconnected tools supporting you from lead to close to lifetime client connection. Command is powered by AI (artificial intelligence) and machine learning, and if used consistently, will prioritize your goals, leads, and data to create a go-to-market plan that truly delivers.

- Enter your goals for Net Income, conversion rates, percentages of seller business vs. buyer business, expected expenses and cost of sales, average commissions for sellers and buyers.
- Turn your to-do list into action items by creating contact-specific actions that are visible across Tasks, Contacts, and your Command Dashboard.

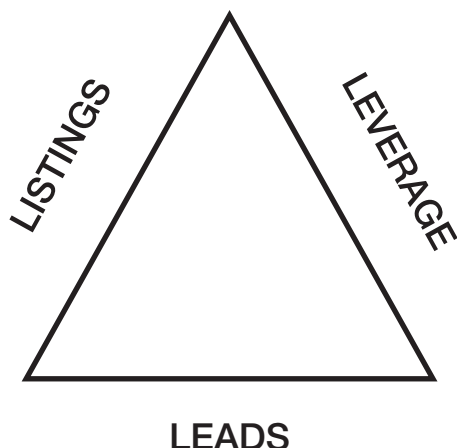
Command your ...

- Database
- Transactions, Opportunities, Offers, Compliance, Commissions
- Marketing
- Consumer Experience
- Day
- Referral Business

Find help on Command at answers.kw.com and within the applet.

NOTES

3. THE FOUNDATIONAL MODEL OF MREA*



* *The Millionaire Real Estate Agent*, by Gary Keller, Dave Jenks, and Jay Papasan

4. A BUSINESS PLAN BUILT ON MODELS

A **business plan** is an annual road map detailing your business's future objectives and directions for achieving them.

- Gives clarity on the exact activities needed in order to achieve your goals.
- Removes the guessing and hoping as to where the business will come from.
- Creates items and activities to which you can be held, or hold others, accountable.

| A Business Plan Will ... | Yes | No |
|---|-----|----|
| 1. Help me achieve the money I need for my lifestyle. | | |
| 2. Tell me how many appointments to attend each week to meet my goal. | | |
| 3. Help me control my business expenses. | | |
| 4. Help me identify when and how I can grow my business. | | |
| 5. Identify my lead generation strengths and opportunities. | | |
| 6. Help me determine when to hire help. | | |
| 7. Save me time. | | |

NOTES

5. FIVE FUNDAMENTAL MODELS—ONE SYSTEM

1. Economic Model

A formula that describes the relationship between a series of activities and the specific outcomes they produce. It shows you where your money comes from, where it goes, and **how much is left over** for you.

*To achieve the amount of **net income** you desire ...*

2. Lead Generation Model

A plan for **where your money comes from**—from your lead generation activities. It is a companion to the Economic Model since leads are the fuel to the economic engine of your business.

*You will need to generate **X number of leads**, ...*

3. Budget Model

A plan for **where your money goes** between the time you receive it and keep it for yourself. The focus is on minimizing your expenses to maximize your profit.

*Spend **X amount of money** in specific areas to support these efforts, ...*

4. Organizational Model

A plan for **hiring help** and talent as your business grows to help you grow your business.

*Hire **X number of people** to service it all, and ...*

5. Expansion Model

A plan to apply your systematized business model in additional locations. (This model will not be covered in this course. For more information, attend the Keller Williams University (KWU) course, Expansion System Orientation.)

Apply your systematized business model in additional locations.

| *There is no model for chaos.*

NOTES

6. AHAS AND ACTION STEPS

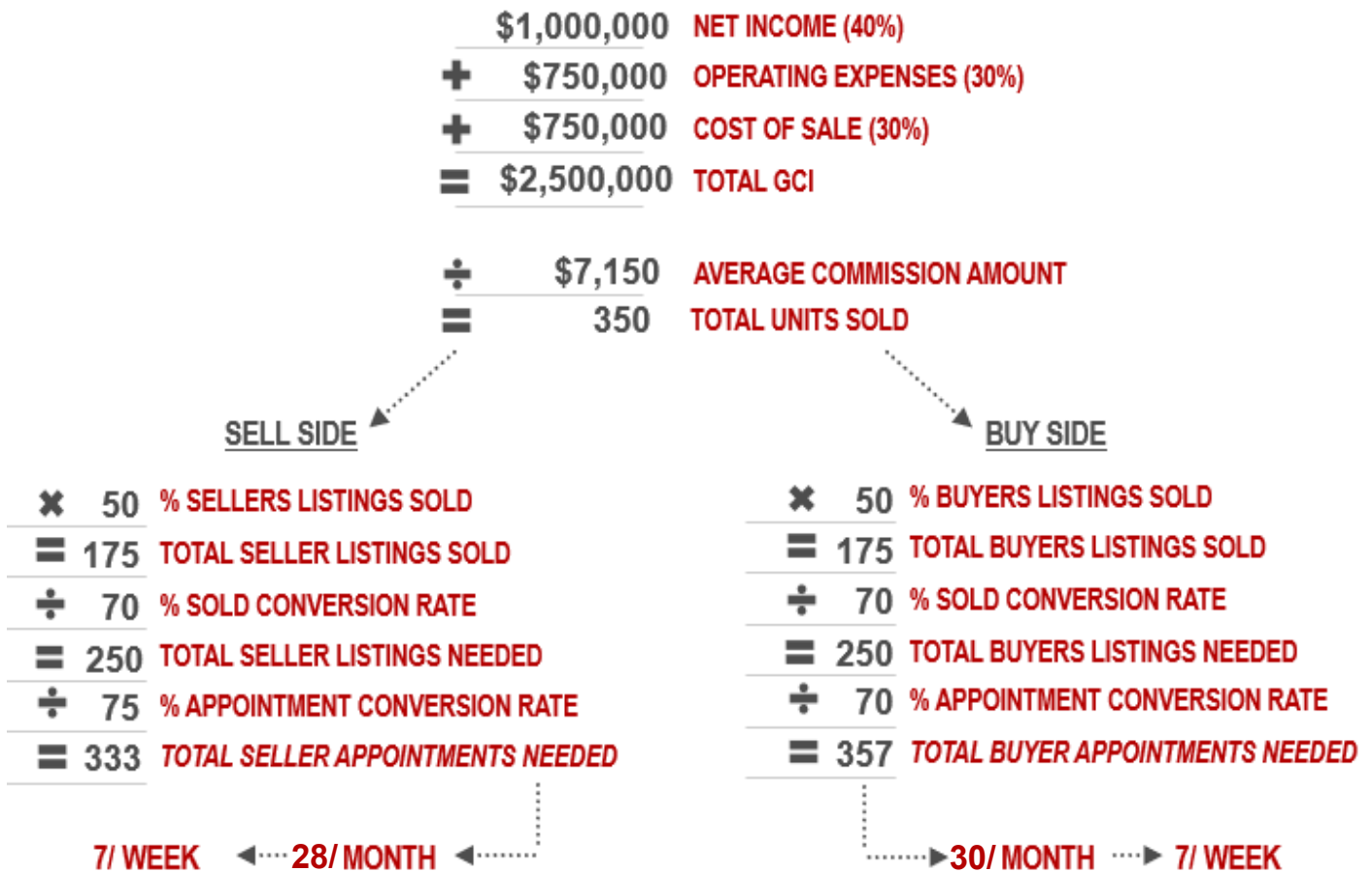
What are my **Ahas** from this section?

What **Actions** will I take with regard to this section?

| Action Steps | | |
|--------------|---------------|------------------------|
| | Action | Completion Date |
| 1. | | |
| 2. | | |
| 3. | | |

NOTES

THE ECONOMIC MODEL

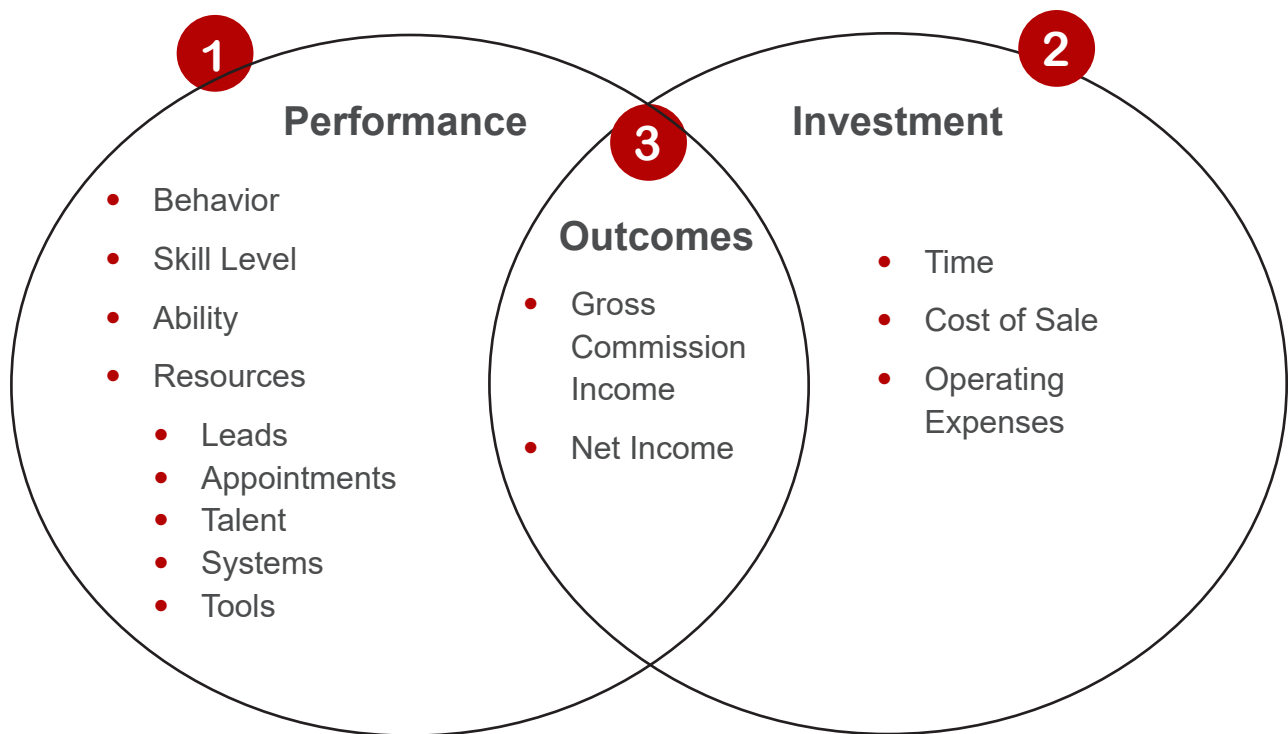


Benefits of the Economic Model

1. Provides the number of appointments and units sold to meet your goal.
2. Reveals your conversion rates and identifies areas for improvement.
3. Allows for mastery over your business.
4. Keeps the focus on a Profit First perspective.
5. Helps keep your Budget Model in line.
6. Provides benchmarks to hold your team accountable to.
7. Allows you to gain insight into your economic decisions before you make them.

NOTES

1. PERFORMANCE / INVESTMENT / OUTCOMES



Performance + Investment = **Outcomes**

1. **Performance** is how well you apply your skills, behavior, ability, and resources to produce revenue.
2. **Investment** is the time you spend on lead generation and conversion, along with the expenses related to both.
3. **Outcomes** are the prize—the result of your performance and investments—your GCI and Net Income or Profit.

NOTES

2. ELEMENTS OF THE ECONOMIC MODEL

30 / 30 / 40

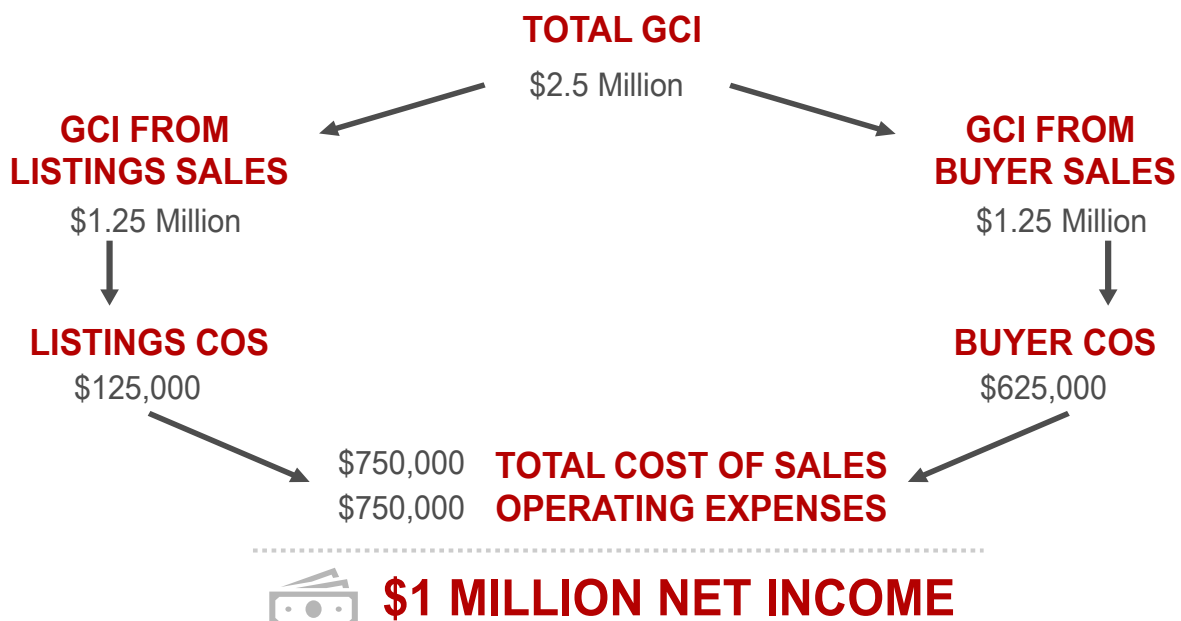
Focus on Gross Commission Income

| | |
|-------|--------------------------------|
| _____ | Total GCI (100%) |
| — | _____ Operating Expenses (30%) |
| — | _____ Cost of Sales (30%) |
| = | _____ Net Income (40%) |

Focus on Net Income / Profit

| | |
|-------|--------------------------------|
| _____ | Net Income (40%) |
| + | _____ Operating Expenses (30%) |
| + | _____ Cost of Sales (30%) |
| = | _____ Total GCI (100%) |

