

What's The Dealio?

- **Why Introduce Myself This Way?**

- Stole it: James Kane
- NOCO RE Summit – national speakers
- REALTORS working together to serve our clients in a collectively professional manner
- Creates Instant Affinity (or repulsion)
- First Step in creating an *emotion* of LOYALTY

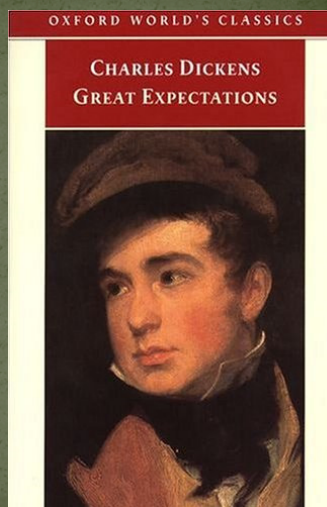


www.jameskane.com

Great Expectations

- **Let's Agree...**

- Start on time
- Check your tech
- Kindergarten Rules
- Fast paced – so listen quickly w/o distraction
- Take notes – no handouts
- You *will* hear stuff you've heard before
- Participate fully, plan for taking action
- Are you comfortable?





5345 Arapahoe Ave., Suite 7
Boulder, CO 80303
(800) 455-8348 | (303) 245-0258
info@vaned.com

- I. Welcome
- II. Goal Setting
- III. Where Leads Come From
- IV. Specialization
- V. Business Planning
- VI. Specific Elements
- VII. Resources

Appetizer...

Should make you hungry for more

- Dig Deep
- Find a Coach
- Create Accountability Group
- 90% of what you need to know to succeed
- Stop getting ready to “get ready”
- Find out what questions to ask!



READING LIST

Sell With Soul & Prospect With Soul – Jennifer Allen Hagedorn

The ONE Thing – Gary Keller

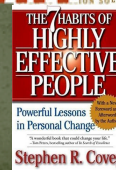
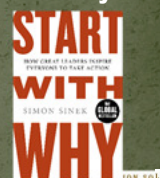
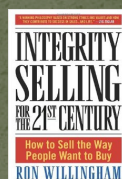
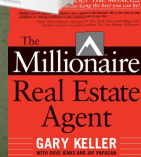
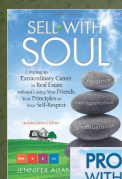
The Millionaire Real Estate Agent – Gary Keller

Integrity Selling in the 21st Century – Ron Willingham

The E Myth Revisited – Michael Gerber

Start With Why – Simon Sinek

The 7 Habits of Highly Effective People – Stephen Covey



The Buddy System...

- Look at the people around you – this is your GRI tribe!
- Only 20% make it beyond the first couple of years!
- What can you do to beat the odds?



The Buddy System...

Name:
 Email:
 Mobile:
 Date Licensed:
 Birth Month/Day:
 Brokerage:
 Hometown:
 High School Mascot:
 Favorite Hot Drink:
 Favorite Adult Beverage:

What do you want most out of this class?:



STAND UP!

Introduce your buddy...

- Share the info you gathered
- This will be the person you do small group work with today



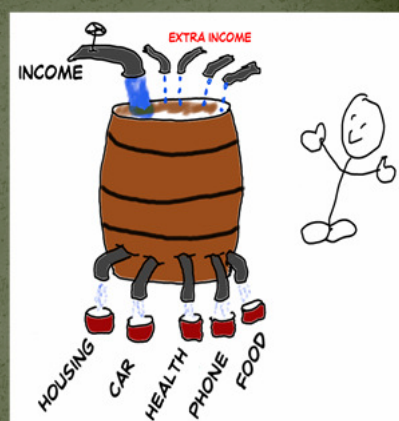
Hi, I'm Buddy!
 What's your favorite color?

Elements of a Business Plan



SMART GOALS!

