

MY MILLIONAIRE REAL ESTATE AGENT BUSINESS PLAN

*Think Big • Aim High • Act Bold
Live Large*

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Playing with the Numbers



Think Big
Aim High
Act Bold

This section of your business plan is designed to get you comfortable with the Models. After each model is discussed in detail, you will have an opportunity to play with the numbers.

As you go through each model, focus on your one-year goals. Then, once you are comfortable with the numbers, we will switch to some target practice. Finally, we will put it all together to create your Annual, Three-Year, and Someday Action Plans.

My Economic Model

Economic Model Worksheet

How To

Refer to the Guidelines and Instructions on the next few pages for an explanation of how to complete each step.

Economic Model Worksheet

Time Frame (MM/YY – MM/YY): ___/___ - ___/___

_____ Net Income (before taxes) **Step 1**

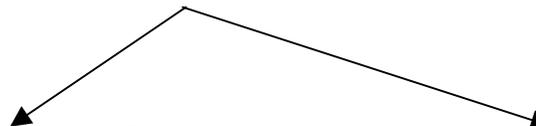
Cost of Sales
(29.2 % of GCI)

+

_____ Operating Expenses **Step 2**
(29.2% of GCI)

=

_____ Gross Closed Income (GCI)



_____ Gross Revenue from Sellers

_____ Gross Revenue from Buyers **Step 3**

÷ 3% Commission _____

÷ 3% Commission _____

= _____ Seller Sold Volume

= _____ Buyer Sold Volume **Step 4**

÷ _____ Average Sales Price

÷ _____ Average Sales Price **Step 5**

= _____ Sellers Sold

= _____ Buyers Sold **Step 6**

÷ 65% % Conversion Rate _____

÷ 80% % Conversion Rate _____

= _____ Seller Listings Taken

= _____ Buyer Listings Taken **Step 7**

÷ 80% % Conversion Rate _____

÷ 65% % Conversion Rate _____

= _____ Seller Listing Appointments

= _____ Buyer Listing Appointments **Step 8**



My Economic Model

Guidelines

Key Points

1. This first pass through completing your economic model is meant to get you familiar with using the model. Unless you truly know your percentages for Cost of Sales (COS), Operating Expenses, and Conversion Rates, you should use the Millionaire Real Estate Agent percentages. When you get to your Annual Action Plan you will have an opportunity to change these percentages.
2. The Millionaire Real Estate Agent percentages are meant to get you in the game and performing at a high level. If your percentages are more or less than these, you will want to identify why.
3. Your actual COS will vary based on your organizational model (whether or not you have buyer or seller specialist(s)) and the costs of being associated with a company and/or network. Generally speaking the COS percentage will range between 15% and 30%. Using 29.2% might seem high, however you should remember that you are trying to build your business beyond your one-year goals. Using this percentage positions you on the path to maximize your long-term potential. If your COS is actually lower than this, that just means you have more money going to your bottom line.
4. When you get to the Budget Model you will have an opportunity to calculate your actual COS and Operating Expenses.



My Economic Model

Instructions

Step 1

Identify your annual Net Income goal.

Directions:

1. Figure out how much income you would like to net (pre-tax) over the next 12 months.
2. Enter this number on the *Economic Model Worksheet* (previous page).

Step 2

Determine what your Gross Closed Income (GCI), Cost of Sales (COS), and Operating Expenses must be in order to meet your Net Income goal.

Directions:

1. Either use the formula on the next page or refer to the *GCI to Net Income Quick Chart* on page 7.

NOTE: Regardless of your current expenses and COS, we recommend that you use the percentages set forth in this exercise. Later in this plan, you will perform a gap analysis between your current expenses and COS and the Millionaire Real Estate Agent benchmarks.

(continued on the next page)



My Economic Model

Instructions (continued)

Net Income to GCI Quick Chart

Net Income	COS (29.2%)	EXP (29.2%)	GCI	Net Income	COS (29.2%)	EXP (29.2%)	GCI
30,000	21,058	21,058	72,115	500,000	350,962	350,962	1,201,923
35,000	24,567	24,567	84,135	550,000	386,058	386,058	1,322,115
40,000	28,077	28,077	96,154	600,000	421,154	421,154	1,442,308
50,000	35,096	35,096	120,192	650,000	456,250	456,250	1,562,500
60,000	42,115	42,115	144,231	700,000	491,346	491,346	1,682,692
70,000	49,135	49,135	168,269	750,000	526,442	526,442	1,802,885
80,000	56,154	56,154	192,308	800,000	561,538	561,538	1,923,077
90,000	63,173	63,173	216,346	850,000	596,635	596,635	2,043,269
100,000	70,192	70,192	240,385	900,000	631,731	631,731	2,163,462
125,000	87,740	87,740	300,481	950,000	666,827	666,827	2,283,654
150,000	105,288	105,288	360,577	1,000,000	700,000	700,000	2,400,000
175,000	122,837	122,837	420,673	1,100,000	772,115	772,115	2,644,231
200,000	140,385	140,385	480,769	1,200,000	842,308	842,308	2,884,615
250,000	175,481	175,481	600,962	1,300,000	912,500	912,500	3,125,000
300,000	210,577	210,577	721,154	1,400,000	982,692	982,692	3,365,385
350,000	245,673	245,673	841,346	1,500,000	1,052,885	1,052,885	3,605,769
400,000	280,769	280,769	961,538	2,000,000	1,403,846	1,403,846	4,807,692
450,000	315,865	315,865	1,081,731	2,500,000	1,754,808	1,754,808	6,009,615

(continued on the next page)



My Economic Model

Instructions (continued)

Step 3

Determine your goal for Gross Revenue from Buyers and Gross Revenue from Sellers.

Directions:

1. Take the Total Gross Revenue that you identified in Step 2 and divide it by 2. If you focus on listing sellers and marketing those sellers appropriately, half of your revenue will come from sellers and half will come from buyers.

Remember: to assure your highest possible income focus on listings then plan to close one buyer for each closed listing. Your listings attract your buyers.