3. CASH FLOW

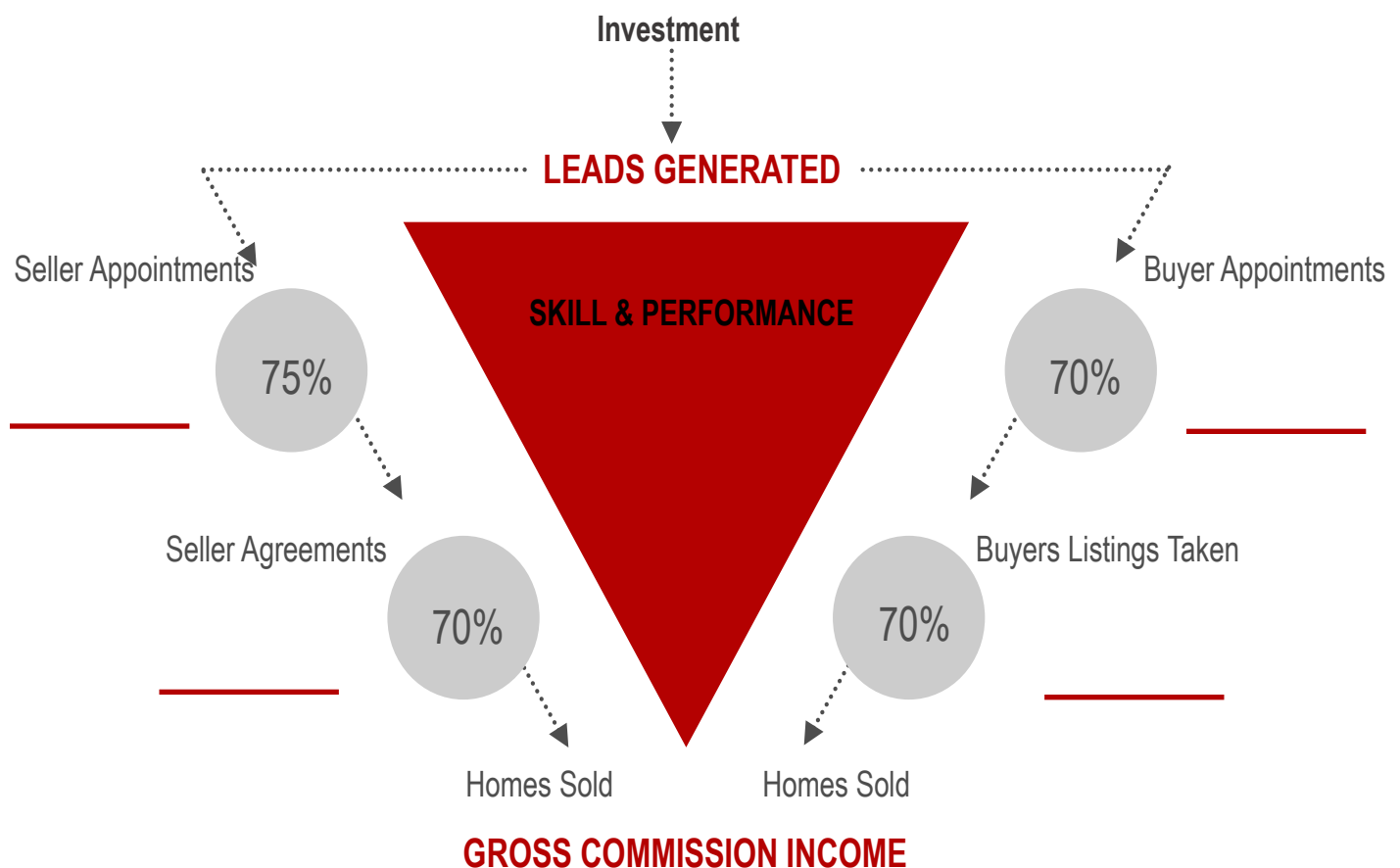


NOTES

4. THREE DRIVERS OF THE ECONOMIC MODEL

1. **Leads to Appointments** - Generating leads and converting into Buyer and Seller appointments.
2. **Appointments to Signed Agreements** - Using appointments to secure clients with a signed service agreement.
3. **Agreements to Closed Transactions** - Serving clients and facilitating a closed transaction.

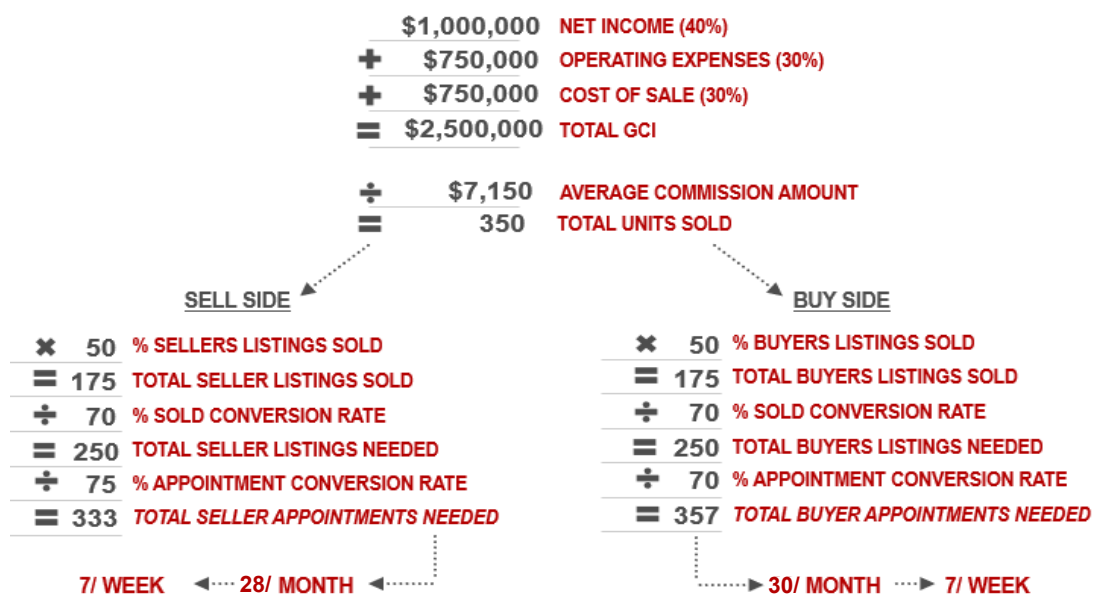
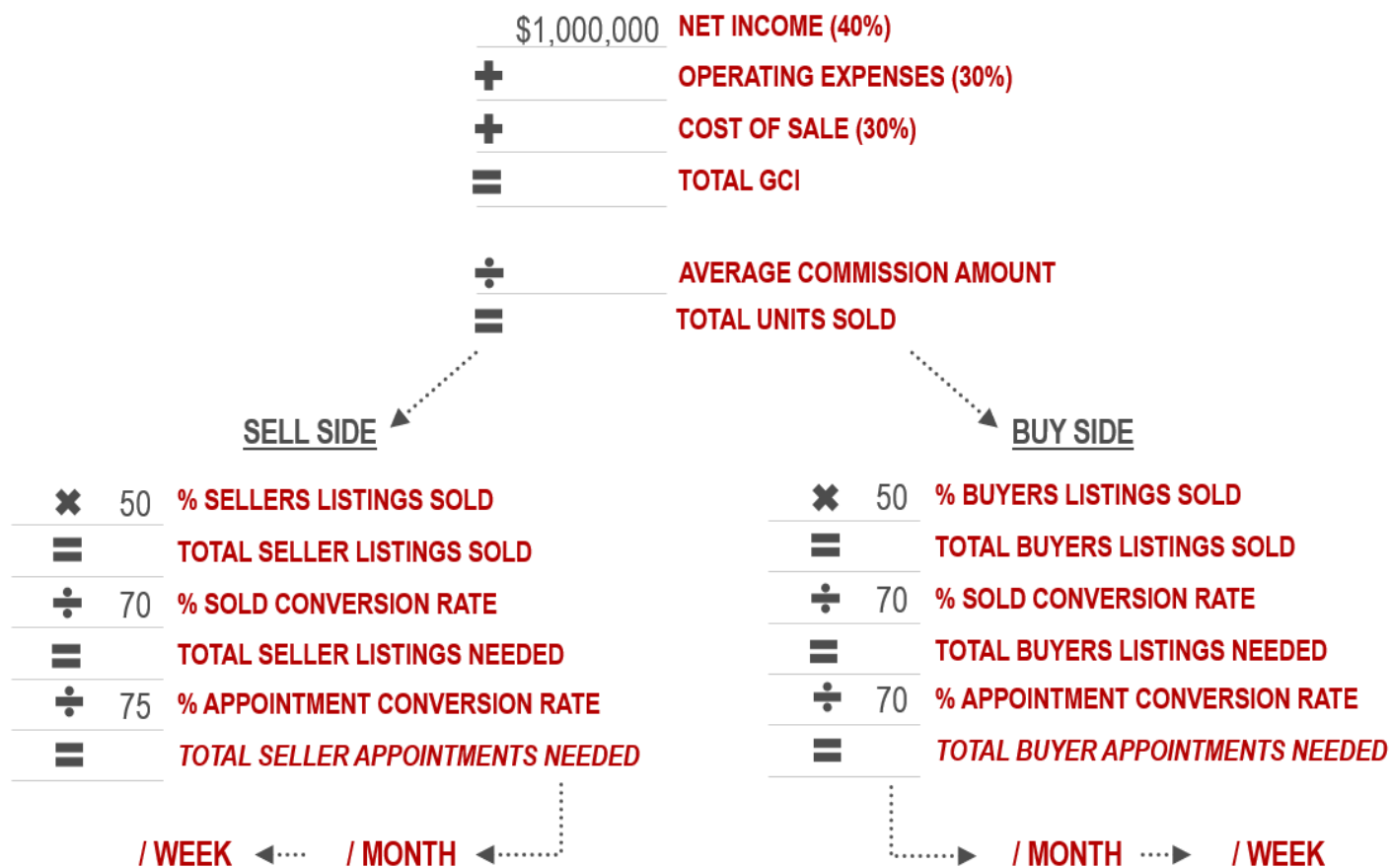
5. CONVERSION RATES



NOTES

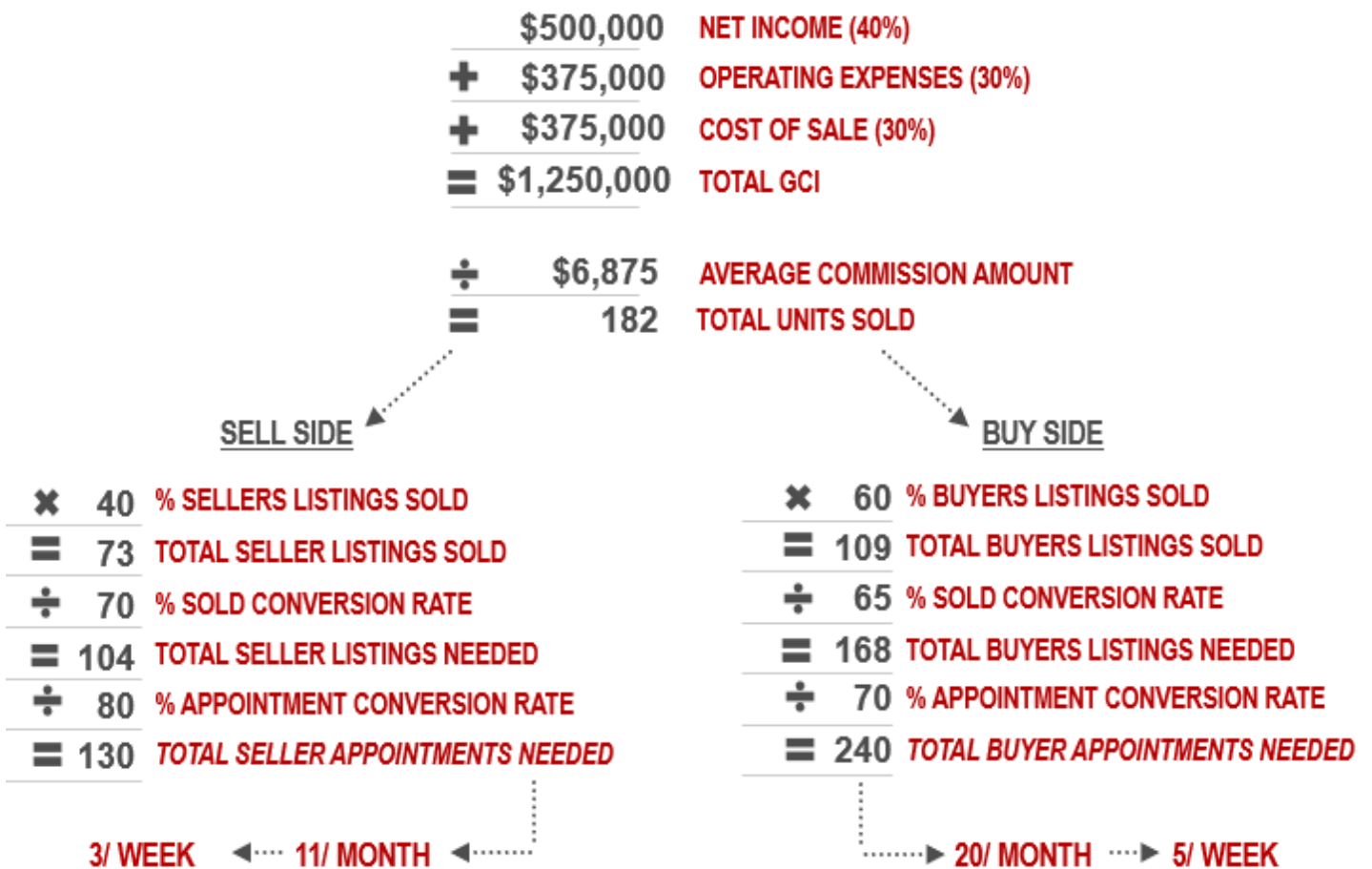
6. THE MREA ECONOMIC MODEL

Begin with the End in Mind—Net Income



NOTES

Example of 1/2 MREA Economic Model



NOTES

Download an automated Economic Model and Budget Model on KWConnect.

NOTES

7. AVOID ECONOMIC MODEL TRAPS

1. Not understanding the power of the Economic Model and using it in two ways, to check where you are and as a planning tool.
2. Not using the Economic Model as a guide to decision-making.
3. Not looking at your business as a whole.
4. Not knowing or improving your conversion rates.
5. Not holding yourself to your goals.
6. Not knowing how much lead generation is required to secure the appointments needed.
7. Not using the Economic Model to create the other MREA models.

8. LEVERAGE TECHNOLOGY

Features in Command that Help with the Economic Model

Command goal setting was built with the Economic Model in mind.

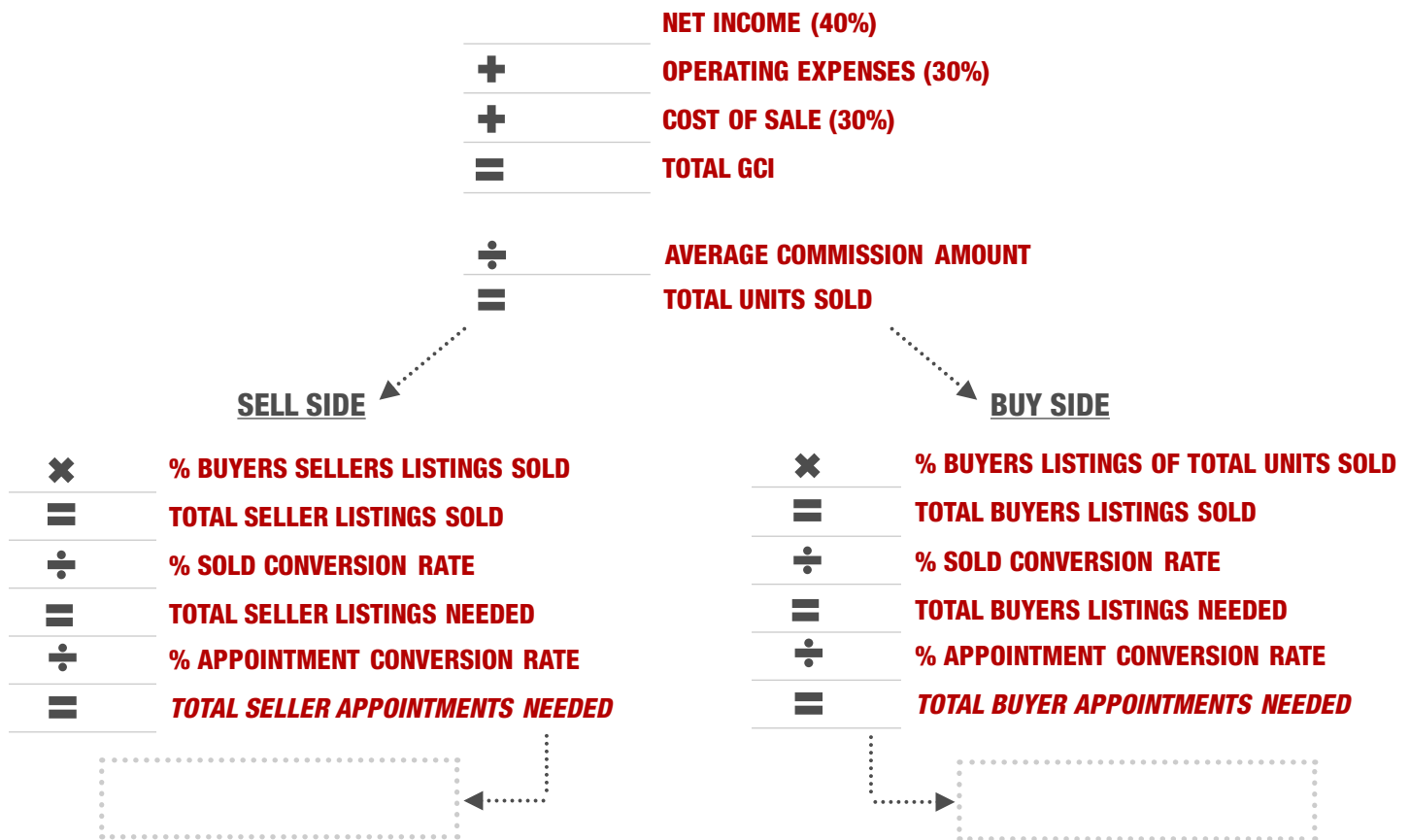
1. Set your goals in Command and track your progress. This requires that you use Command and Opportunities fully with all data fields completed to get proper tracking.
2. Opportunities is the most used applet in Command due to compliance. And soon, this is how you'll get your commissions paid to you.