Specific
Measurable
Actionable
Reviewable
Timely



GOALS: The FIVE W'S

What
Who
Where
When
Why
How

What do you want?
Who can help? Who do I know?
Who am I selling to?
Where will I focus? (ESA)
Where will I work?
When will I work?
When will my goal(s) be met?
Why is this goal important?
Why am I doing this?
How will I achieve this?

ELEMENTS OF A FORMAL BUSINESS PLAN OR PROSPECTUS....



Plan Sections



- Table of Contents *blah*
- Executive Summary *blah*
- Business Description & Vision *blah*
- Mission Statement
- Vision Statement

Financial Management Balance Sheet

$$\text{Assets} - \text{Liabilities} = \text{Net Worth}$$

A balance sheet measures the business's value and is a snapshot in time of the business. A usable Excel version is available on [<https://www.sba.gov>]. Assets and liabilities specific to real estate can be added.

A CPA or accountant should be consulted in order to set this up according to GAAP (Generally Accepted Accounting Principles).

Financial Management Income Statement (aka P&L)

$$\text{Revenue} - \text{Expenses} = \text{Profit (loss)}$$

An income statement is also known as a profit and loss statement or income/expense statement. The income statement measures how a business has performed over a specific period. A useable Excel version is available on [www.SBA.gov]. Revenue and expenses specific to real estate can be added. A CPA or accountant should be consulted in order to set this up according to GAAP- Generally Accepted Accounting Principle

Financial Management Cash Flow Statement

$$\text{Cash On Hand} + \text{Incoming Cash} - \text{Expenses}$$

A cash flow statement is a monthly statement of cash on hand, incoming cash, and expenses. A useable Excel version is available on [www.SBA.gov]. Income and expenses specific to real estate can be added. A CPA or accountant should be consulted in order to set this up according to GAAP (Generally Accepted Accounting Principles).

Start-up Costs

A business plan for a new business should also document projected income and expenses one year out by including:

- Projected balance sheet (1 year forward)
- Projected income statement (1 year forward)
- Projected cash flow (1 year forward)

Also Include:

- Break Even Analysis
- Assumptions
- Return on Investment (ROI)

Appendix

Examples of items to include in the Appendix are:

- Brochures Resumes of key employees
- A list of business equipment
- Copies of press articles and advertisements
- Pictures of the business location
- Information or data supporting growth of the industry or industry segment
- Key business agreements such as leases, contracts, agreement with broker, etc.
- Check out samples here: : <http://www.realtor.org>
<https://www.sba.gov>
<http://www.Createaplan.com>
<http://www.BPlans.com>

MAP TO SUCCESS

Do You Know Where You're Going To?

- How much do you need?
- What are your fixed and variable expenses?
- What is your “BIG WHY”?
- What is the goal for your income?
- Do you have the proper helpers in place?
- Can you really ‘manage’ time?



MAP TO SUCCESS

FTC ANTITRUST DISCLAIMER:

Any discussion of commission in this course is used for hypothetical scenarios for teaching purposes only. It is widely understood and acknowledged that real estate commissions are completely negotiable and there is no such thing as a ‘standard real estate commission’. The examples used in this course neither promote nor condone the idea of ‘customary regional practice’ or a ‘standard commission’ or collusion by multiple brokers to create the same.

MAP TO SUCCESS

The Money Formula!



- Pay yourself first
- Pay the IRS next*
- Know your profit margin
- Know your success rate

Here's why so many people think real estate is easy money:

REALTOR Dues:	\$600
MLS Dues:	\$612 - \$1200
License (1yr):	\$55 (\$165/3 years)
E & O Insurance:	\$289 (state minimum)

Total: \$1,556

\$350,000 sale @ .03% = \$10,500

That's a profit of \$9,944 right?

But wait, there's more...