Gross Revenue from Sellers		Gross Revenue from Buyers	
_____	Total Gross Revenue	_____	Total Gross Revenue
÷ 2		÷ 2	
= _____	Gross Revenue from Sellers	= _____	Gross Revenue from Buyers

2. Enter these numbers on the *Economic Model Worksheet*.

Step 4

Determine how much Seller Sold Volume and Buyer Sold Volume you will need in order to meet your Gross Revenue goals.

Directions:

1. Take the Gross Revenue from Sellers (determined in step 3) and divide it by your average commission rate. This equals your Seller Sold Volume.
2. Take the Gross Revenue from Buyers (determined in step 3) and divide it by your average commission rate. This equals your Buyer Sold Volume.

Seller Sold Volume		Buyer Sold Volume	
_____	Gross Revenue from Sellers	_____	Gross Revenue from Buyers
÷ .03	Average Commission Rate	÷ .03	Average Commission Rate
= _____	Seller Sold Volume	= _____	Buyer Sold Volume

3. Enter these numbers on the *Economic Model Worksheet*.

(continued on the next page)



My Economic Model

Instructions (continued)

Step 5

Determine your Average Sales Price.

Directions:

1. Estimate your average sales price. This may be based on the local market average or your specific targeted market area average.
2. Enter this number on the *Economic Model Worksheet*.

Step 6

Determine how many seller listings sold and buyer listings sold you will need in order to meet your volume goals.

Directions:

1. Take your Seller Sold Volume (determined in Step 4) and divide it by your average sales price (identified in Step 5). This equals your Seller Listings Sold.
2. Take your Buyer Sold Volume (determined in Step 4) and divide it by your average sales price (identified in Step 5). This equals your Buyer Listings Sold.

Seller Listings Sold	Buyer Listings Sold
$\frac{\text{_____ Seller Sold Volume}}{\text{_____ Average Sales Price}} = \text{_____ Seller Listings Sold}$	$\frac{\text{_____ Buyer Sold Volume}}{\text{_____ Average Sales Price}} = \text{_____ Buyer Listings Sold}$

3. Enter these numbers on the *Economic Model Worksheet*.

(continued on the next page)



My Economic Model

Instructions (continued)

Step 7

Determine how many seller and buyer listings you must take in order to meet your listings sold goals.

Directions:

1. Take your Seller Listings Sold (determined in Step 6) and divide it by the 65% Millionaire Real Estate Agent conversion rate. This equals the number of seller listings you must take. If you know your own conversion rate from seller listings taken to seller listings sold, you may use this number instead.
2. Take your Buyer Listings Sold (determined in Step 6) and divide it by the 80% Millionaire Real Estate Agent conversion rate. This equals the number of buyer listings you must take. If you know your own conversion rate from buyer listings taken to buyer listings sold, you may use this number instead.

Seller Listings Taken		Buyer Listings Taken	
_____	Seller Listings Sold	_____	Buyer Listings Sold
÷ 65%	Conversion Rate	÷ 80%	Conversion Rate
= _____	Seller Listings Taken	= _____	Buyer Listings Taken

3. Enter these numbers on the *Economic Model Worksheet*.

(continued on the next page)



My Economic Model

Instructions (continued)

Step 8

Determine how many seller and buyer listing appointments you must have in order to meet your listings sold goals.

Directions:

1. Take your Seller Listings Taken (determined in Step 7) and divide it by the 80% Millionaire Real Estate Agent conversion rate. This equals the number of seller listing appointments you must get. If you know your own conversion rate from seller listing appointments to seller listings taken, you may use this number instead.
2. Take your Buyer Listings Taken (determined in Step 7) and divide it by the 65% Millionaire Real Estate Agent conversion rate. This equals the number of buyer listing appointments you must get. If you know your own conversion rate from buyer listing appointments to buyer listings taken, you may use this number instead.

Seller Listing Appointments	Buyer Listing Appointments
$\frac{\text{Seller Listings Taken}}{80\% \text{ Conversion Rate}} = \text{Seller Listing Appointments}$	$\frac{\text{Buyer Listings Taken}}{65\% \text{ Conversion Rate}} = \text{Buyer Listing Appointments}$

3. Enter these numbers on the *Economic Model Worksheet*.

Step 9

Determine your monthly seller and buyer listing appointment goals.

Directions:

1. Take your Annual Seller Listing Appointments (determined in step 8 and divide by 12. Do the same for Buyer Listing Appointments).

Monthly Seller Listing Appointments	Monthly Buyer Listing Appointments
$\frac{\text{Annual Seller Appointments}}{12} = \text{Monthly Seller Appointments needed}$	$\frac{\text{Annual Buyer Appointments}}{12} = \text{Monthly Buyer Appointments needed}$

So, your real short-term action-focused goal is to consistently achieve this number of seller and buyer appointments each and every month. Now, you know what your lead-generation program must do. It must provide enough leads for you to have this many appointments.



My Lead-Generation Model

Instructions

Step 1

Determine your annual lead-generation goal.

Directions:

- Under step 9 of *My Economic Model*, you identified your monthly appointment goals. In the end, your lead-generation program must generate this number of appointments and you must achieve your projected conversion rates. That having been said, the most direct way to determine the nature and amount of lead-generation activity you will do is to calculate it from the number of closed sales that you desire to achieve. Look back at your Economic Model. Under Step 6, you identified your goals for buyer listings sold and seller listings sold. These two numbers combined equal your annual lead-generation goal.

My Lead-Generation Goal

_____ Sellers Sold, which in turn leads to _____ Buyers Sold for a total of _____ Closed Sales.

Step 2

Determine how many names you will need in your contact database.

Remember Your Ratios:

To People You've Met	To People You Haven't Met
<p>8 x 8</p> <p>↓</p> <p>33 Touch</p> <p>↓</p> <p>12:2 Ratio*</p>	<p>12 Direct</p> <p>↓</p> <p>50:1 Ratio**</p>

*Appears on page 187 of *The Millionaire Real Estate Agent**

* The 33 Touch program should result in repeat and referral business at a rate of one referral and one repeat for every twelve people in the program.

** Your 12 Direct program should generate one piece of new business for every fifty people in the program.

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 2 (continued)

Determine how many names you will need in your contact database (continued).