Find help on Command at answers.kw.com and in any of the applets.

NOTES

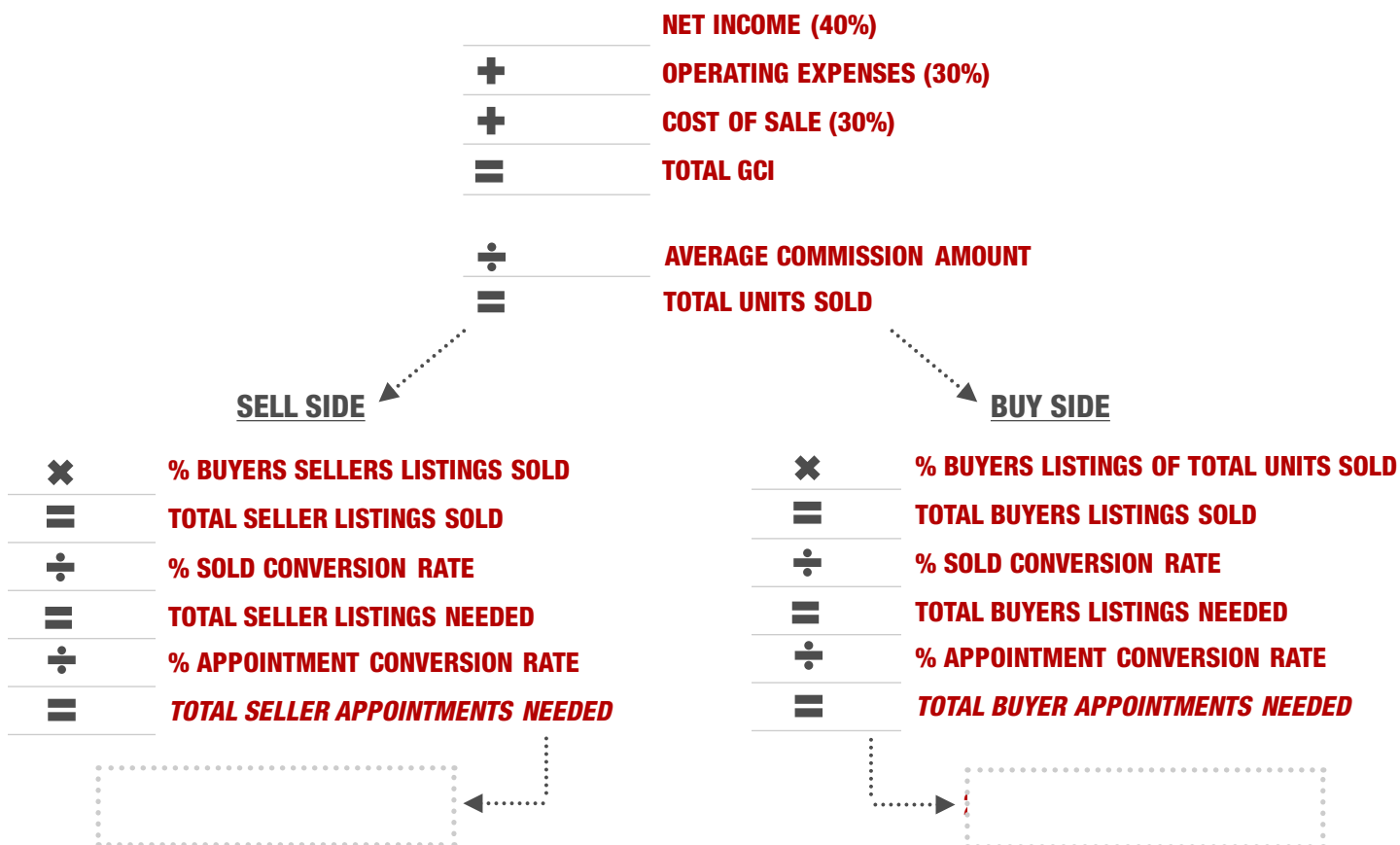
9. MY BUSINESS PLAN - ECONOMIC MODEL (ACTUAL)

1. Begin by writing your Net Income goal.
2. Divide Net Income by 40% (.4) to calculate total GCI, and write this number down.
3. Multiply GCI by 30% (.3) for both Operating Expenses and Cost of Sale and write these down.
4. Write in your Average Commission Amount (refer to page 1.1).
5. Divide total GCI by your Average Commission Amount to calculate the number of units to be sold.
6. Calculate the rest of the formulas.
 - If you do not know your split between the Sell Side and the Buy Side, use an estimate or use the MREA example of 50/50.
 - Use estimates or MREA examples for each of the conversion rates.
7. Calculate how many appointments to go on monthly and weekly.



NOTES

10. MY BUSINESS PLAN - ECONOMIC MODEL (PRO FORMA)



What are my plans to improve?

NOTES

11. BUILD YOUR 4-1-1



4-1-1 ACTION GOAL WORKSHEET

Name _____

ANNUAL GOALS

YEAR

Net Income: \$ _____

Total Units Sold: _____

Listing Appointments: _____

Buyer Appointments: _____

MONTHLY GOALS

MONTH OF

Listing Appointments: _____

Buyer Appointments: _____

WEEKLY GOALS

| WEEK 1 | WEEK 2 | WEEK 3 | WEEK 4 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Listing Appointments: _____ | Listing Appointments: _____ | Listing Appointments: _____ | Listing Appointments: _____ |
| Buyer Appointments: _____ | Buyer Appointments: _____ | Buyer Appointments: _____ | Buyer Appointments: _____ |

NOTES

12. AHAS AND ACTION STEPS

What are my **Ahas** from this section?

What **Actions** will I take with regard to this section?

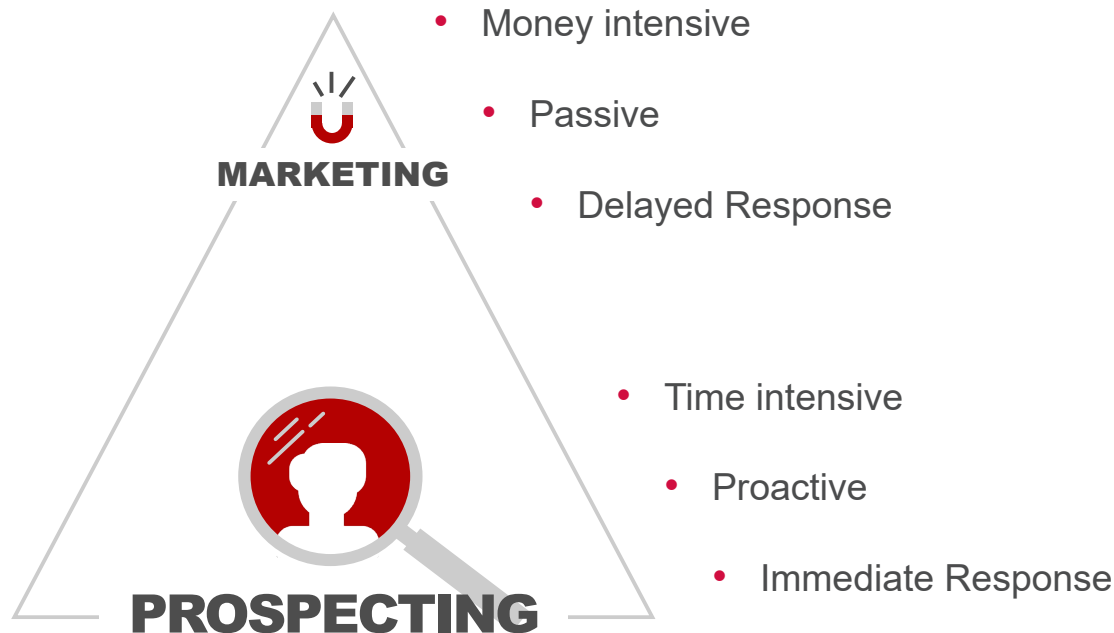
| Action Steps | | |
|---------------------|---------------|------------------------|
| | Action | Completion Date |
| 1. | | |
| 2. | | |
| 3. | | |

NOTES

THE LEAD GENERATION MODEL

- **Lead Generation:** capturing the contact information of persons who have shown interest in the types of services you offer.
- **Lead:** a person who has shown interest in the services you offer and whom you can contact.
 - They are generally anonymous. You've never had direct communication with them and you don't know their motivation.
 - You put them in your database and begin one-way, offer-based touches to open communication and identify their motivation.
- **Contact:** a person you've met and put in your database. They know you're a real estate agent and you have permission for two-way interactions and a value-based relationship.

1. PROSPECTING-BASED, MARKETING ENHANCED



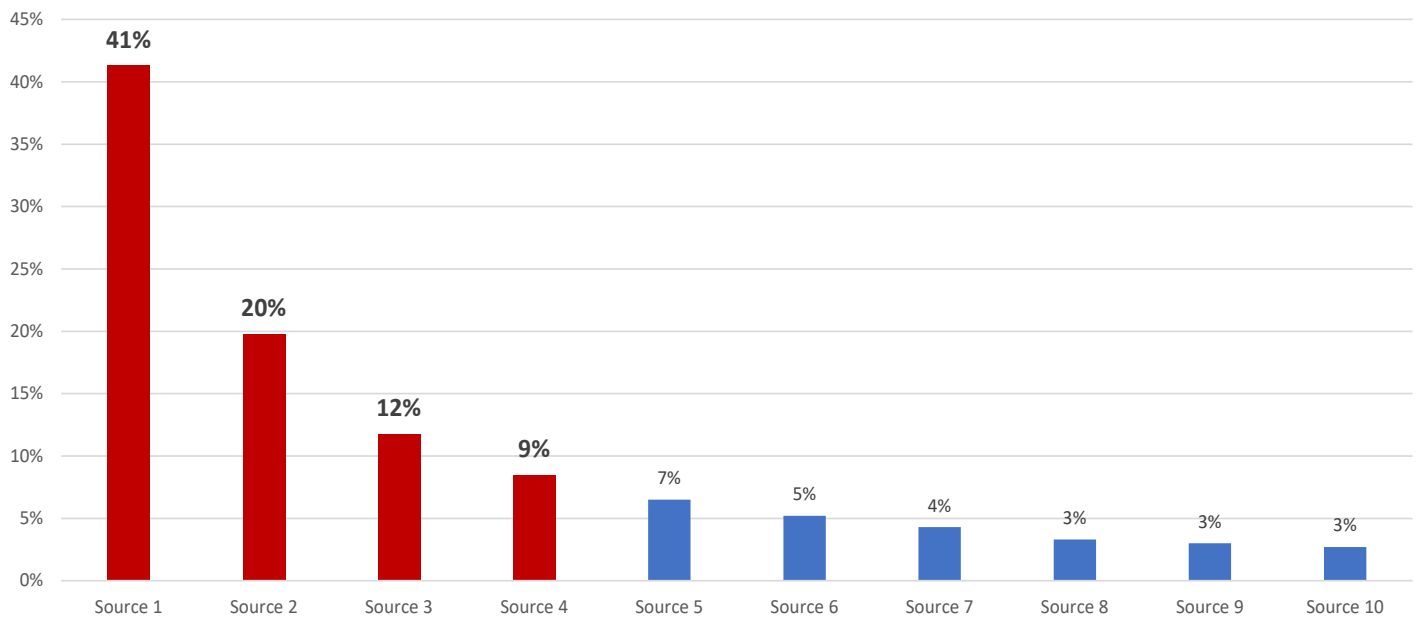
NOTES

2. LEAD GENERATION ACTIVITIES

| Prospecting | Both | Marketing |
|--|--|---|
| 1. Phone or Face to Face <ol style="list-style-type: none"> 1. Listings without Agency <ol style="list-style-type: none"> 1. FSBOs (For Sale by Owners) 2. Expired Listings 2. Circle Prospecting <ol style="list-style-type: none"> 1. Neighborhoods 2. Apartment Complexes 3. Recently Sold listings 4. Recently Listed Properties 3. Community Outreach <ol style="list-style-type: none"> 1. Charity 2. Volunteer Work 4. Key Relationships <ol style="list-style-type: none"> 1. Corporations 2. Builders 3. Banks 4. Third-Party, Data Companies 5. Investors 5. Teaching and Speaking Opportunities 6. Meals 7. Door-to-Door Canvassing 8. Networking Events 9. Booths and Kiosks 10. Walk-ins 2. Text Correspondence <ol style="list-style-type: none"> 1. SMS 2. Messenger 3. Email | 1. Farming <ol style="list-style-type: none"> 1. Geographic 2. Demographic 2. Events <ol style="list-style-type: none"> 1. Open Houses 2. Seminars 3. Contests 4. Client Appreciation Events 3. Networking <ol style="list-style-type: none"> 1. Sphere 2. Past Clients 3. Allied Resources 4. Agents 4. Purchased <ol style="list-style-type: none"> 1. Referral Networks 2. Advertising Networks 3. Clientele | 1. Advertising <ol style="list-style-type: none"> 1. Pay per Click 2. SEO 3. Radio 4. TV 5. Newspapers 6. Personal Vehicles 7. Bus Stop Benches 8. Social Media 9. Portals 10. Magazines 11. Billboards 12. Yellow Pages 13. Grocery Carts 14. Moving Vans 2. Broadcast/Content Creation <ol style="list-style-type: none"> 1. Radio Segments 2. TV Shows 3. Live Social Media 4. Blogs 3. Direct Mail (Non-Farm) <ol style="list-style-type: none"> 1. Postcard Campaigns 2. Special Events Cards 3. Just Sold/Just Listing Cards 4. Quarterly Market Updates 4. Promotional Items/Swag 5. Public Relations/Press <ol style="list-style-type: none"> 1. News Releases 2. Advice Columns 6. Sponsorship |