1% Concession (33%):	\$3,500
Split (70/30):	\$2,100
Franchise Fee (5%):	\$ 350
3 mos. Open House:	\$ 360
Showed 25 homes:	\$ 470 (ex. car pmt)
3 mos. Mktg. Costs:	\$ 500
GCI:	\$10,500
Total:	\$7,280
Annual Expenses:	<u>\$1,556</u> (previous slide)
Profit:	\$1,664

Blank Sheet Business Plan:

I want to take home \$

Avg. Sales Price = \$

Avg. Comm % =

Avg. GCI = \$

Avg. Franchise Fee:

Avg. Split: ?% =

Net income/transaction = \$

Take Home Pay = \$

Divided by Net/transaction:

of transactions needed:



Blank Sheet Business Plan:

I want to take home \$100,000

Avg. Sales Price = \$350,000

Avg. Comm % = .03

Avg. GCI = \$10,500

Avg. Franchise Fee (5%): \$525

Avg. Split: 70% = \$3,150

Net per transaction = \$6,825

Take Home Pay = \$100,000

**Divided by Net Income (\$6,825)
= transactions needed: 14.65**

NOW, IT'S YOUR TURN!



MODULE 1: MAP TO SUCCESS

**Who can tell me the dollar
figure of their minimum
annual cost to be in
business?**

(round to the nearest grand)



Fixed Expenses vs. Variable Expenses

Fixed:

Desk/Office Fee
 Web site
 Personal Mktg.
 Phone/Text/Email
 Car Payment
 Newspaper Ads
 MLS Dues
 REALTOR Dues
 E&O Insurance
 Car Insurance
 Health Insurance
 Licensing

Variable:

Just Listed Cards
 Just Sold Cards
 Listing Mktg.
 Closing Gifts
 Vehicle Fuel
 Print Ads
 Deal Savers
 Commission Splits
 Staging
 Photography
 Brochures
 Home Warranty

Sample Worksheet

Scenario: 1st Year Agent
12 closings (6 SS – 6 LS)
Avg. Sale Price \$350,000
Avg. Rate per side 3%
70/30 Split to \$20k Cap
5% Franchise Fee

Sample Worksheet

Scenario: 1st Year Agent

Sales Volume: \$4,200,000

Gross Commission: \$126,000

Franchise Fees: \$6,300

Company Cap: \$20,000

Gross to Agent: \$99,700

Subtract total fixed expenses and variable expenses from Gross to Agent being sure to include the 'soft costs' of time, materials for work done that didn't result in a closing. This is your *Net-to-Agent*...

Sample Worksheet

Scenario: Gross to Agent: \$99,700

Fixed:

Desk/Office Fee	\$2,400
Web site w/IDX	\$ 750
Health Insurance	\$6,000
Personal Mktg.	\$ 500
Phone/Text/Data	\$1,000
Car Payment	\$5,400
General Advertising	\$2,400
MLS Dues	\$ 612
REALTOR Dues	\$ 600
E&O Insurance*	\$ 600
Car Insurance	\$1,080
Licensing	\$ 144
Total:	\$21,486

Sample Worksheet

Scenario: Gross to Agent: \$99,700

Variable (based on 10 listings, 10 buyers:

Just Listed Cards (\$60/listing)	\$ 600
Just Sold Cards (\$60/closing)	\$ 720
Listing Mktg. (\$50/listing)	\$ 500
Closing Gifts (\$100/closing)	\$1,200
Vehicle Fuel (13k @2.25/gallon)	\$1,083
Print Ads (\$100/listing)	\$1,000
Deal Savers (1/3 of closings)	\$3,000
Staging (@ \$150/ea)	\$1,500
Photography (@ \$90/listing)	\$ 900
Brochures (@ \$45/listing)	\$ 450
Open Houses/Showings (380 hrs)	\$5,700
Total:	\$16,653

Sample Worksheet

Scenario: Gross to Agent: \$99,700

Total Fixed Expenses: (\$21,486)

Total Variable Expenses: (\$16,653)

Net Profit Before Taxes: \$61,561 *

Profit Per Closing: \$5,130

**Take your total fixed expenses for the year
divided by number of transactions=
\$1,790/closing**

**Total up variable expenses based on number of
clients not *closings* = \$833/client**

***30% of \$61,561 is \$18,468 = \$43,093 or \$3,591 profit/closing**

How Do I Know What's Realistic?