Based on the ratios on the previous page, you have three options for meeting your Closed Sales goals:

1. Option 1: Meet your Closed Sales goal through contact only with people in your Met database (i.e., 8 x 8 followed by 33 Touch).
2. Option 2: Meet your Closed Sales goal through contact only with people in your Haven't Met database (i.e., 12 Direct).
3. Option 3: Meet your Closed Sales goal through contact with a combination of people from your Met and Haven't Met database. This combined option is the one that is most recommended.

Directions:

1. Determine the number of contacts you will need using all three options. Refer to the examples on the next page for assistance).

Option 1: Using Met database only.

You can expect, over time and consistent contact, 2 sales for every 12 names in your database. Based on that ratio, use the following formula to determine the number of contacts you will need:

$$\text{Closed Sales Goal} \quad \underline{\quad} \times 12/2 = \underline{\quad} \text{ Contacts in your Met Database}$$

Option 2: Using your Haven't Met database only.

You can expect, over time and consistent contact, 1 sale for every 50 names in your database. Based on this ratio, use the following formula to determine the number of contacts you will need:

$$\text{Closed Sales Goal} \quad \underline{\quad} \times 50 = \underline{\quad} \text{ Contacts in your Met Database}$$

Option 3: Using a combination of Met and Haven't Met.

Determine what percentage of your closed sales you would like to come through contact with your Met database and what percentage you would like to come through contact with your Haven't Met database. For example, if you already have a lot of names in your Met database, you may choose to go after 80% of your closed sales through contact with this group.

$$\text{Closed Sales Goal} \quad \underline{\quad} \times \underline{\quad} \% \text{ from Met database} = \underline{\quad} \text{ Sales from Met database}$$

$$\text{Closed Sales Goal} \quad \underline{\quad} - \underline{\quad} \text{ Sales from Met database} = \underline{\quad} \text{ Sales from Haven't Met database}$$

$$\underline{\quad} \text{ Sales from Met database} \times 12/2 = \underline{\quad} \text{ Contacts in your Met Database}$$

$$\underline{\quad} \text{ Sales from Haven't Met database} \times 50 = \underline{\quad} \text{ Contacts in your Haven't Met Database}$$

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 2 (continued)

Determine how many names you will need in your contact database (continued).

Examples

If your goal was to net \$100,000 and you need 38.5 Closed Sales in order to meet that goal, here is what your 3 options would like:

Option 1: You will need 231 contacts in your Met Database ($38.5 \times 12/2 = 231$)

Option 2: You will need 1925 contacts in your Haven't Met Database ($38.5 \times 50 = 1925$)

Option 3: You have decided to focus on getting 60% of your closed sales from your Met database and 40% from your Haven't Met database. Therefore, you need 138.6 contacts in your Met database and 770 in your Haven't Met database.

$$38.5 \text{ (Closed Sales Goal)} \times 60\% \text{ from Met database} = 23.1 \text{ Sales from Met database.}$$

$$38.5 - 23.1 = 15.4 \text{ Sales from Haven't Met database}$$

$$23.1 \text{ (sales from Met database)} \times 12/2 = 138.6 \text{ Contacts in your Met Database}$$

$$15.4 \text{ (sales from Haven't Met database)} \times 50 = 770 \text{ Contacts in your Haven't Met Database}$$

(continued on the next page)

My Lead-Generation Model

Instructions (continued)

Step 2 (continued)

Determine how many names you will need in your contact database (continued).

Directions:

- Record your numbers from the previous page in the table below:

Understanding My Options			
	MET	+	HAVEN'T MET
Option 1	_____ in database	+	0 in database
Option 2	0 in database	+	_____ in database
Option 3	_____ in database	+	_____ in database
GOAL: _____ Closed Sales this Year			

- From your list of options above, select which option you will focus on for the next 12 months and record in the table below:

Choosing My Option		
Option #	MET	HAVEN'T MET
	_____ in database	_____ in database
GOAL: _____ Closed Sales this Year		

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 3

Determine how many names you need to add to your database on a monthly basis.

Directions:

1. Record the following information in the table below to determine how many names you need to add to your database in order to meet your goals:
 - a. Current Numbers: How many names you currently have in your Met and Haven't Met databases.
 - b. Goal Numbers: The numbers you recorded in Step 2 based on the Option you have chosen to pursue.
 - c. People I need to add: The difference between your Current Numbers and your Goal Numbers. This is how many names you need to add over the next year to meet your goal.

Gap Analysis		
	MET	HAVEN'T MET
Goal Numbers		
- Current Numbers		
= People I need to add*		

* This is the minimum number of people you will need to add to your database in order to meet your goals and assumes you are converting appointments to listings taken and listings taken to listings sold at the Millionaire Real Estate Agent conversion rates. When you create your Annual Action Plan, you may want to think about increasing this number.

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 3 (continued)

Determine how many names you need to add to your database on a monthly basis (continued).

2. Determine how many names you need to add monthly. You have two options:
 1. You can either take the number of contacts you need to add and divide by 12 (focusing on adding the same number of names each month), or
 2. You can focus on adding more names in the beginning of the year, thus insuring that they will receive the number of touches needed to generate sales. **Remember, your conversion ratios are based on consistent contact over time. Therefore, names added toward the end of the year may not receive enough touches to contribute toward your closed sales goal.**

	Monthly Goals	
	MET	HAVEN'T MET
Month 1:		
Month 2:		
Month 3:		
Month 4:		
Month 5:		
Month 6:		
Month 7:		
Month 8:		
Month 9:		
Month 10:		
Month 11:		
Month 12:		

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 4

Determine your methods for obtaining contacts.

Directions:

1. What methods could you use to add people to your Met database?

2. Where could you obtain lists of names and addresses to put in your Haven't Met database?

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 6

Methods for Marketing and Prospecting to the General Public.