NOTES

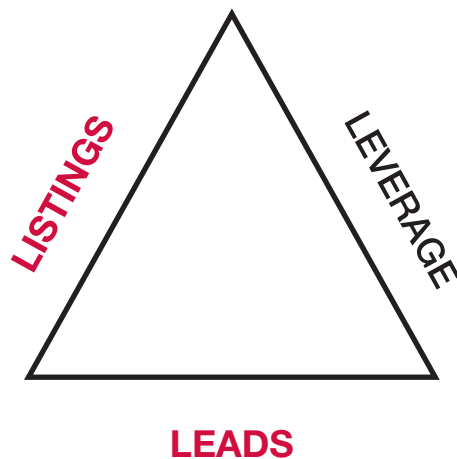
Lead Sources - The Rule of 4



My Top Lead Sources

1. _____
2. _____
3. _____
4. _____

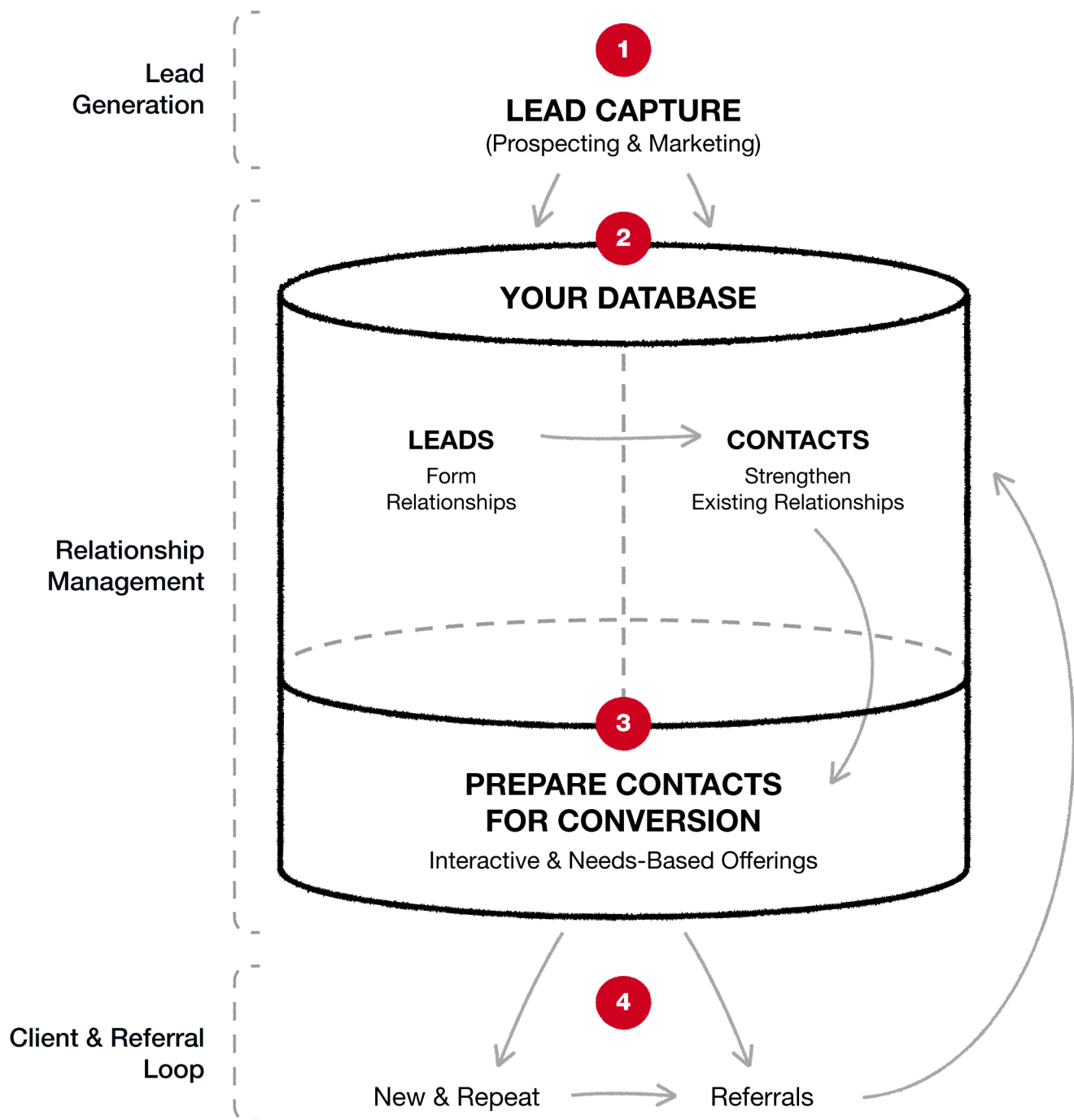
Leads and Listings



NOTES

3. DATABASE

Database: a container that holds all the contact information for the leads you've generated.



My Database

- Number of names in my database today _____
- Number of names I communicate with regularly _____

NOTES

4. COMMUNICATE WITH EVERYONE IN YOUR DATABASE

Keys to Success

1. **Frequency** - when considering quality vs. quantity, quantity keeps you top of mind. Don't under-touch because of fear of over-touching.
2. **Consistency** - spread your touches throughout the year and keep it up.
3. **Gain Permission** - ask for opt-in for permission to have two-way, meaningful relationships. Permission-based is more efficient.
4. **Pair Value** - leverage the information you gain about your contacts in order to offer higher levels of value, that is, quality value that is relevant to them.

The organization of your database, that is, the organization of your Leads and Contacts, determines the power and effect it has on your business.

Segment Leads and Contacts into Groups

You've learned to group your database into two categories: Leads and Contacts. Before you set up communication plans to remain top of mind, further group your Lead and Contacts by similarities, common interests, and characteristics so you can easily target messages that generate response.

How will you group your Leads and Contacts to streamline and target your communications?

NOTES

4. COMMUNICATE WITH EVERYONE IN YOUR DATABASE

MREA Touch Campaigns

SATURATE

19 TO CONNECT

- 4 Touches** Quarterly phone call
- 12 Touches** Monthly e-mail, newsletter, market report, video
- 2 Touches** Promotional direct mail, such as a magnet, calendar, printed market report, etc.
- 1 Touch** Annual event, party, movie screening, get-together

19 TOUCHES EACH YEAR

1 TO CEMENT

A high value touch that solidifies the relationship you have just established and opens the door for future interactions.

1 HIGH VALUE TOUCH

SATURATE

36 TO CONVERT

- 4 Touches** Telephone calls
- 26 Touches** Bi-weekly email offering some type of information of value to the consumer
- 2 Touches** Events, get togethers, parties
- 4 Touches** Promotional direct mail, such as a magnet, calendar, market report, etc.

36 TOUCHES EACH YEAR

For **Leads** - use the **19 to Connect** Touch Campaign

For **Contacts** - use the **1 to Cement** and **36 to Convert** Touch Campaigns

Events, Parties, Get-togethers

What ideas do you have for events, parties, or get-togethers for the different groupings of your Leads and Contacts?

NOTES

Compliance: Do Not Call/Telephone Consumer Protection Act

WARNING!

The Telephone Consumer Protection Act regulates calls to cell phones and landlines, auto-dialed calls, prerecorded calls, faxes, and calls to numbers on the Do Not Call Registry. Class-action litigation for TCPA violations is rapidly increasing. Such claims present catastrophic exposure. Consult an attorney for guidance on the TCPA and DNC laws, including consent requirements, autodialer restrictions and prerecorded messages.

① Auto Dialers

The TCPA regulates calls and texts to a cellphone using an automatic telephone dialing system (autodialer)

① Know the Federal and State Laws

In addition to federal laws, several states have laws governing telemarketing. Talk with your broker about any guidelines and Do Not Call lists your market center may have.

① Prior Express Written Consent/ Written Consent

In certain cases, a caller must have prior express consent before making a call. In other cases, prior express written consent is required.

① Violations

Recipients of calls that violate the TCPA may recover up to \$1,500 for each violation. Use of an autodialer can rapidly accelerate potential damages.

DO NOT CALL DO'S AND DON'TS

Under federal law, sellers and telemarketers may not call individuals listed on the Federal Trade Commission's Do Not Call Registry. Failure to comply with DNC laws could result in substantial government fines and/or civil legal action against you. Consult an attorney regarding compliance with DNC laws.

① Subscribe to the Registry

The DNC registry is hosted on a dedicated website. Your Market Center should subscribe to the Registry and give you login credentials. Making ANY telemarketing calls without access to the Registry violates federal law.

① Honor Consumers' Requests

Never call a number on the Do Not Call Registry. And honor an individual's request to be added to your internal DNC list.

① Check Before You Call

Before making a call, check to see if the number is on any of these lists: 1. the National Do Not Call Registry; 2. any state Do Not Call list; 3. your internal list. If the number is on any of these lists, delete it.

① Limited Exceptions

Federal law allows telemarketing calls to be made in very limited circumstances. Contact a lawyer prior to using an exception to ensure it applies.

NOTES

5. DATABASE SIZE

Example with the Following Assumptions

1. You have 500 Contacts in your database receiving 36 touches a year.
2. 6% of people in your database will buy or sell each year (rough calculation based on the home ownership rate of 64% and the statistic that on average, people move every 9 to 10 years.)
3. You convert 50% of that pool of 6%.

$$500 \times .06 \times .5 = 15 \text{ appointments each year}$$

Add the following **assumption**:

4. You ask for, and 4% of your database give you, a referral and you convert 50% of them.

$$500 \times .04 \times .5 = 10 \text{ appointments each year}$$

My Goals, My Database

1. How many appointments will you have based on the number of Contacts in your database receiving 36 touches a year with a 50% conversion?

$$\underline{\hspace{2cm}} \times .06 \times .5 = \underline{\hspace{2cm}} \text{ appointments each year}$$

2. Calculate the reverse to give you a database size that may meet the appointment goal from your Economic Model.

$$\underline{\hspace{2cm}} \text{ appointments} / .06 / \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \text{ Contacts in my database}$$

(goal) (conversion rate)

(The 50% conversion rate is an estimate -- don't let it become a limiting belief! As you hone your skills, there is opportunity to get your conversion rate to 60, 80, even 100%!)

NOTES

6. LEAD GENERATION BEST PRACTICES

Predictable effort leads to predictable outcomes.

1. Lead generate every day, for three hours, or as many as it takes to achieve your appointment goal.
2. Time block for lead generation in the morning.
3. The three hours consists of:
 - Prepare: call lists and practice scripts
 - Action: calls, texts, emails, social posts, door-knocking (when appropriate)
 - Maintain: follow-up on any commitments, send notes, log interactions into your database

7. AVOID LEAD GENERATION TRAPS

1. Not using both prospecting and marketing in your lead generation. Especially relying too much on marketing and avoiding prospecting.
2. Relying exclusively on referrals for additions to your database instead of generating additional leads from other sources.
3. Undervaluing the benefits of touch campaigns, or not using touch campaigns purposefully.
4. Avoiding the quarterly calls to each person in your database.
5. Not entering all leads into a database.
6. Maintaining multiple separate databases rather than one database.
7. Not taking advantage of Facebook Ads in Command as a lead generation source at low cost.

NOTES

8. LEVERAGE TECHNOLOGY

Features in Command that Help with Lead Generation

1. In Reports:
 - Check the health of your database in terms of the amount of data you have completed for each lead and contact.
 - Enter your lead sources, including custom sources, and track them.
 - Enter and track your conversion rates.
2. In Referrals, track your agent to agent referrals.
3. In SmartPlans:
 - Use the Quarterly Call Plan to remind you to call the people in your database. This is part of your 36 to Convert Touch Campaign.
 - Set people up on Monthly Neighborhood Nurtures.
4. In Campaigns, set up social posts, emails, direct mail, and paid ads.
5. In Designs, access a library of over 1,400 ready-made templates to point, click, and customize beautiful, branded assets to use with your touch campaigns.
6. In Consumer Agent Site Pages, create a data-rich digital presence that attracts new business and positions you as the knowledgeable professional that you are.

Find help on Command at answers.kw.com and in the applet.

NOTES

9. MY BUSINESS PLAN - LEAD GENERATION MODEL

My Database, My Business

_____ Contacts needed to achieve the goals of my Economic Model

_____ Contacts in my database today _____ Contacts needed to add to my database

_____ Add each month _____ Add each week

My Lead Generation Sources

CURRENT

1. _____
2. _____
3. _____
4. _____

FUTURE

1. _____
2. _____
3. _____
4. _____

My Lead Generation Activity

_____ Lead Generation calls daily

My 19 to Connect Touch Campaign for Leads

- 4 annual calls (quarterly)
- 12 monthly emails, newsletters, market reports, videos
- 2 promotional direct mail: magnet, calendar, market report
- 1 annual event, party, movie, get-together

Details

My 36 to Convert Touch Campaign for Contacts

- 4 annual calls (quarterly)
- 26 bi-weekly emails offering information of value to the consumer
- 2 events, get-togethers, parties
- 4 promotional direct mail: magnet, calendar, market report, etc.

Details

NOTES

10. BUILD YOUR 4-1-1



4-1-1 ACTION GOAL WORKSHEET

Name _____

ANNUAL GOALS

YEAR

Net Income: \$ _____ **Contacts in Database:** _____
 Total Units Sold: _____ **1 Event for Leads**
 # Listing Appointments: _____ **2 Events for Contacts**
 # Buyer Appointments: _____

MONTHLY GOALS

MONTH OF

Listing Appointments: _____ **Add # Contacts:** _____
 # Buyer Appointments: _____ **Call 1/3 of Database**
 Send 1 item of value to Leads
 Send 2 item of value to Contacts

WEEKLY GOALS

| WEEK 1 | WEEK 2 | WEEK 3 | WEEK 4 |
|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Listing Appointments: _____ | Listing Appointments: _____ | Listing Appointments: _____ | Listing Appointments: _____ |
| Buyer Appointments: _____ | Buyer Appointments: _____ | Buyer Appointments: _____ | Buyer Appointments: _____ |
| Add # Contacts: _____ | Add # Contacts: _____ | Add # Contacts: _____ | Add # Contacts: _____ |
| Make _____ Calls | Make _____ Calls | Make _____ Calls | Make _____ Calls |
| Send Email of Value to Contacts | Send Email of Value to Contacts | Send Email of Value to Contacts | Send Email of Value to Contacts |
| Daily Script Practice | Daily Script Practice | Daily Script Practice | Daily Script Practice |

NOTES

11. AHAS AND ACTION STEPS

What are my **Ahas** from this section?

What **Actions** will I take with regard to this section?

| Action Steps | | |
|---------------------|---------------|------------------------|
| | Action | Completion Date |
| 1. | | |
| 2. | | |
| 3. | | |

NOTES

THE BUDGET MODEL

The Budget Model reflects the cash flow of the business as represented in the Economic Model. That is, the investments you make, the return you receive, and the resulting Net Income.

| <u>MREA Cash Flow</u> | |
|-----------------------|---------------------------------|
| _____ | Net Income (40%) |
| + _____ | Operating Expenses (30%) |
| + _____ | Cost of Sales (30%) |
| = _____ | Total GCI |

1. TWO TOOLS IN ONE

1. Budget

Goal-Setting and Planning Tool

- Create annually
- Projects expected returns and cash flow
- “Restrain to gain.”

2. Profit and Loss (P&L)

Management Tool and Snapshot

- Shows actual vs. projections
- Review bi-weekly
- “Adjust to win.”