**Total number of closed transactions in
the market?**

**Total number of licensees in the market?
Average Transactions per licensee?**

Now apply Pareto's Principle...

Now apply your action plan...

DO IT!

pretty please?

Strategies to Improve Profit:

- 1. More closings**
- 2. Higher price points**
- 3. Better fee negotiator**
- 4. Focused, Measurable, Meaningful & Consistent Marketing**
- 5. Use low cost and no-cost REALTOR & Company resources to your benefit**
- 6. Talk to your CPA about creating an LLC.**
- 7. Track Transaction Sources**



MAP TO SUCCESS

The List/Sell Formula!

- Listings tend to have higher margins than Buyers**
- You can only work a small # of buyers at any one time**



MAP TO SUCCESS

The List/Sell Formula!

Listings:

- How many contacts to get appt?
- How many appts to get listing?
- How many listings to close 1?
- How many contacts per week do you need to make?

Buyers:

- How many contacts to get buyer?
- How many showings to write contract?
- How many contracts to close 1?



MAP TO SUCCESS

The List/Sell Formula!

Seasonality:

- From May to August?
- From Sept. to Dec.?
- From Jan. to April?

Extra Curricular Activity:

- School Year obligations?
- Summer Break obligations?
- Spousal/Familial Needs?
- Vacations?



List/Sell Formula:

Number of Transactions

How many are listings?

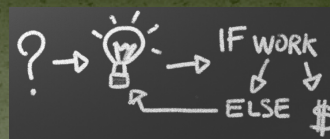
How many are buyers?

Now plug in the estimates for getting a listing...

Now plug in the estimates for getting a buyer...

Consider Seasonality!

Now you know what you need to accomplish each week!!



Halo Effect

The halo effect occurs when one trait influences the perception of the whole. It focuses on a positive trait that makes the entirety seem better.



Risks

- Disclosure of confidential material
- Inflexible adherence to plan
- Inaccurate or misrepresented data
- Analysis paralysis!



SWOT Analysis

Strengths	Weaknesses
Opportunities	Threats

- Strengths and Weaknesses are generally internal to your organization.
-
- Opportunities and Threats often relate to external factors.

Maintenance

Real estate licensees should practice two very important “maintenance” activities throughout the process of working towards goals:

1. Goal Reminder

2. MONITOR



Managing Competing Priorities With Finite Resources



bit.ly/iqoiuLB

Managing Competing Priorities With Finite Resources



bit.ly/1qoiuLB

#TSIR

This Struggle is REAL!!

What's Your Top 10 List of the
biggest challenges you face
on a daily basis?

bit.ly/1qoiuLB

What are Our Major Organizational Challenges?

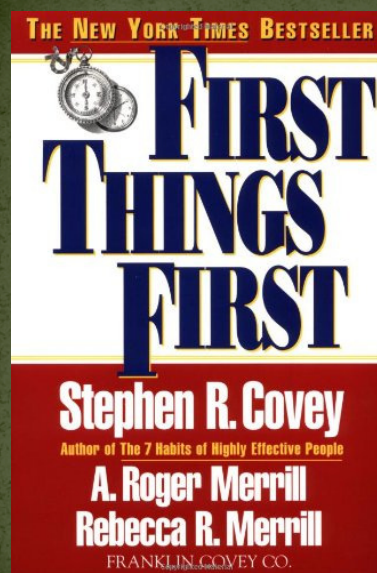
- Keeping Track of Appointments
- Keeping Track of To Do Lists
- Keeping Track of Phone Calls
- Remembering to follow-up at regular intervals and keeping records of what was discussed
- Remembering Birthdays, Anniversaries, Managing Broker Day, Administrative Assistant's Day, etc.
- Keeping Track of When Our Membership Meetings Are
- Mileage on our vehicles
- Reminder of Contract Dates & Deadlines
- Reminder to Call Your Mother
- Scheduling "Honey-Do" Items
- Inviting People to a Meeting
- Tracking Down the Post-It that has the million-dollar-cash-buyer's phone number on it.
- Remembering the email address that started out ejl-something@something.net
- Having a record of how long it actually takes to complete a task!
- Keeping track of receipts

So What's The Answer?