Directions:

1. Circle all of the Marketing and Prospecting methods that you are currently using in your business.

Prospecting (Proactive and Direct)	Marketing (Proactive and Indirect)
<ol style="list-style-type: none"> 1. Telemarketing <ul style="list-style-type: none"> ■ FSBO (For Sale by Owner) ■ Expireds ■ Just Solds ■ Just Listeds ■ Past Clients ■ Allied Resources ■ Geographic Farm Area ■ Apartments ■ Corporations ■ Builders ■ Banks ■ Third-Party Companies 2. Face-to-Face <ul style="list-style-type: none"> ■ Allied Resources (Meals) ■ Door-to-Door Canvassing ■ Open Houses ■ Client Parties ■ Networking Events ■ Allied Resources ■ Social Functions and Community Events ■ Seminars ■ Booths at Events ■ Teaching and Speaking Opportunities 	<ol style="list-style-type: none"> 1. Advertising <ul style="list-style-type: none"> ■ Newspapers ■ Personal Vehicles ■ Radio ■ Magazines ■ Bus Stop Benches ■ Billboards ■ Yellow Pages ■ Television ■ Grocery Carts ■ Moving Vans 2. Promotional Items (Magnets, Calendars, etc.) 3. Internet Websites 4. Direct Mail <ul style="list-style-type: none"> ■ Postcard Campaigns ■ Newsletter Campaigns ■ Just Sold/Just Listed Cards ■ Special Events Cards ■ Quarterly Market Updates 5. IVR and Computer Retrieval programs 6. Broadcast <ul style="list-style-type: none"> ■ Voice ■ E-mail ■ Fax 7. Signs/Directional Signs/Brochure Boxes 8. Name Badges/Logo Shirts/Car Signs 9. News Releases/Advice Columns <ul style="list-style-type: none"> ■ Geographic ■ Demographic 10. Sponsorship <ul style="list-style-type: none"> ■ Little League ■ Charities ■ Community Events

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 6 (continued)

Methods for Marketing and Prospecting to the General Public (continued).

Directions:

- List 3-4 creative ways that you could expand your current Marketing and Prospecting activities. List the actions you will need to take to make this happen. For example, maybe you are currently telemarketing to FSBO's and you are going to expand that to begin telemarketing to Expireds as well. You have decided that you will need a telemarketing script specific to dealing with Expireds. Your action step will be to contact your peers and ask for the appropriate scripts.

I will expand my current Marketing and Prospecting by...	I will need to take the following actions to make this happen...

- List 3-4 completely new Marketing and Prospecting activities that you will add over the next 3 months.

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 7

Design your 8 x 8 program to suit your style, time and budget.

The 8 x 8 is a high impact, high saturation technique that puts you in the Number One position in the minds of everyone in your contact database within an eight-week period. For the best results, agents are encouraged to use the 8 x 8 to “jump start” their 33 Touches and to come up with different versions of the 8 x 8 (such as a FSBO version). Follow these steps to implement:

Directions:

1. Set aside a specific time for the next eight weeks to make contact with all of the prospects, customers, and past customers in your contact database.

Week 1	Drop off a letter of introduction, your personal brochure, a market report, and your business card.
Week 2	Send a recipe card, inspirational card, community calendar, <u>or</u> market statistics.
Week 3	Send a recipe card, inspirational card, community calendar, <u>or</u> market statistics.
Week 4	Make a telephone call: “Hello, this is _____ from Keller Williams Realty. Did I catch you at a bad time? How are you? Did you happen to receive the _____? Have you had a chance to look at it? The reason I’m calling is to find out if you happen to know of anyone who might be buying or selling their home...”
Week 5	Send one of your free reports.
Week 6	Send a real estate investment or house maintenance tip.
Week 7	Send a refrigerator magnet, notepad, or other usable giveaway (not throwaway!) with your name, logo, and contact information on it.
Week 8	Make another telephone call: “Hello, this is _____ from Keller Williams Realty. Did I catch you at a bad time? How are you? Did you happen to receive the _____ that I sent you? That’s great. Did you have any questions? As you can tell, I really hope you will allow me to be your Realtor for life. And also, let me just give you a quick reminder that if you happen know of anyone who might be buying or selling their home, could you please share their name with me or my name with them...”

Every single touch should have a quick reminder and instructions on how to give you referral business.

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 7 (continued)

Design your 8 x 8 program to suit your style, time and budget (continued).

2. Mark the dates in which you plan to do your mail-outs and telephone calls on either a large calendar or in your contact management software.
3. Modify the 8 x 8 to work for you. The point is for you to be systematic as you make contact for the next eight weeks so that you quickly become Number One in the minds of everyone in your contact database. It is better for you to modify this technique so that it works for you, rather than not doing it at all or doing it haphazardly. Here are some ideas:
 - Instead of 6 mail-outs and 2 telephone calls, do 4 mail-outs and 4 telephone calls.
 - Instead of doing 8 weeks, do 12 weeks.

Week #	I will make contact by:	I will include this creative and quick reminder <u>and</u> instructions* on how to give me referral business:
1		
2		
3		
4		
5		
6		
7		
8		
Ongoing	Implement your 33 Touches.	

* For example, a sticker on the outside of an envelope, a bold graphic in my newsletter, photographs of people who have referred customers to me in my newsletter, a reminder at the end of a telephone call, etc.

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 7 (continued)

Design your 8 x 8 program to suit your style, time and budget (continued).

4. Now that you have your general 8 x 8 program, develop customized 8 x 8 programs for the various sources. From the list of sources below, put a check next to the ones for which you will develop customized 8 x 8 programs: Use the tables on the next 3 pages to design your customized 8 x 8 programs.
 - FSBO's (remember, FSBO's require more face time)
 - Expired/Withdrawn Listings
 - My Geographic Farm
 - My People Farm(s)
 - My Sphere of Influence
 - People who attend my Open Houses
 - My Allied Resources
 - Relocations
 - Builders
 - My IVR System captures
 - Other: _____

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 7 (continued)

Design your 8 x 8 program to suit your style, time and budget (continued).

Here is my 8 x 8 for _____

Week #	I will make contact by:	I will include this creative and quick reminder <u>and</u> instructions* on how to give me referral business:
1		
2		
3		
4		
5		
6		
7		
8		
Ongoing	Implement your 33 Touches.	

* For example, a sticker on the outside of an envelope, a bold graphic in my newsletter, photographs of people who have referred customers to me in my newsletter, a reminder at the end of a telephone call, etc.

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 7 (continued)

Design your 8 x 8 program to suit your style, time and budget (continued).

Here is my 8 x 8 for _____

Week #	I will make contact by:	I will include this creative and quick reminder <u>and</u> instructions* on how to give me referral business:
1		
2		
3		
4		
5		
6		
7		
8		
Ongoing	Implement your 33 Touches.	