2. TWO MINDSET PRINCIPLES

1. Invest, Don't Spend

- Think of what you spend as investments.
- It's about opportunity with your expenses, not obligation.

2. Practice Accountability, Not Accounting

- Don't think of accounting as obligation.
- Use the Budget Model to hold yourself accountable.

NOTES

3. MREA BUDGET TERMS

1. Cost of Sales (COS)

- This is the cost of acquiring revenue and includes the commission of a Listing Specialist (Seller Side) and the commission of Buyer Specialists (Buyer Side).
- Contains transaction-dependent expenses, meaning they are only paid if a transaction takes place.

2. Gross Profit

- Also known as “company dollar,” this is the amount of revenue that’s left after you’ve accounted for your cost of sale.

3. Operating Expenses

- Expenses that are made whether or not a transaction takes place. (Examples: salaries, most lead generation and marketing expenses, education, occupancy, auto expenses, etc.)

4. Net Income

- The amount of pretax income you take home after your Cost of Sales and Operating Expenses are paid.

4. MREA BUDGET BENCHMARKS

30 / 30 / 40
 COS Operating Expense Net Income

| | |
|-------------------------|------------|
| Gross Commission Income | 100% |
| Cost of Sales | 30% |
| Gross Profit | 70% |
| Operating Expenses | 30% |
| Net Income | 40% |

NOTES

5. COS AND OPERATING EXPENSE DETAIL

| COST OF SALES | MREA | |
|-----------------------|------------------|------------|
| | \$\$\$ | % OF GCI |
| Listing Specialist(s) | \$125,000 | 5% |
| Buyer Specialist(s) | \$625,000 | 25% |
| Other COS | minimal | |
| TOTAL COS | \$750,000 | 30% |

| OPERATING EXPENSES | MREA | |
|---------------------------------|------------------|------------|
| | \$\$\$ | % OF GCI |
| Compensation | \$360,000 | 14.4% |
| Lead Generation | \$225,000 | 9% |
| Occupancy | \$25,000 | 1% |
| Education and Coaching | \$62,500 | 2.5% |
| Supplies/Office Expenses | \$25,000 | 1% |
| Communication and Tech | \$25,000 | 1% |
| Auto | \$15,000 | .6% |
| Equipment | \$7,500 | .3% |
| Insurance | \$5,000 | .2% |
| TOTAL OPERATING EXPENSES | \$750,000 | 30% |

[Download an automated Economic Model and Budget Model on KWConnect.](#)

NOTES

6. BUDGET BENCHMARKS BY GCI

| AVERAGES | | | | | | | BEST PRACTICES | |
|---------------------|------------------|------------------|------------------|------------------|------------------|--------------------|---------------------|--------------------|
| GCI | \$150,000 | \$340,000 | \$640,000 | \$970,000 | \$1,600,000 | \$3,400,000 | \$1,000,000 | \$2,500,000 |
| COS | \$19,500 13% | \$88,400 26% | \$211,200 33% | \$368,600 38% | \$624,000 39% | \$1,530,000 45% | \$250,000 25% | \$750,000 30% |
| GROSS PROFIT | \$130,500 87% | \$251,600 74% | \$428,800 67% | \$601,400 62% | \$976,000 61% | \$1,870,000 55% | \$750,000.00 75% | \$1,750,000 70% |
| EXPENSES | \$57,000 38% | \$122,400 36% | \$236,800 37% | \$329,800 34% | \$560,000 35% | \$1,122,000 33% | \$360,000.00 36% | \$750,000 30% |
| NET INCOME | \$73,500 49% | \$129,200 38% | \$192,000 30% | \$271,600 28% | \$416,000 26% | \$748,000 22% | \$390,000.00 39% | \$1,000,000 40% |

Operating Expenses by GCI

| AVERAGES | | | | | | | BEST PRACTICES | | |
|-------------------------------------|--|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| GCI | \$150,000 | \$340,000 | \$640,000 | \$970,000 | \$1,600,000 | \$3,400,000 | \$1,000,000 | \$2,500,000 | |
| Compensation | Salaries/Benefits | \$8,370 5.6% | \$33,218 9.8% | \$90,304 14.1% | \$108,446 11.2% | \$223,840 14.0% | \$496,400 14.6% | \$191,000 19.10% | \$347,500 13.9% |
| | Professional Services | \$3,270 2.2% | \$4,454 1.3% | \$6,016 0.9% | \$6,887 0.7% | \$9,600 0.6% | \$17,680 0.5% | \$7,000 0.70% | \$12,500 0.5% |
| | TOTAL | \$11,640 7.8% | \$37,672 11.1% | \$96,320 15.1% | \$115,333 11.9% | \$233,440 14.6% | \$514,080 15.1% | \$198,000 20% | \$360,000 14.4% |
| Lead Generation | Listing Management | \$5,055 3.4% | \$10,608 3.1% | \$16,832 2.6% | \$29,294 3.0% | \$47,040 2.9% | \$112,200 3.3% | \$23,000 2.30% | \$62,500 2.5% |
| | General Prospecting & Marketing | \$11,760 7.8% | \$24,242 7.1% | \$49,984 7.8% | \$87,882 9.1% | \$133,120 8.3% | \$219,980 6.5% | \$50,000 5% | \$162,500 6.5% |
| | TOTAL | \$16,815 11.2% | \$34,816 10.2% | \$66,816 10.4% | \$117,079 12.1% | \$180,160 11.3% | \$331,840 9.8% | \$73,000 7.30% | \$225,000 9.0% |
| Occupancy | \$4,275 2.9% | \$6,290 1.9% | \$10,304 1.6% | \$12,610 1.3% | \$25,920 1.6% | \$77,860 2.3% | \$20,000 2% | \$25,000 1.0% | |
| Education and Coaching | \$7,500 5.0% | \$18,020 5.3% | \$29,504 4.6% | \$36,860 3.8% | \$53,760 3.4% | \$78,540 2.3% | \$23,000 2.30% | \$62,500 2.5% | |
| Supplies/Office Expenses | \$4,110 2.7% | \$7,446 2.2% | \$10,944 1.7% | \$12,707 1.3% | \$19,520 1.2% | \$40,460 1.2% | \$10,000 1% | \$25,000 1.0% | |
| Communication and Technology | \$5,535 3.7% | \$8,942 2.6% | \$13,248 2.1% | \$17,169 1.8% | \$21,920 1.4% | \$32,640 1.0% | \$16,000 1.60% | \$25,000 1.0% | |
| Automobile | \$4,440 3.0% | \$5,984 1.8% | \$8,000 1.3% | \$10,379 1.1% | \$12,800 0.8% | \$19,380 0.6% | \$10,000 1% | \$15,000 0.6% | |
| Equipment/Furnishings | \$915 0.6% | \$1,190 0.4% | \$1,664 0.3% | \$2,619 0.3% | \$5,280 0.3% | \$12,240 0.4% | \$5,000 0.50% | \$7,500 0.3% | |
| Insurance | \$2,415 1.6% | \$2,482 0.7% | \$3,008 0.5% | \$4,559 0.5% | \$5,120 0.3% | \$7,140 0.2% | \$5,000 0.50% | \$5,000 0.2% | |

\$750,000
30% of GCI

NOTES

Cost of Sales vs. Compensation Budgeting

The expense associated with different paid positions within your team are budgeted in Costs of Sales or Compensation, or both.

1. When is the expense a **Cost of Sale**?

- When they are paid on a commission or bonus structure. Typically, Buyers Agents and Showing Assistants are paid by bonus.

Example: A Buyers Agent receives a 50% split of the buyer sales they handle. This expense, occurring because a transaction was completed, is accounted for under Cost of Sales.

2. When is it an Operating Expense - **Compensation**?

- When they are paid a salary. Typically, salaried positions are classified as employees. For example, your Admin may be paid a salary as an employee.
- When you pay yourself a salary.

3. When is it both **Compensation and Cost of Sale**?

- When they are paid a salary and a commission or bonus. Typically, ISA/OSAs and Listing Agents are paid this way.

Example: A Listing Agent gets a salary plus a bonus for each closed transaction. Salary goes to Compensation and bonus goes to Cost of Sale.

NOTES

7. THE MREA CHART OF ACCOUNTS—P&L

| Monthly Profit and Loss | |
|---------------------------------------|-----------|
| Income | \$ |
| Residential Income | |
| Listing Income | |
| Sales Income | |
| Builder/New Construction Income | |
| Referral Income | |
| Leasing Income | |
| Transaction/Administration Fee Income | |
| Total Residential Income | |
| Commercial Income | |
| Total Commercial Income | |
| Other Real Estate Income | |
| Total Income (GCI) | |
| Cost of Sales | |
| Commissions Paid Out | |
| Other - COS | |
| Total Cost of Sales | |
| Gross Profit | |
| Expenses | |
| Compensation | |
| Salaries/Benefits | |
| Professional Services | |
| Lead Generation and Conversion | |
| Listing Management | |
| Prospecting and Marketing | |
| Occupancy | |
| Education/Coaching/Dues/Travel | |
| Supplies/Office Expenses | |
| Communication/Technology | |
| Automobile | |
| Equipment/Furnishings | |
| Insurance | |
| Other Expenses | |
| Total Expenses | |
| Business Profit | |
| Below the Line Income | |
| Interest Income | |
| Vendor Supplier Income | |
| Profit Share Income | |
| Other Income | |
| Total Below the Line Income | |
| Below the Line Expenses | |
| Employee Profit Share | |
| Other Pretax Expenses | |
| Income Tax | |
| Total Below the Line Expenses | |
| Net Income | |

| Expenses | |
|--------------------------------------|--|
| Lead Generation and Conversion | |
| Listing Management | |
| Services | |
| Marketing | |
| Signage | |
| Other | |
| Total Listing Management | |
| Prospecting and Marketing | |
| Offline Advertising | |
| Online Advertising | |
| Print/Direct Mail | |
| Third-Party Lead Sellers | |
| Events | |
| Lead Conversion Tools | |
| Meals, Gifts, and Entertainment | |
| Other - Lead Generation | |
| Total Prospecting and Marketing | |
| Total Lead Generation and Conversion | |

NOTES

8. FOUR BUDGET FOCUS AREAS

1. Lead with Revenue

- Make money before your spend it.
- Lead with lead generation, not expenses.
- Generate revenue in your real estate sales business that will, in turn, fund the growth of your business.

2. Play Red Light, Green Light

- Maintain careful spending of money to make money.
- When costs go up with no results, stop! When costs are within the budget, go!
- Always measure your ROI (Return on Investment).

3. Stick to the Budget

- No need to be committed to exact MREA percentages.
- Achieve economies of scale. Don't allow expenses and salaries to increase at the same rate as your revenue.
- Hold your investment in people accountable to the revenue they generate.

4. Get Into a Rhythm

- Visit your money regularly. Examine your budget on a weekly, quarterly, and annual basis.
- Reset your budget annually.
- Observe the trends, look for variances and changes to your ROI.

NOTES

9. AVOID BUDGET MODEL TRAPS

1. Not taking the time to understand how the model works and how it connects with the other models.
2. Being too lenient with money with the promise of big returns, e.g. offering big splits for future sales.
3. Hiring too many people too quickly.
4. Chasing GCI instead of return on investment.
5. Running a strict 30/30/40 business—never wanting to go above or below.
6. Not accounting for one's own expense/salary/split.
7. Being uncomfortable with budgeting and holding oneself accountable to it.

10. LEVERAGE TECHNOLOGY

Features in Command that Help with Your Budget

1. Pay just \$25 a month for Command. (You're already paying for this and there's no extra cost.)
2. Facebook Ads in Command that generate leads under \$2.

How much am I currently paying for technology?

Monthly expense for my platform? _____

Monthly expense for subscriptions? _____

NOTES

11. MY BUSINESS PLAN - BUDGET MODEL

1. Begin with your GCI Goal from your Economic Model.
2. Enter values for **My Budget Plan** based on your GCI and how you run your business.
3. Compare to an **MREA budget**. Multiply the percentages in the “% of GCI” column with your GCI. Enter the result in the “\$\$ Based on MREA” column. This provides a look at what you would be spending if your expenses followed the model. This may not reflect your business.

My GCI Goal: _____ **for year** _____

| COST OF SALES | MREA | | \$\$ BASED ON MREA | MY BUDGET PLAN |
|---------------------------------|--------------------|------------|--------------------|----------------|
| | \$\$\$ | % OF GCI | | |
| Listing Specialist(s) | \$125,000 | 5% | | |
| Buyer Specialist(s) | \$625,000 | 25% | | |
| Other COS | minimal | | | |
| TOTAL COS | \$750,000 | 30% | | |
| OPERATING EXPENSES | MREA | | \$\$ BASED ON MREA | MY BUDGET PLAN |
| | \$\$\$ | % OF GCI | | |
| Compensation | \$360,000 | 14.4% | | |
| Lead Generation | \$225,000 | 9% | | |
| Occupancy | \$25,000 | 1% | | |
| Education and Coaching | \$62,500 | 2.5% | | |
| Supplies/Office Expenses | \$25,000 | 1% | | |
| Communication and Tech | \$25,000 | 1% | | |
| Auto | \$15,000 | .6% | | |
| Equipment | \$7,500 | .3% | | |
| Insurance | \$5,000 | .2% | | |
| TOTAL OPERATING EXPENSES | \$750,000 | 30% | | |
| TOTAL EXPENSES | \$1,500,000 | 60% | | |
| NET INCOME | \$1,000,000 | 40% | | |

NOTES

12. MY BUSINESS PLAN - PROFIT & LOSS

| MONTHLY PROFIT AND LOSS STATEMENT | |
|--|-----------|
| INCOME | \$ |
| Residential Income | |
| Commercial Income | |
| Other Real Estate Income | |
| TOTAL INCOME (GCI) | |
| COST OF SALES | |
| Listing Specialist(s) | |
| Buyer Specialist(s) | |
| Other COS | |
| TOTAL COS | |
| GROSS PROFIT | |
| OPERATING EXPENSES | |
| Compensation | |
| Lead Generation | |
| Occupancy | |
| Education and Coaching | |
| Supplies/Office Expenses | |
| Communication and Tech | |
| Auto | |
| Equipment | |
| Insurance | |
| TOTAL OPERATING EXPENSES | |
| TOTAL EXPENSES | |
| BUSINESS PROFIT | |
| BELOW THE LINE INCOME | |
| Interest Income | |
| Vendor Supplier Income | |
| Profit Share Income | |
| Other Income | |
| TOTAL BELOW THE LINE INCOME | |
| BELOW THE LINE EXPENSES | |
| Employee Profit Share | |
| Other Pretax Expenses | |
| Profit Share Income | |
| Income Tax | |
| TOTAL BELOW THE LINE EXPENSES | |
| NET INCOME | |

NOTES

13. BUILD YOUR 4-1-1



4-1-1 ACTION GOAL WORKSHEET

Name _____

ANNUAL GOALS

YEAR

Net Income: \$ _____ Contacts in Database: _____ **Update Budget**

Total Units Sold: _____ 1 Event for Leads

Listing Appointments: _____ 2 Events for Contacts

Buyer Appointments: _____

MONTHLY GOALS

MONTH OF

Listing Appointments: _____ Add # Contacts: _____ **Review Budget Model and adjust as needed**

Buyer Appointments: _____ Call 1/3 of Database
Send 1 value to Leads **Complete and Review P&L results**
Send 2 value to Contacts

WEEKLY GOALS

| WEEK 1 | WEEK 2 | WEEK 3 | WEEK 4 |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Listing Appointments: _____ | Listing Appointments: _____ | Listing Appointments: _____ | Listing Appointments: _____ |
| Buyer Appointments: _____ | Buyer Appointments: _____ | Buyer Appointments: _____ | Buyer Appointments: _____ |
| Add Contacts: _____ | Add Contacts: _____ | Add Contacts: _____ | Add Contacts: _____ |
| Make _____ Calls | Make _____ Calls | Make _____ Calls | Make _____ Calls |
| Send Email of Value to Contacts | Send Email of Value to Contacts | Send Email of Value to Contacts | Send Email of Value to Contacts |

NOTES

14. AHAS AND ACTION STEPS

What are my **Ahas** from this section?