Stay Curious
Stay Out of Judgment
Be Purposeful
Take Action

MYTHBUSTERS

- ⌚ The Myths of Time Management
 - ⌚ MYTH: You can actually "manage" time.
 - ⌚ MYTH: "Getting Organized" is something you can do over a weekend.
 - ⌚ MYTH: Someday you will get "Everything Done"



Manage Yourself	Habit 1 Be Proactive [®] The Habit of choice	• See alternatives, not roadblocks • Focus on what you can influence • I am free to choose and am responsible for my choices
	Habit 2 Begin with the End in Mind [®] The Habit of Vision	• Mental creation precedes physical creation • Define practical outcomes
	Habit 3 Put First Things First [®] The Habit of Integrity and Execution	• Focus on the important, not just the urgent • Effectiveness requires the integrity to act on your priorities • Plan weekly, act daily
Lead Others	Habit 4 Think Win/Win [®] The Habit of Mutual Benefit	• Effective long-term relationships require mutual respect and mutual benefit • Build trust with co-workers
	Habit 5 Seek First to Understand, then to be Understood [®] The Habit of Mutual Understanding	• To communicate effectively, we must first understand each other • Practice empathic listening • Give honest, accurate feedback
	Habit 6 Synergize [®] The Habit of Creative Cooperation	• The whole is greater than the sum of its parts • Synergize to arrive at new and better alternatives
Unleash Potential	Habit 7 Sharpen the Saw [®] The Habit of Renewal	• To maintain and increase effectiveness, we must renew ourselves in body, heart, mind and soul

		URGENT	NOT URGENT
IMPORTANT	I		II
	III		IV
NOT IMPORTANT			

3 Habit

Put First Things First



Q1: the stress quadrant

- This is the important and urgent quadrant.
- This is where you find the crises, projects close to their deadlines, urgent problems and so on.
- **The strategy: Do Now!**
- It needs to be done, and it needs to be done fast!

Q2: the value quadrant

- This is important, but not urgent.
- This is where you find education, working on your vision, investing in people and so on.
- **The strategy: Schedule time.**
- It needs to be done, plan time to do it before it gets urgent.

3 Habit

Put First Things First



Q3: the deception quadrant

- It is urgent, but not important.
- This is where you find most interruptions, some meetings, other peoples chores.
- **The strategy: Delegate.**
- It needs to be done fast, but are you the one that needs to do it?

Q4: the regret quadrant

- It neither important nor urgent
- This is where you find pass-times, some phone calls (you know them), the “too much” activities (too much television, too much internet).
- **The strategy: Eliminate**
- And why were you doing this again?

Putting First Things First!

So What Are Your Big Rocks?

Key Projects
Vacations
Planning/Preparation
Prevention/
Empowerment
Relationships/Family
Career
Service/Community
Big Opportunity





What's in Your Quadrant?

Q1: the stress quadrant

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This is Your Bucket...Fill It Wisely

April 10 - 16, 2016							Search Work (Ctrl+E)
	10 Sunday	11 Monday	12 Tuesday	13 Wednesday	14 Thursday	15 Friday	16 Saturday
5 am							
6:00							
7:00							
8:00							
9:00							
10:00							
11:00							
12:00							
1:00							
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3:00							
4:00							
5:00							
6:00							
7:00							
8:00							

Summary



Failing to
plan is
planning
to fail...

I ♥ Real Estate