* For example, a sticker on the outside of an envelope, a bold graphic in my newsletter, photographs of people who have referred customers to me in my newsletter, a reminder at the end of a telephone call, etc.

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 7 (continued)

Design your 8 x 8 program to suit your style, time and budget (continued).

Here is my 8 x 8 for _____

Week #	I will make contact by:	I will include this creative and quick reminder <u>and</u> instructions* on how to give me referral business:
1		
2		
3		
4		
5		
6		
7		
8		
Ongoing	Implement your 33 Touches.	

* For example, a sticker on the outside of an envelope, a bold graphic in my newsletter, photographs of people who have referred customers to me in my newsletter, a reminder at the end of a telephone call, etc.

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 8

Design your 33 Touch program to suit your style, time and budget.

33 Touch is a systematic marketing and prospecting technique, which ensures year-round contact with all of the prospects, customers, and past customers in your contact database. Consider using contact management software because this can be a lot of activity to follow up on. Follow these steps to implement:

Directions:

1. Set aside a specific time each day/week to make contact with your prospects. In one year, you will have made contact by:

18	A combination of seventeen e-mails, mailings, letters, cards, or drop-offs (which might include your business card) and may be one of the following: letter of introduction, your personal brochure, market reports, <i>Just Sold/Just Listed</i> cards, holiday cards, your personal newsletter, recipe cards, property alerts, real estate news or articles, community calendars, invitations, service directories, promotional items, etc.
8	<i>Thank You</i> or <i>Thinking of You</i> cards
3	Telephone calls
2	Birthday cards (husband and wife)
1	Mother's Day card
1	Father's Day card
33	Touches Total
➔	Every single touch should have a quick reminder and instructions on how to give you referral business.

2. Start by mailing everyone in your contact database one of your mail-outs. The benefit of making contact by mail is that it makes it easier for you to call everyone and say: "Hello this is _____ from Keller Williams Realty. Did I catch you at a bad time? I sent you a _____, did you have a chance to look at it?"
3. Upon completion of each call, mark the dates in which you plan to do the rest of your mail-outs and telephone calls on either a large calendar or in your contact management software. Remember, you will be making at total of *33 touches* during the next year.

(continued on the next page)

My Lead-Generation Model

Instructions (continued)

Step 8 (continued)

Design your 33 Touch program to suit your style, time and budget (continued).

4. Modify the 33 Touch program to work for you. The point is for you to be systematic as you make regular contact throughout the year. It is better for you to modify this technique so that it works for you, rather than not doing it at all or doing it haphazardly. Here are some ideas:
 - Deliver May baskets, flags, pumpkins, and Christmas cookies as part of your touches.
 - Instead of sending Mother’s and Father’s Day cards, send recipes or market statistics.
 - Instead of a quarterly newsletter, do a monthly newsletter (amounts to 12 mail-outs).

Qty.	Over the course of one year, I will make these touches:	I will include this creative and quick reminder <u>and</u> instructions* on how to give me referral business:
	<i>Total Touches</i>	

* For example, a sticker on the outside of an envelope, a bold graphic in my newsletter, photographs of people who have referred customers to me in my newsletter, a reminder at the end of a telephone call, etc.

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 9

Design your *12 Direct* program to suit your style, time and budget.

12 Direct is a systematized method of working the Haven't Met portion of your database. It stands for twelve direct mail pieces mailed out annually.

Directions:

1. Determine if you are going to plan your annual *12 Direct* program at once or if you will develop your direct mail pieces on a monthly basis.
2. Determine how much of your *12 Direct* program will be outsourced. Perhaps you will design your own direct mail pieces but you will outsource the production and distribution to a qualified vendor. Or, you may choose to outsource the entire process.
3. Block out the appropriate amount of time to work on your *12 Direct* program.

(continued on the next page)



My Lead-Generation Model

Instructions (continued)

Step 10

Determine how much your lead-generation activities will cost.

Directions:

- Under Step 2, #3 you decided how many names you will need in your Met and Haven't Met databases in order to meet your closed sales goal. Record those numbers here:

MET	HAVEN'T MET
_____ Names	_____ Names

- Based on those numbers, record how many closed sales will come from your Met database and how many will come from your Haven't Met database.

MET	HAVEN'T MET
_____ Names $\div 12$ $\times 2$ $=$ _____ Closed Sales	_____ Names $\div 50$ $=$ _____ Closed Sales

- Record your average cost for a touch. If you are not sure, use the Millionaire Real Estate Agent average of \$0.50 per touch. _____
- Determine the cost of your Lead-Generation Program.

MET*	HAVEN'T MET
1. Every 12 people in your Met database marketed to 33 times each year (33 Touch) = 2 sales. (One sale is a referral and one is repeat business.) 2. Restated: 396 touches (12 x 33) = 2 sales. 3. So, 396 touches x _____ (your average cost of a touch) = \$_____ for 2 sales. Divide this number by 2 for your cost per sale: _____. 4. _____ Closed sales from Met database \times _____ Cost per sale $=$ _____ Cost for your 33 Touch program/yr*	1. Every 50 people in your Haven't Met database marketed to 12 times a year (12 Direct) = 1 sale. 2. Restated: 600 touches (50 x 12) = 1 sale. 3. So, 600 touches x _____ (your average cost of a touch) = \$_____. 4. _____ Closed sales from Haven't Met database \times _____ Cost per sale $=$ _____ Cost for your 12 Direct program/yr

* Note: The cost of the 8 x 8 program is not included.

Total Cost: _____



My Budget Model

Instructions

Step 1

Record your GCI, COS, and Operating Expenses from your Economic Model.

Directions:

1. Before we begin, record your annual goal numbers for GCI, COS, and Operating Expenses. This will save you from having to flip back and forth between your Budget Model and your Economic Model. You will find these numbers on your *Economic Model Worksheet*.

_____	Gross Closed Income (GCI)
— _____	Cost of Sales (COS)
— _____	Operating Expenses
= _____	Net Income

Definitions

Gross Closed Income (GCI) – based on an assumed 6 percent total commission with 3 percent for each side of the sale. (Although this will vary by agent and by city and is always negotiable, we had to pick a basic commission standard. For simplicity's sake, we have included all additional transaction fees charged buyers and sellers in the commission rate. It was the inclusion of these fees that brought the commission up to approximately 6 percent.)