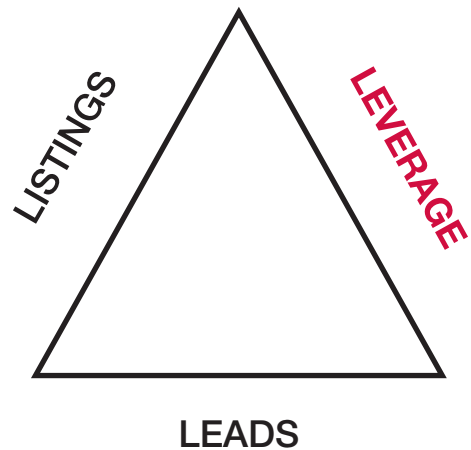
What **Actions** will I take with regard to this section?

| Action Steps | | |
|--------------|--------|-----------------|
| | Action | Completion Date |
| 1. | | |
| 2. | | |
| 3. | | |

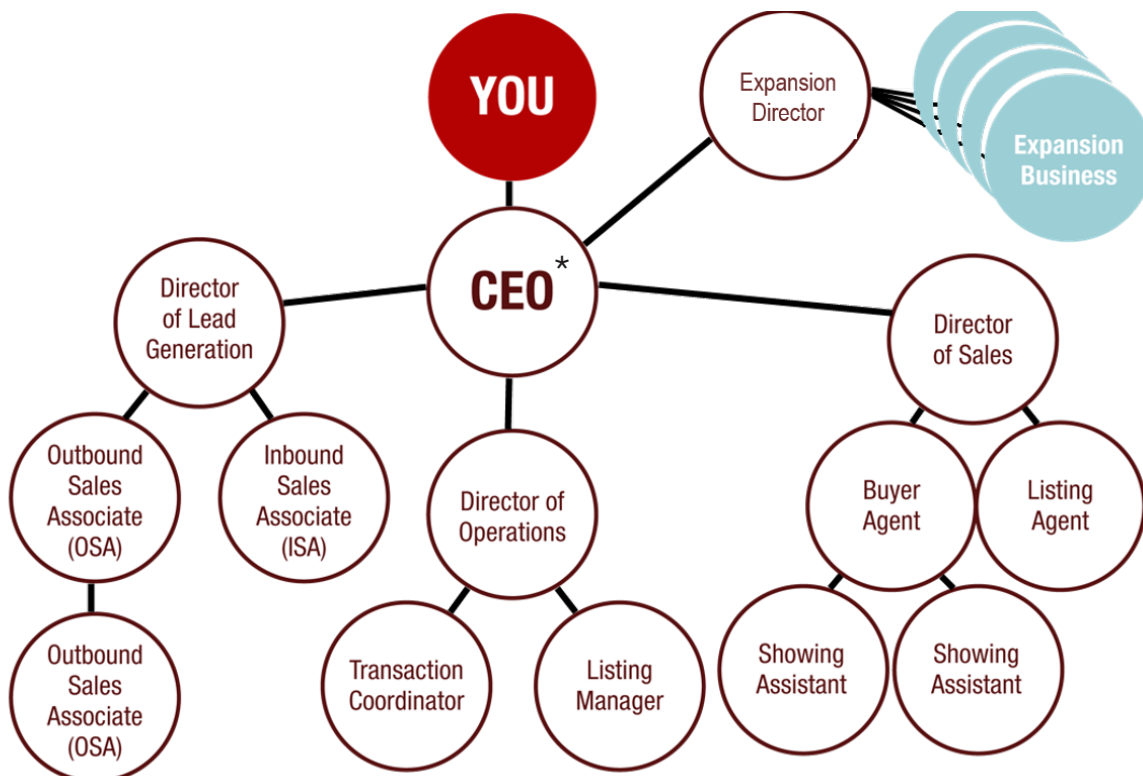
NOTES

THE ORGANIZATIONAL MODEL

1. THE PATH TO PEOPLE LEVERAGE



The ultimate business goal is to have a successful business run by other people. This is a “7th Level” business. This diagram illustrates how your organization might grow following the Organizational Model of *The Millionaire Real Estate Agent*.



* Check your local real estate rules to see if C-suite terms are allowed in your jurisdiction before using them.

NOTES

2. THREE HIRING DRIVERS

1. Your **LEADS**
2. Your **PEOPLE**
3. Your **MARKET**

3. THE HIRING PROCESS

Before hiring any person into your business ...

1. Explore other leverage options: tools, technology, systems.
2. Attend the three-part KWU Leverage series and start with *Career Visioning*.
3. Always lead generate for talent.
 - Potential talent
 - Emerging talent
 - Proven talent
4. Consult your Budget Model.
 - Know the cost and expected ROI of each hire.
5. Understand the cost of a bad hire.
6. What are the ways a bad hire might cost your business?

7. Have a written job description for the role and let your new hire do what you hired them to do.
8. Understand how you will plan for your team to use Command and how you will run your business in Command.

NOTES

4. THE HIRING PATH OF THE MREA

THE 1ST LEVEL - Personal Productivity

Areas of Mastery

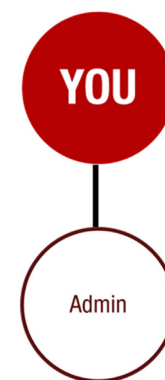
- Lead generation
- Mindset and Vision



THE 2ND LEVEL - Hiring and Succeeding Through Others

Areas of Mastery

- Hiring
- Training
- Accountability



THE 3RD LEVEL - Leadership and Systems, Laying Foundations for Growth

Areas of Mastery

- Systems
- Succeeding through others
- Going “2-deep”



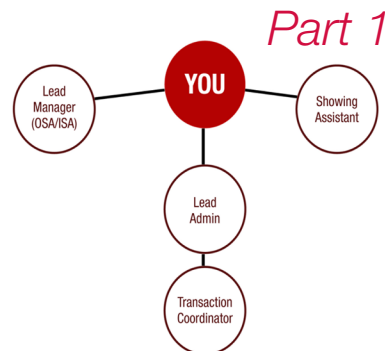
NOTES

The Hiring Path of the MREA (continued)

THE 4TH LEVEL (PARTS 1 AND 2) - Leverage on the Buyer Side

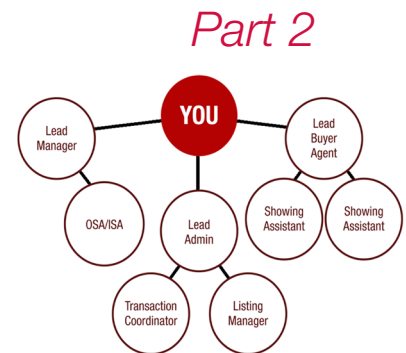
Areas of Mastery

- Leveraging out the buyer side
- Launching your lead generation division



New Positions

- Showing Assistant (Part 1)
- Outbound Sales Associate (Part 1)
- Lead Buyer Agent (Part 2)
- Lead Manager (Part 2)
- Inbound Sales Associate (Part 2)



THE 5TH LEVEL (PARTS 1 AND 2) - Leverage on the Seller Side

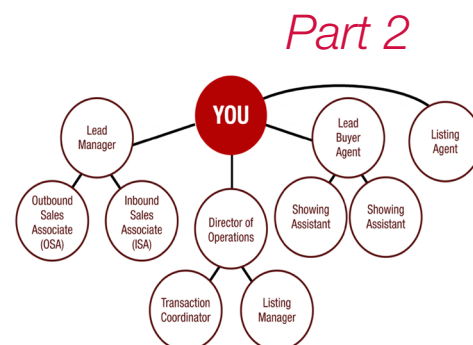
Areas of Mastery

- Leveraging out the seller side
- Profitability
- Building your lead generation division



New Positions

- Director of Operations (Part 1)
- Listing Agent (Part 2)



NOTES

The Hiring Path of the MREA (continued)

THE 6TH LEVEL (PARTS 1 AND 2) - Expansion

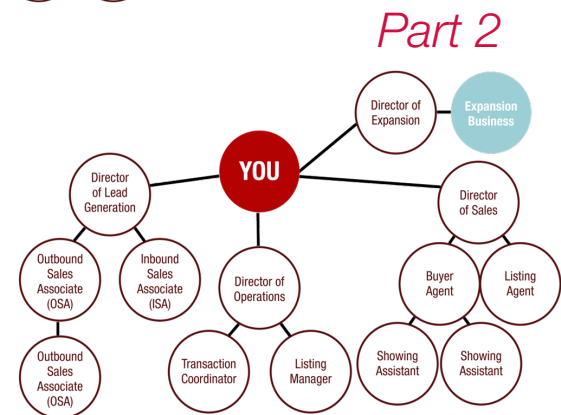
Areas of Mastery

- Leadership
- Leverage
- Expansion



New Positions

- Expansion Agent (Part 1)
- Director of Lead Generation (Part 1)
- Director of Sales (Part 1)
- Director of Expansion (Part 2)



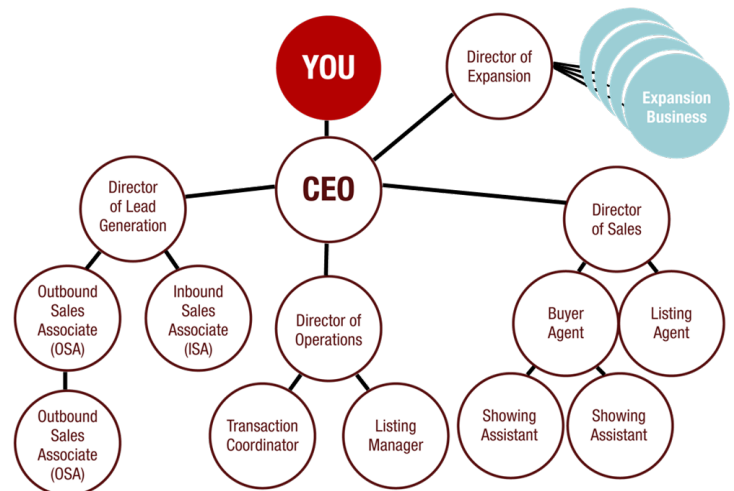
THE 7TH LEVEL - Your CEO*

Areas of Mastery

- Replacing yourself
- Vision
- Accountability to growth and standards

New Positions

- CEO*



* Check your local real estate rules to see if C-suite terms are allowed in your jurisdiction before using them.

NOTES

5. AVOID ORGANIZATIONAL MODEL TRAPS

1. Not taking the KWU courses, *Career Visioning* and *30-60-90* (part of the Leverage series) before any hiring.
2. Not having a P&L and understanding the cost of each hire, as well as the amount of time it requires to hire and train.
3. Not checking with your Budget Model to factor in the salary expense and the expected return on the expense.
4. Skipping levels. This model is a process that works with each hire building on each other.
5. Not having solid systems in place for lead generation and conversion that are replicable and scalable to cover the expense of additional people.
6. Hiring for the sake of having a larger team.

6. LEVERAGE TECHNOLOGY

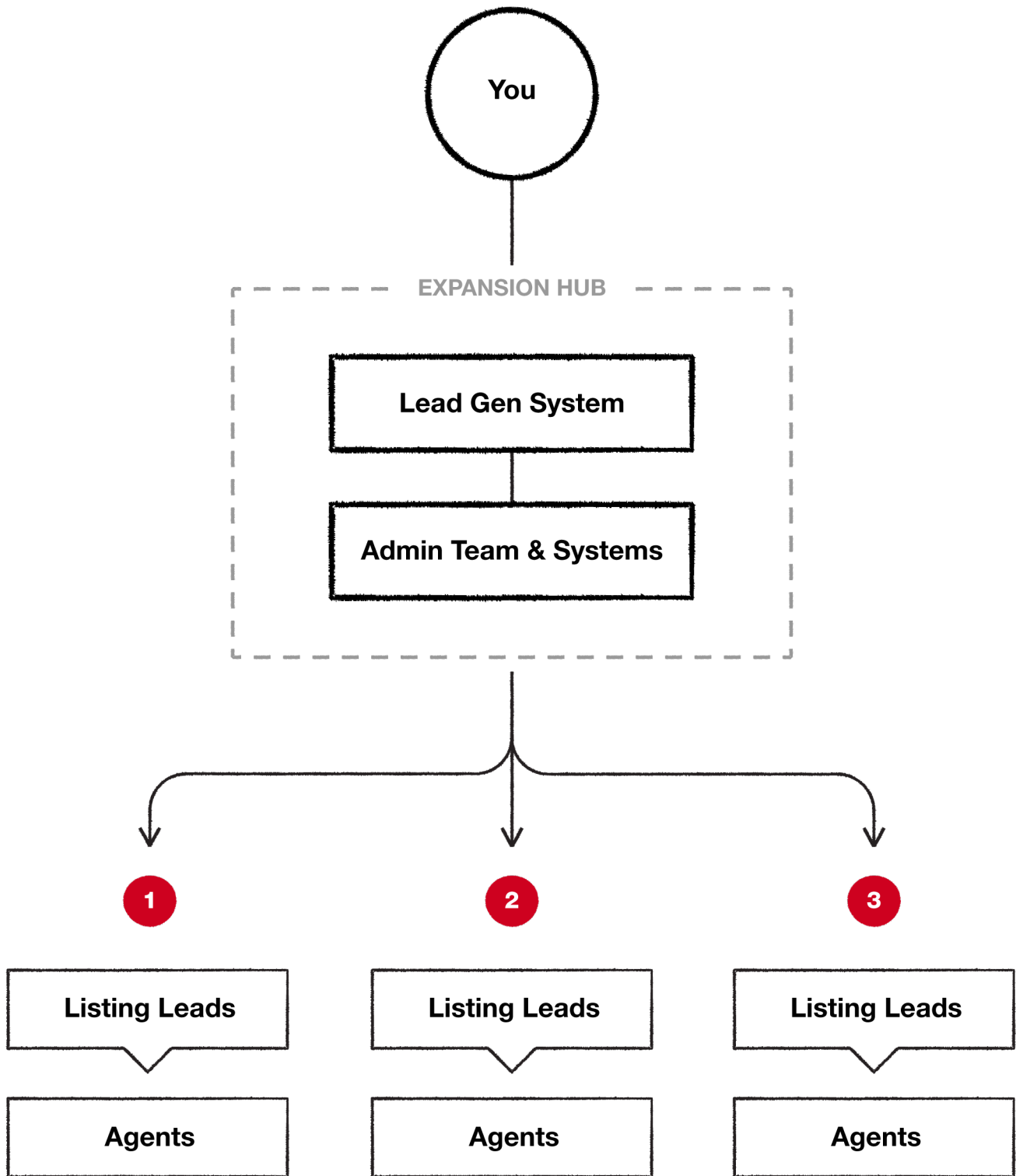
Features in Command that Help with Leverage

Command has team functionality that is becoming more robust as teams engage with these features. Before you hire Buyer Agents and/or Listing Agents, it is important that you plan out how you will use Command with your team. Decisions you make will affect how you set up your database and how the team will interact with all the functions of Command.

Make a plan for Command before you hire to your team!