Cost of Sales (COS) – related to the amount of money paid to a listing specialist and the commission split paid to a buyer specialist. From our experience, a talented listings specialist will cost you between \$65,000 and \$100,000 (and the conservative, high end is assumed for all calculations.) For the buyer side we assumed a 50/50 split for buyer specialists. Again this is a conservative figure. If your value proposition to your staff is such that you can compensate at a lower rate and still recruit and retain talent, you're in a much better position to net a higher income. Cost of sales can also vary widely based upon such variables as local market conditions, average price, support provided, source of leads, local employment conditions, etc. What must be understood is the implications for your net income when you raise or lower these costs. COS also includes referral fees, fees paid to your company (split, cap, desk fees, etc.) and any additional royalties you pay to be associated with a network.

Operating Expenses – all the other costs of doing business, including marketing, rent, salaries, equipment and supplies, advertising, etc. Our research shows that as your business grows, this can reasonably be held at or below 30 percent of gross revenue (GCI). The impact operating expenses have on your income goes straight to the bottom line. When they rise your net income will fall and when they fall your net income will rise.

Net Income – the amount of profit your sales business earns. Bear in mind that net income is always your primary goal. It is natural to have goals in other areas, but always work backward from your net income. This perspective assures that you never lose your grasp on the interplay between these four economic categories.

(continued on the next page)

My Budget Model

Instructions (continued)

Step 2

Determine your actual COS.

Directions:

1. Do you have one or more Buyer Specialists? If yes, complete questions a and b. If no, proceed to #2.
 - a. What is their combined commission split? _____
 - b. What will the COS for your Buyer Specialist(s) be if you hit your goal for Gross Revenue from Buyers (refer to your *Economic Model Worksheet*)?

$$\frac{\text{_____ Gross Revenue from Buyers} \times \text{_____ \% Commission received by Buyer Specialist(s)}}{\text{_____}} = \text{_____ COS for Buyer Specialist(s)}$$
2. Do you have one or more Listing Specialists? If yes, complete question a. If no, proceed to #3.
 - a. What is their combined salary and bonuses? _____. This is your COS for your Listing Specialist(s).
3. Record all other COS expenses. You can either enter your projections for the next 12 months, or enter last year's numbers as your benchmark.

	Desk Fees*
	Split/Cap
	Royalties/Franchise Service Fees
	Referral Fees
	Other
	Other
	Total

4. Record your total projected COS.

	Buyer Specialist(s)
	Listing Specialist(s)
	All other COS
	Total Projected COS

* If you rent a desk or office from your company, this rent goes in your Operating Expenses. By desk fee we mean those companies in which company dollar is paid as a monthly fee and is often called a desk fee.

(continued on the next page)



My Budget Model

Instructions (continued)

Step 3

Conduct COS Gap Analysis.

Directions:

1. Determine the percentage of GCI for your total projected COS.
_____ Total projected COS ÷ _____ GCI = _____ Percent of GCI.
2. How does this compare to the 29.2% of GCI for the Millionaire Real Estate Agent?
3. Your percent of GCI for COS is determined by your actual COS and by your projected GCI (established under *My Economic Model*). So, if your COS is significantly higher than 29.2%, ask yourself if you need to adjust your annual GCI goal. If you are comfortable with your GCI goal, then your only other choice is to find ways to reduce your COS. Some questions you can ask yourself are:
 - a. Did I bring on a Buyer Specialist too soon?
 - b. Am I paying my Buyer Specialist too high of a commission split?
 - c. Did I bring on a Listing Specialist too soon?
 - d. Am I paying my Listing Specialist too much?
 - e. Am I paying too much in royalties or fees to be associated with my current network?

List 3-4 ways that you can adjust your % of GCI for COS and bring it closer to 29.2%.

(continued on the next page)



My Budget Model

Instructions (continued)

Step 4

Categorize your Operating Expenses.

In this step, you will record your actual expenditures for the previous year. You will then establish your budget for this year by adjusting your previous year expenditures as you see appropriate. Perhaps you are planning to hire an assistant mid-way through the year and you know you will end up paying approximately \$30,000 per year. You would adjust your Salaries expense from last year by adding an additional \$15,000 (1/2 of an assistant's salary). Then, for both last year's actuals and this year's budget, you will determine the % of GCI. Finally, you will compare these percentages to the Millionaire Real Estate Agent model and determine where you need to make adjustments.

Directions:

1. If you have your actual expenses for the past 12 months broken down by category, enter them in the *My Last Year's Actuals* column on the next page. If you do not have your numbers with you, make an educated guess. When you get back to your office, you should go through the exercise of using your actual numbers.
2. Determine your % of GCI for last year's actuals by dividing each expense by last year's GCI.
3. For each category, determine your budget for this year and record them in the *This Year's Budget* column on the next page. As explained above you will want to make adjustments based on expenses that you are planning to add over the next 12 months. For lead-generation, use the cost that you identified in Step 10 of *My Lead-Generation Model*.
4. Determine your % of GCI for this year's budget by dividing each expense by your GCI goal.

(continued on the next page)



PLAYING WITH THE NUMBERS

My Budget Model

Instructions (continued)

Operating Expenses

Category	My Last Year's Actuals	My Last Year's Actuals % of GCI	This Year's Budget	This Year's Budget % of GCI	MREA Budget	MREA % of GCI
1. Salaries						12%
2. Lead Generation						9.2%
3. Occupancy						2.0%
4. Technology						1.5%
5. Phone						1.0%
6. Supplies						1.0%
7. Education						1.0%
8. Equipment						1.0%
9. Auto/Insurance						0.5%
10. Total Expenses						29.2%

(continued on the next page)



My Budget Model

Instructions (continued)

Step 5

Perform a Gap Analysis.