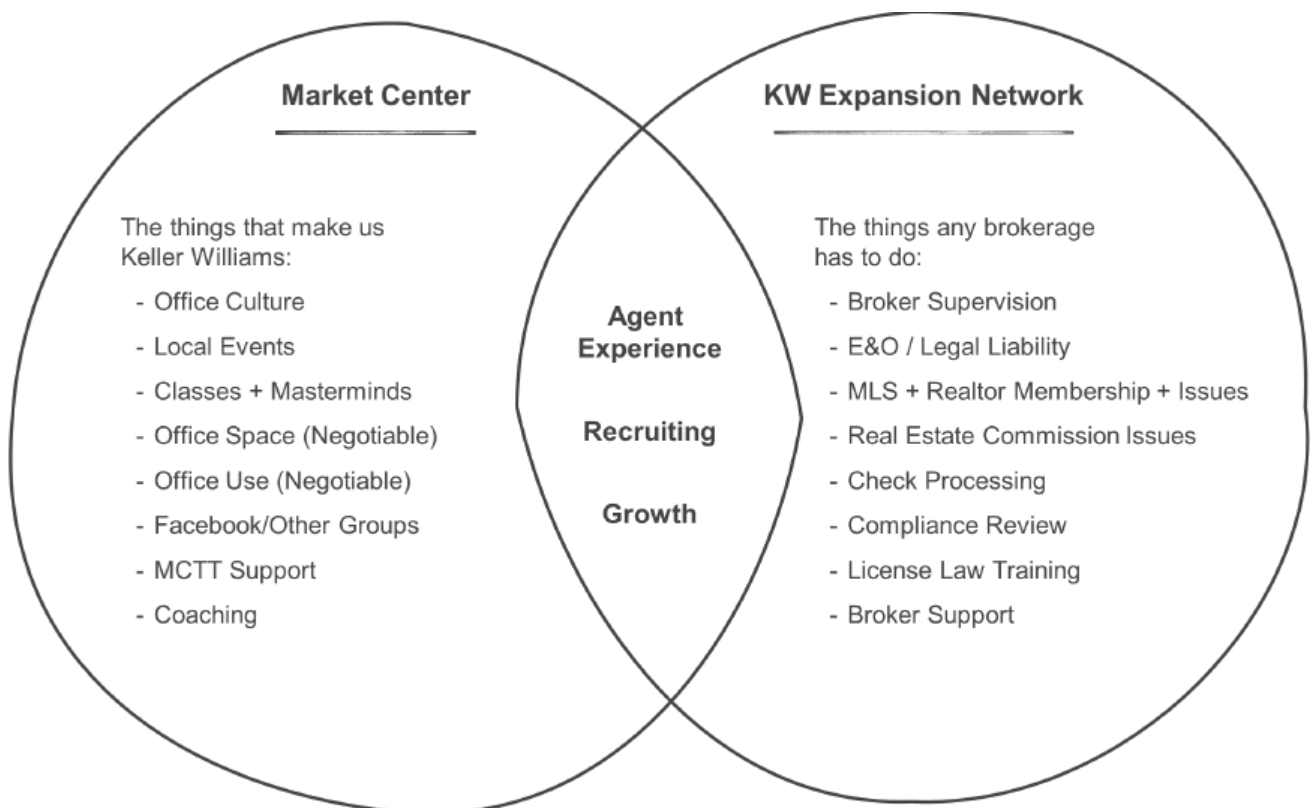
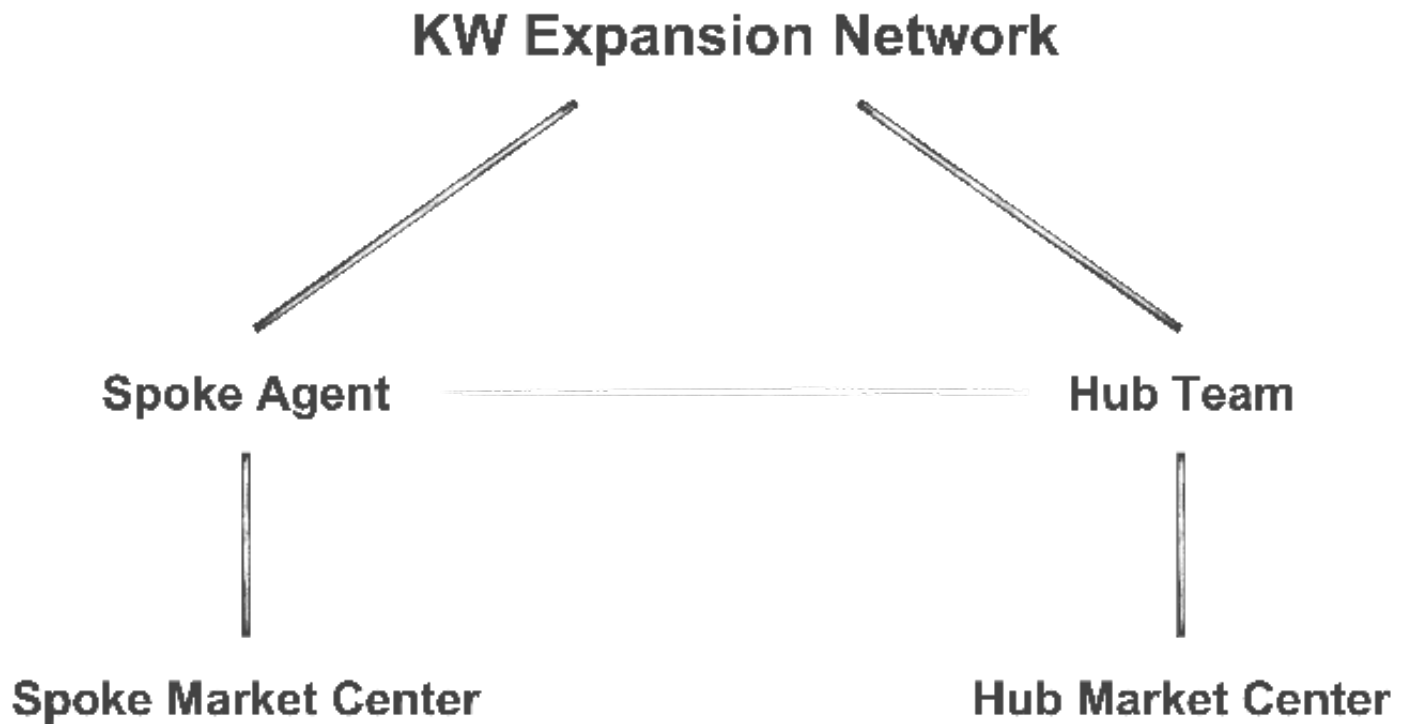
NOTES

7. THE 5TH MODEL—THE EXPANSION MODEL



NOTES

KW Expansion Network: Hub Spoke Structure and Benefits



NOTES

8. MY BUSINESS PLAN - CURRENT ORGANIZATION

Where am I on the path to people leverage? (Write down the roles in your **current** organizational chart.)

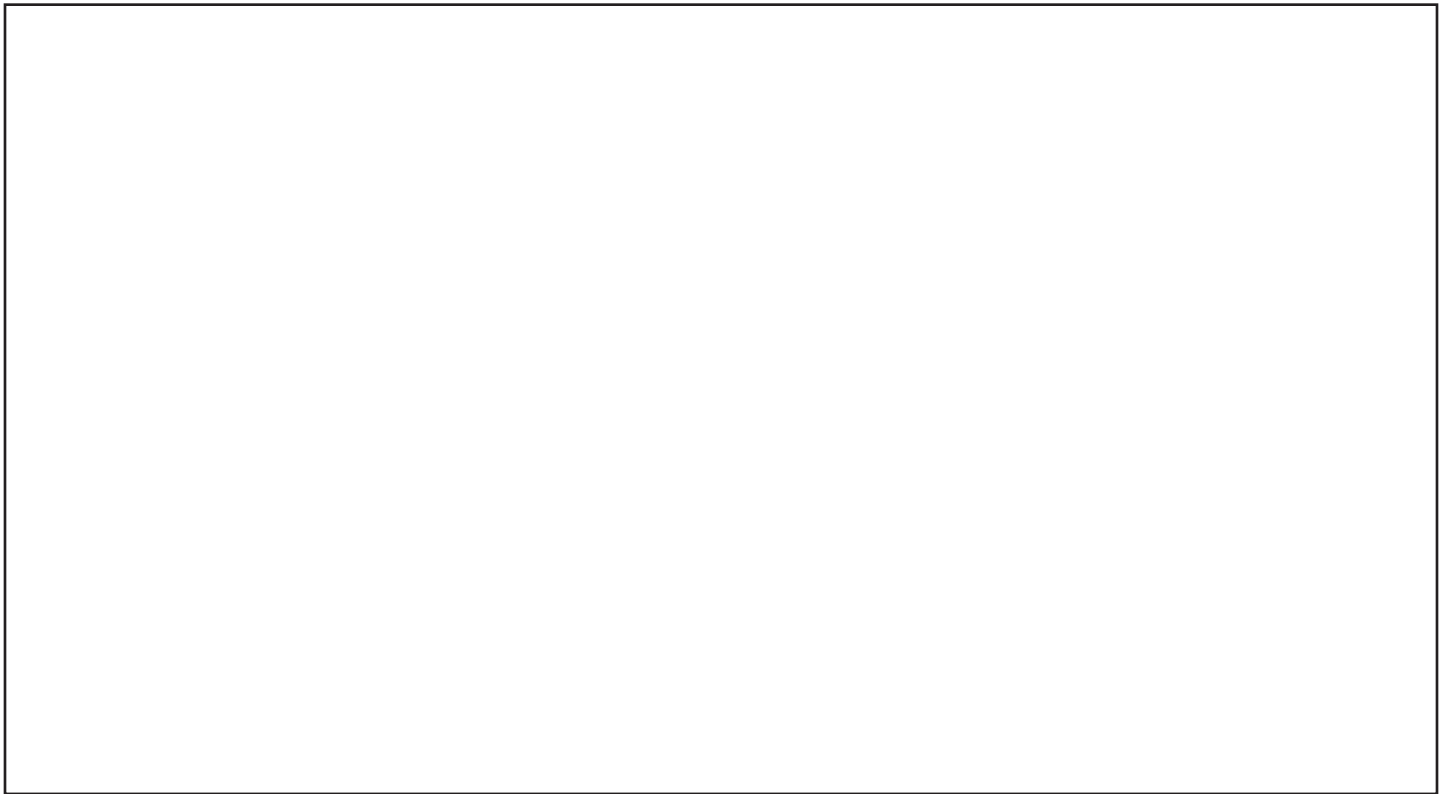
| What are my areas of mastery? (Rate yourself on each one.) | 1 Low | 2 | 3 | 4 High |
|--|----------|---|---|-----------|
| 1. Lead generation, capture, and conversion to appointments | | | | |
| 2. Presentations to buyers and sellers to get agreement | | | | |
| 3. Showing buyers and marketing sellers | | | | |
| 4. Writing and negotiating contracts | | | | |
| 5. Coordinating sales to closing | | | | |
| 6. Managing the money | | | | |
| 7. Hiring (Important! Take KWU Career Visioning before hiring) | | | | |
| 8. Training | | | | |
| 9. Accountability | | | | |

What are my plans to improve and/or delegate/get hep with?


NOTES

9. MY BUSINESS PLAN - FUTURE ORGANIZATION

What level of the organizational model do I strive for? (Write down the roles you would like in your **future** organizational chart.)



What steps will I take to begin the journey to my new organizational model?



NOTES

10. BUILD YOUR 4-1-1



4-1-1 ACTION GOAL WORKSHEET

Name _____

ANNUAL GOALS | YEAR

Net Income: \$ _____ Contacts in Database: _____ Update Budget
Total Units Sold: _____ 1 Event for Leads
Listing Appointments: _____ 2 Events for Contacts
Buyer Appointments: _____

*Attend Leverage Series
Analyze my Economic Lead
Gen, and Budget Models to
determine my investment and
the return I expect
Hire _____ in _____ Qtr*

MONTHLY GOALS | MONTH OF

Listing Appointments: _____ Add # Contacts: _____ Review Budget Model
Buyer Appointments: _____ Call 1/3 of Database and adjust as needed
Send 1 value to Leads Create and Review
Send 2 value to P&L results
Contacts

Register for Career Visioning

WEEKLY GOALS

| WEEK 1 | WEEK 2 | WEEK 3 | WEEK 4 |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Listing Appointments: _____ | Listing Appointments: _____ | Listing Appointments: _____ | Listing Appointments: _____ |
| Buyer Appointments: _____ | Buyer Appointments: _____ | Buyer Appointments: _____ | Buyer Appointments: _____ |
| Add Contacts: _____ | Add Contacts: _____ | Add Contacts: _____ | Add Contacts: _____ |
| Make _____ Calls | Make _____ Calls | Make _____ Calls | Make _____ Calls |
| Send Email of Value to Contacts | Send Email of Value to Contacts | Send Email of Value to Contacts | Send Email of Value to Contacts |

NOTES

11. AHAS AND ACTION STEPS

What are my **Ahas** from this section?

What **Actions** will I take with regard to this section?

| Action Steps | | |
|---------------------|---------------|------------------------|
| | Action | Completion Date |
| 1. | | |
| 2. | | |
| 3. | | |

NOTES

PULLING IT ALL TOGETHER

1. Complete Your 4-1-1
 - Pull items from the five Action Steps in this course into your final 4-1-1.
2. Create and Use Your Business Plan
3. Execute Your Business Plan with Accountability
4. Complete the Course Evaluation
 - kwueval.com
5. Schedule and Attend Business Planning Clinic Next Year