Directions:

1. Now that you have identified last year's actuals and this year's budget, let's look at the numbers in relation to the Millionaire Real Estate Agent Model. For each category, determine what your expenses would be using the Millionaire Real Estate Agent percentages and your GCI goal. You can either multiply your GCI goal by the Millionaire Real Estate Agent percentage, or refer to the *MREA GCI to Operating Expenses Quick Chart* located on the next two pages. Record these numbers in the *MREA Budget* column on the previous page.
2. How do my expenses from last year compare with the Millionaire Real Estate Agent Model?
3. Where was I under budget? Where was I over budget?
4. Looking at this year's budget, how does it compare with the Millionaire Real Estate Agent model?
5. Where am I under budget? Where am I over budget? What adjustments do I need to make?

NOTE: If lead-generation is lower than the Millionaire Real Estate Agent target, you may not be spending enough on this key activity to generate the leads necessary to hit your goal.

(continued on the next page)



PLAYING WITH THE NUMBERS

My Budget Model

Instructions (continued)

GCI to Operating Expenses Quick Chart

Net Income	GCI	Salaries	Lead Generation	Occupancy	Technology	Phone	Supplies	Education	Equipment	Auto / Insurance	Total Expenses
30,000	72,115	8,654	6,635	1,442	1,082	721	721	721	721	361	21,058
35,000	84,135	10,096	7,740	1,683	1,262	841	841	841	841	421	24,567
40,000	96,154	11,538	8,846	1,923	1,442	962	962	962	962	481	28,077
50,000	120,192	14,423	11,058	2,404	1,803	1,202	1,202	1,202	1,202	601	35,096
60,000	144,231	17,308	13,269	2,885	2,163	1,442	1,442	1,442	1,442	721	42,115
70,000	168,269	20,192	15,481	3,365	2,524	1,683	1,683	1,683	1,683	841	49,135
80,000	192,308	23,077	17,692	3,846	2,885	1,923	1,923	1,923	1,923	962	56,154
90,000	216,346	25,962	19,904	4,327	3,245	2,163	2,163	2,163	2,163	1,082	63,173
100,000	240,385	28,846	22,115	4,808	3,606	2,404	2,404	2,404	2,404	1,202	70,192
125,000	300,481	36,058	27,644	6,010	4,507	3,005	3,005	3,005	3,005	1,502	87,740
150,000	360,577	43,269	33,173	7,212	5,409	3,606	3,606	3,606	3,606	1,803	105,288
175,000	420,673	50,481	38,702	8,413	6,310	4,207	4,207	4,207	4,207	2,103	122,837
200,000	480,769	57,692	44,231	9,615	7,212	4,808	4,808	4,808	4,808	2,404	140,385
250,000	600,962	72,115	55,289	12,019	9,014	6,010	6,010	6,010	6,010	3,005	175,481
300,000	721,154	86,538	66,346	14,423	10,817	7,212	7,212	7,212	7,212	3,606	210,577
350,000	841,346	100,962	77,404	16,827	12,620	8,413	8,413	8,413	8,413	4,207	245,673
400,000	961,538	115,385	88,461	19,231	14,423	9,615	9,615	9,615	9,615	4,808	280,769
450,000	1,081,731	129,808	99,519	21,635	16,226	10,817	10,817	10,817	10,817	5,409	315,865

(continued on the next page)



PLAYING WITH THE NUMBERS

My Budget Model

Instructions (continued)

GCI to Operating Expenses Quick Chart (continued)

Net Income	GCI	Salaries	Lead Generation	Occupancy	Technology	Phone	Supplies	Education	Equipment	Auto / Insurance	Total Expenses
500,000	1,201,923	144,231	110,577	24,038	18,029	12019	12019	12019	12019	6010	350,962
550,000	1,322,115	158,654	121,635	26,442	19,832	13221	13221	13221	13221	6611	386,058
600,000	1,442,308	173,077	132,692	28,846	21,635	14423	14423	14423	14423	7212	421,154
650,000	1,562,500	187,500	143,750	31,250	23,438	15625	15625	15625	15625	7813	456,250
700,000	1,682,692	201,923	154,808	33,654	25,240	16827	16827	16827	16827	8413	491,346
750,000	1,802,885	216,346	165,865	36,058	27,043	18029	18029	18029	18029	9014	526,442
800,000	1,923,077	230,769	176,923	38,462	28,846	19231	19231	19231	19231	9615	561,538
850,000	2,043,269	245,192	187,981	40,865	30,649	20433	20433	20433	20433	10216	596,635
900,000	2,163,462	259,615	199,039	43,269	32,452	21635	21635	21635	21635	10817	631,731
950,000	2,283,654	274,038	210,096	45,673	34,255	22837	22837	22837	22837	11418	666,827
1,000,000	2,400,000	288,000	220,800	48,000	36,000	24000	24000	24000	24000	12000	700,000
1,100,000	2,644,231	317,308	243,269	52,885	39,663	26442	26442	26442	26442	13221	772,115
1,200,000	2,884,615	346,154	265,385	57,692	43,269	28846	28846	28846	28846	14423	842,308
1,300,000	3,125,000	375,000	287,500	62,500	46,875	31250	31250	31250	31250	15625	912,500
1,400,000	3,365,385	403,846	309,615	67,308	50,481	33654	33654	33654	33654	16827	982,692
1,500,000	3,605,769	432,692	331,731	72,115	54,087	36058	36058	36058	36058	18029	1,052,885
2,000,000	4,807,692	576,923	442,308	96,154	72,115	48077	48077	48077	48077	24038	1,403,846
2,500,000	6,009,615	721,154	552,885	120,192	90,144	60096	60096	60096	60096	30048	1,754,808

(continued on the next page)

My Budget Model

Instructions (continued)

Step 6

Play Red Light, Green Light.

Another way to plan and control your expenses is to play red light, green light. Refer to page 157-158 in your *Millionaire Real Estate Agent Business Planning Clinic* student manual or pages 155-156 of *The Millionaire Real Estate Agent* for information on playing Red Light, Green Light.

Directions:

1. Are you expecting any big expenses (COS or Operating Expenses) in the next 12 months? If so, list them here:

2. Has the increase in spending, listed above, been planned in the budget?
3. List 3-4 ways you will hold the increase accountable for a return on investment:

4. Have you held your fixed costs (rent, salaries, leases, etc.) as low as possible so that you have room for your important discretionary expenses (such as lead generation)? How could you reduce your fixed expenses?

5. What are the Red Light/Green Light checkpoints (when and how) that you will use to reevaluate your expense and gauge the rate of return?