4-1-1 ACTION GOAL WORKSHEET

Name _____

ANNUAL GOALS

YEAR

Net Income: \$ _____

Total Units Sold: _____

Listing Appointments: _____

Buyer Appointments: _____

MONTHLY GOALS

MONTH OF

Listing Appointments: _____

Buyer Appointments: _____

WEEKLY GOALS

| WEEK 1 | WEEK 2 | WEEK 3 | WEEK 4 |
|--------|--------|--------|--------|
| | | | |

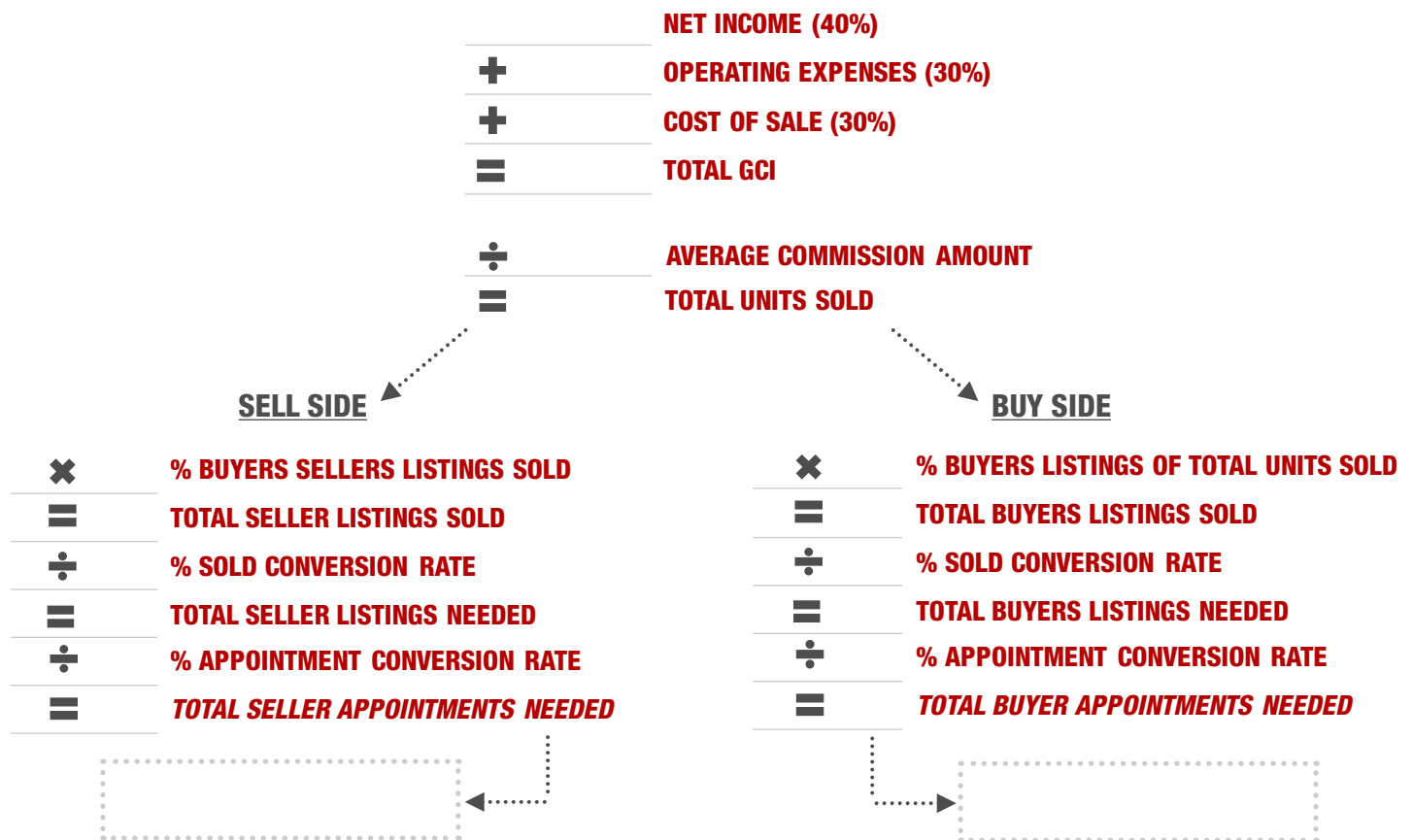


4-1-1 ACTION GOAL WORKSHEET

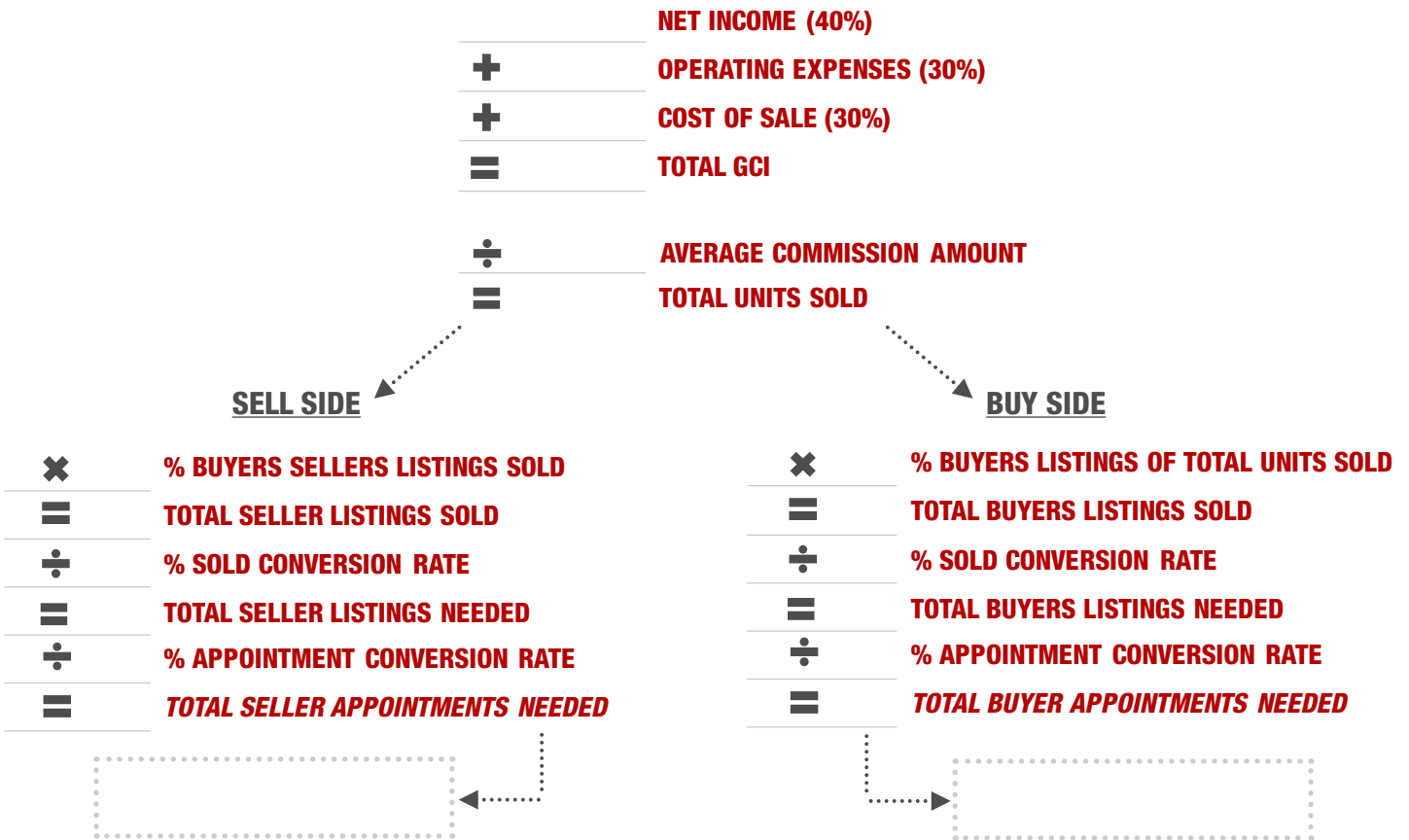
| | | | |
|---------------------------------|-------------------------------|---|-------------------------------|
| ANNUAL GOALS YEAR | | | |
| <i>Annual Job Goals</i> | <i>Annual Business Goals</i> | <i>Annual Personal Financial Goals</i> | <i>Annual Personal Goals</i> |
| MONTHLY GOALS MONTH OF | | | |
| <i>Monthly Job Goals</i> | <i>Monthly Business Goals</i> | <i>Monthly Personal Financial Goals</i> | <i>Monthly Personal Goals</i> |
| WEEKLY GOALS | | | |
| WEEK 1 | WEEK 2 | WEEK 3 | WEEK 4 |
| <i>Weekly Goals</i> | <i>Weekly Goals</i> | <i>Weekly Goals</i> | <i>Weekly Goals</i> |

MY BUSINESS PLAN - ECONOMIC MODEL (ACTUAL)

1. Begin by writing your Net Income goal.
2. Divide Net Income by 40% (.4) to calculate total GCI, and write this number down.
3. Multiply GCI by 30% (.3) for both Operating Expenses and Cost of Sale and write these down.
4. Write in your Average Commission Amount.
5. Divide total GCI by your Average Commission Amount to calculate the number of units to be sold.
6. Calculate the rest of the formulas.
 - If you do not know your split between the Sell Side and the Buy Side, use an estimate or use the MREA example of 50/50.
 - Use estimates or MREA examples for each of the conversion rates.
7. Calculate how many appointments to go on monthly and weekly.



MY BUSINESS PLAN - ECONOMIC MODEL (PRO FORMA)



What are my plans to improve?

MY BUSINESS PLAN - LEAD GENERATION MODEL

My Database, My Business

_____ Contacts needed to achieve the goals of my Economic Model

_____ Contacts in my database today _____ Contacts needed to add to my database

_____ Add each month _____ Add each week

My Lead Generation Sources

CURRENT

1. _____
2. _____
3. _____
4. _____

FUTURE

1. _____
2. _____
3. _____
4. _____

My Lead Generation Activity

_____ Lead Generation calls daily

My 19 to Connect Touch Campaign for Leads

- 4 annual calls (quarterly)
- 12 monthly emails, newsletters, market reports, videos
- 2 promotional direct mail: magnet, calendar, market report
- 1 annual event, party, movie, get-together

Details

My 36 to Convert Touch Campaign for Contacts

- 4 annual calls (quarterly)
- 26 bi-weekly emails offering information of value to the consumer
- 2 events, get-togethers, parties
- 4 promotional direct mail: magnet, calendar, market report, etc.

Details

MY BUSINESS PLAN - BUDGET MODEL

1. Begin with your GCI Goal from your Economic Model.
2. Enter values for **My Budget Plan** based on your GCI and how you run your business.
3. Compare to an **MREA budget**. Multiply the percentages in the “% of GCI” column with your GCI. Enter the result in the “\$\$ Based on MREA” column. This provides a look at what you would be spending if your expenses followed the model. This may not reflect your business.

My GCI Goal: _____ **for year** _____

| COST OF SALES | MREA | | \$\$ BASED ON MREA | MY BUDGET PLAN |
|---------------------------------|--------------------|------------|--------------------|----------------|
| | \$\$\$ | % OF GCI | | |
| Listing Specialist(s) | \$125,000 | 5% | | |
| Buyer Specialist(s) | \$625,000 | 25% | | |
| Other COS | minimal | | | |
| TOTAL COS | \$750,000 | 30% | | |
| OPERATING EXPENSES | MREA | | \$\$ BASED ON MREA | MY BUDGET PLAN |
| | \$\$\$ | % OF GCI | | |
| Compensation | \$360,000 | 14.4% | | |
| Lead Generation | \$225,000 | 9% | | |
| Occupancy | \$25,000 | 1% | | |
| Education and Coaching | \$62,500 | 2.5% | | |
| Supplies/Office Expenses | \$25,000 | 1% | | |
| Communication and Tech | \$25,000 | 1% | | |
| Auto | \$15,000 | .6% | | |
| Equipment | \$7,500 | .3% | | |
| Insurance | \$5,000 | .2% | | |
| TOTAL OPERATING EXPENSES | \$750,000 | 30% | | |
| TOTAL EXPENSES | \$1,500,000 | 60% | | |
| NET INCOME | \$1,000,000 | 40% | | |

MY BUSINESS PLAN - PROFIT & LOSS

| MONTHLY PROFIT AND LOSS STATEMENT | |
|--|-----------|
| INCOME | \$ |
| Residential Income | |
| Commercial Income | |
| Other Real Estate Income | |
| TOTAL INCOME (GCI) | |
| COST OF SALES | |
| Listing Specialist(s) | |
| Buyer Specialist(s) | |
| Other COS | |
| TOTAL COS | |
| GROSS PROFIT | |
| OPERATING EXPENSES | |
| Compensation | |
| Lead Generation | |
| Occupancy | |
| Education and Coaching | |
| Supplies/Office Expenses | |
| Communication and Tech | |
| Auto | |
| Equipment | |
| Insurance | |
| TOTAL OPERATING EXPENSES | |
| TOTAL EXPENSES | |
| BUSINESS PROFIT | |
| BELOW THE LINE INCOME | |
| Interest Income | |
| Vendor Supplier Income | |
| Profit Share Income | |
| Other Income | |
| TOTAL BELOW THE LINE INCOME | |
| BELOW THE LINE EXPENSES | |
| Employee Profit Share | |
| Other Pretax Expenses | |
| Profit Share Income | |
| Income Tax | |
| TOTAL BELOW THE LINE EXPENSES | |
| NET INCOME | |

My Budget Model

MY BUSINESS PLAN - CURRENT ORGANIZATION

Where am I on the path to people leverage? (Write down the roles in your **current** organizational chart.)

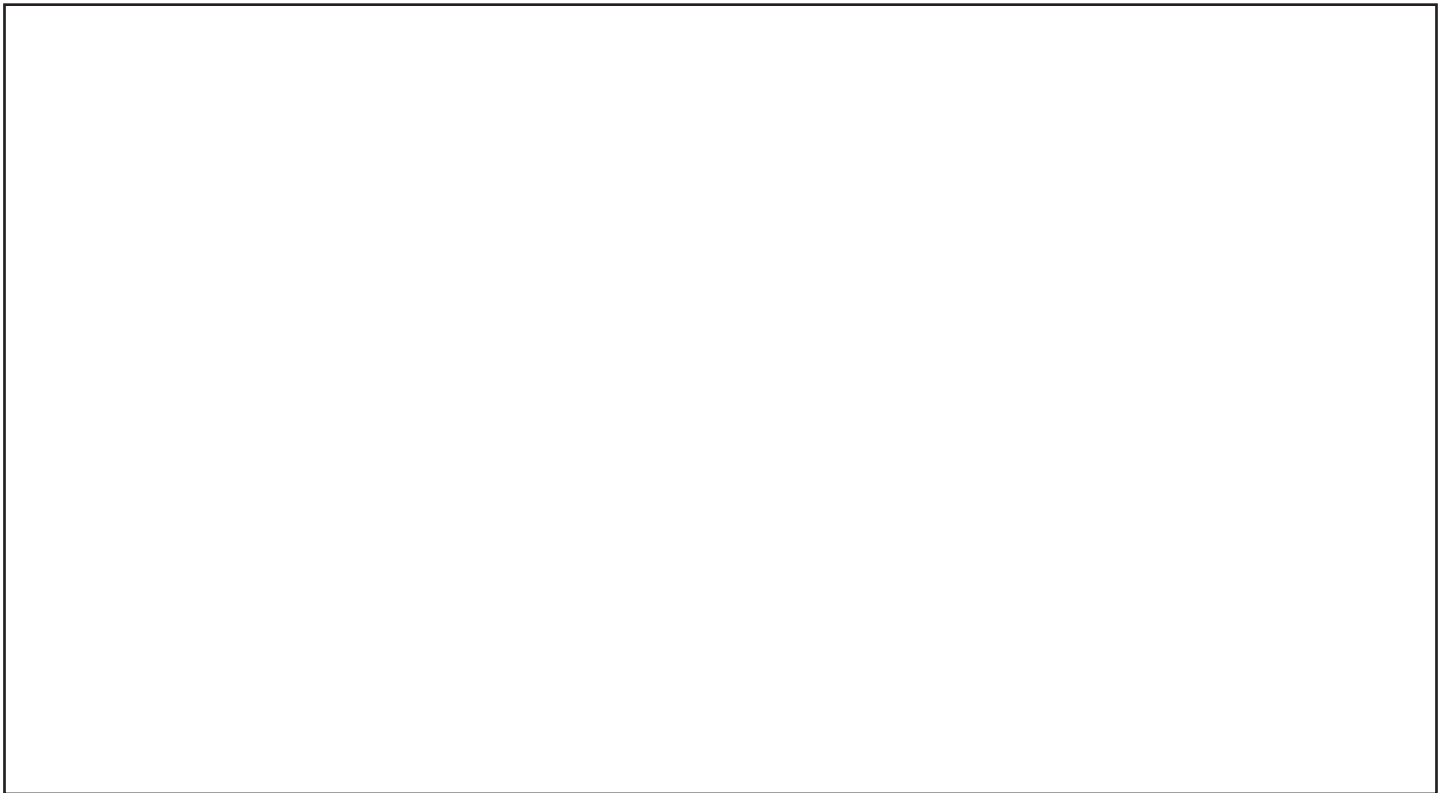
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My Organizational Model

MY BUSINESS PLAN - FUTURE ORGANIZATION

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