(continued on the next page)



My Budget Model

Instructions (continued)

Step 6 (continued)

Play Red Light, Green Light. (continued)

Directions:

6. Are you using a miscellaneous category in your budget? How does this inhibit your ability to know where your money is going?

7. What would be the benefits of using a standard chart of accounts like the one listed in Appendix A of your *Millionaire Real Estate Agent Business Planning Clinic* student manual?

8. Do you or your assistant produce a monthly Balance Sheet and Profit and Loss Report? Do you review these monthly? If not, time-block your calendar for this monthly activity. Appendix A of your *Millionaire Real Estate Agent Business Planning Clinic* student manual provides a sample Profit and Loss Report. Appendix B provides a sample Balance Sheet.

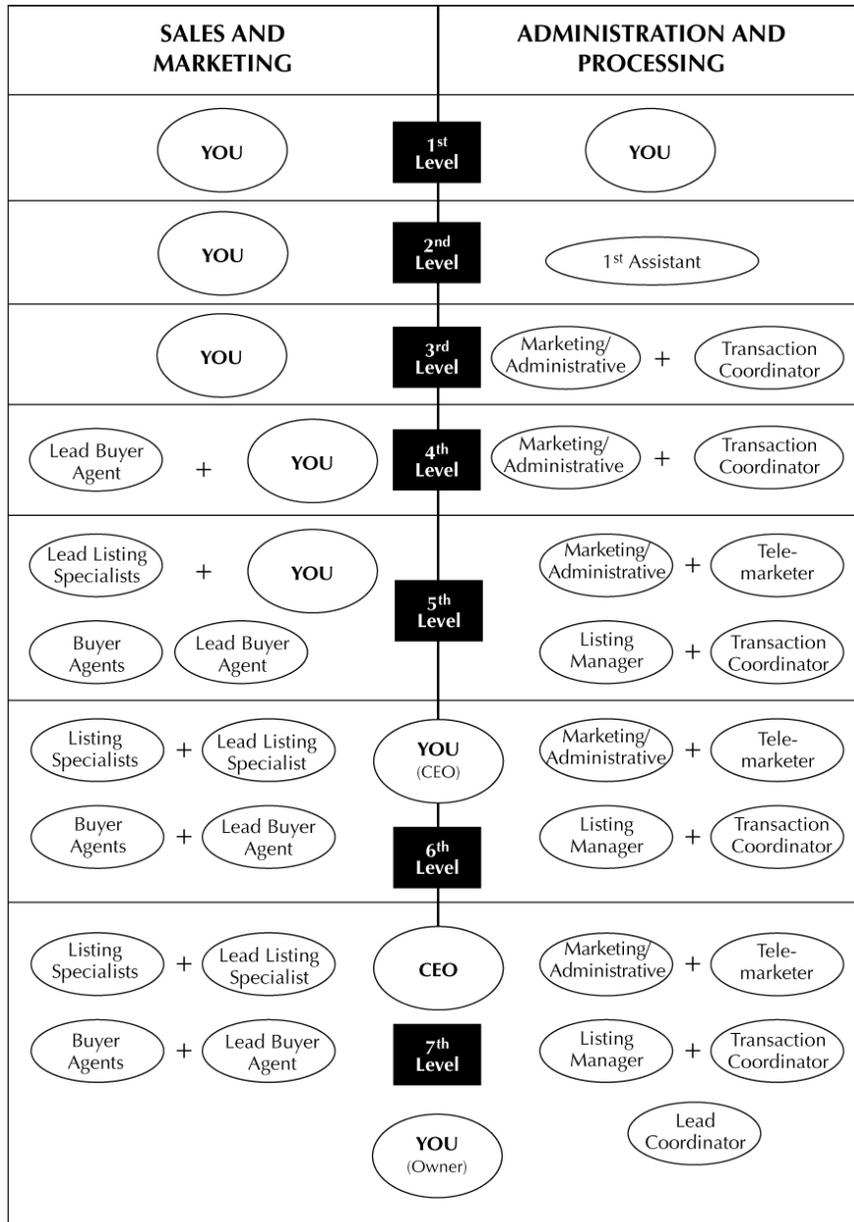


My Organizational Model

Instructions (continued)

The Path to People Leverage

Determine where you are on the path to the 7th level (continued).



Appears on page 201 of *The Millionaire Real Estate Agent*

(continued on the next page)



My Organizational Model

Instructions (continued)

Step 2

Determine what your current organization requires from you over the next 12 months.

Refer to the appropriate directions based on where you are on the path to the 7th level.

Directions:

Level One:

Your organizational structure requires a different type of focus if you are at level 1 vs. any of the other levels on the path to the 7th level. Remember, you don't begin the process of systematizing your office until you have your first assistant. At level one, your singular focus for your Organizational Model is to determine when and how you will hire your first assistant.

1. Based on your projected economic, lead generation, and budget models, when do you think you will be ready to hire your first assistant?
2. If you plan to hire an assistant within the next 12 months, have you included that expense in your annual budget?
3. What will you do to develop your ability to find, select, train, and consult your first assistant? Where and when will you learn these skills?

Levels Two-Seven:

Once you reach level two, and beyond, you have an administrative assistant who should be skilled at documenting standards. Your focus for your Organizational Model shifts to implementing the R/T/C/K (Recruit, Train, Consult, Keep) process so that you can build a team of specialists and hold them accountable to performance.

1. Have you defined your job descriptions and standards? Establish a time frame for clarifying your job descriptions and for documenting your standards. Begin where the need is most critical. For example, if you have a buyer specialist, but haven't hired a listing specialist yet, you would want to define the standards for working with buyers before you begin defining the standards for working with sellers. At a minimum, for each person on your team, you will need to define a standard for each bullet on the *Basic Job Descriptions* listed on the next page.
2. Have you established annual goals for everyone on your team? If not, you will need to set aside at least 30 minutes per person to guide them in setting their goals and then 1 hour per person to review their goals and reach agreement.
3. Do you have weekly accountability meetings with your assistant? your Marketing/Administrative Manager? your Lead Buyer Specialist? your Lead Listing Specialist? If not, block out an hour per person each week for this activity. When you get back to the office, set up the appropriate meetings.

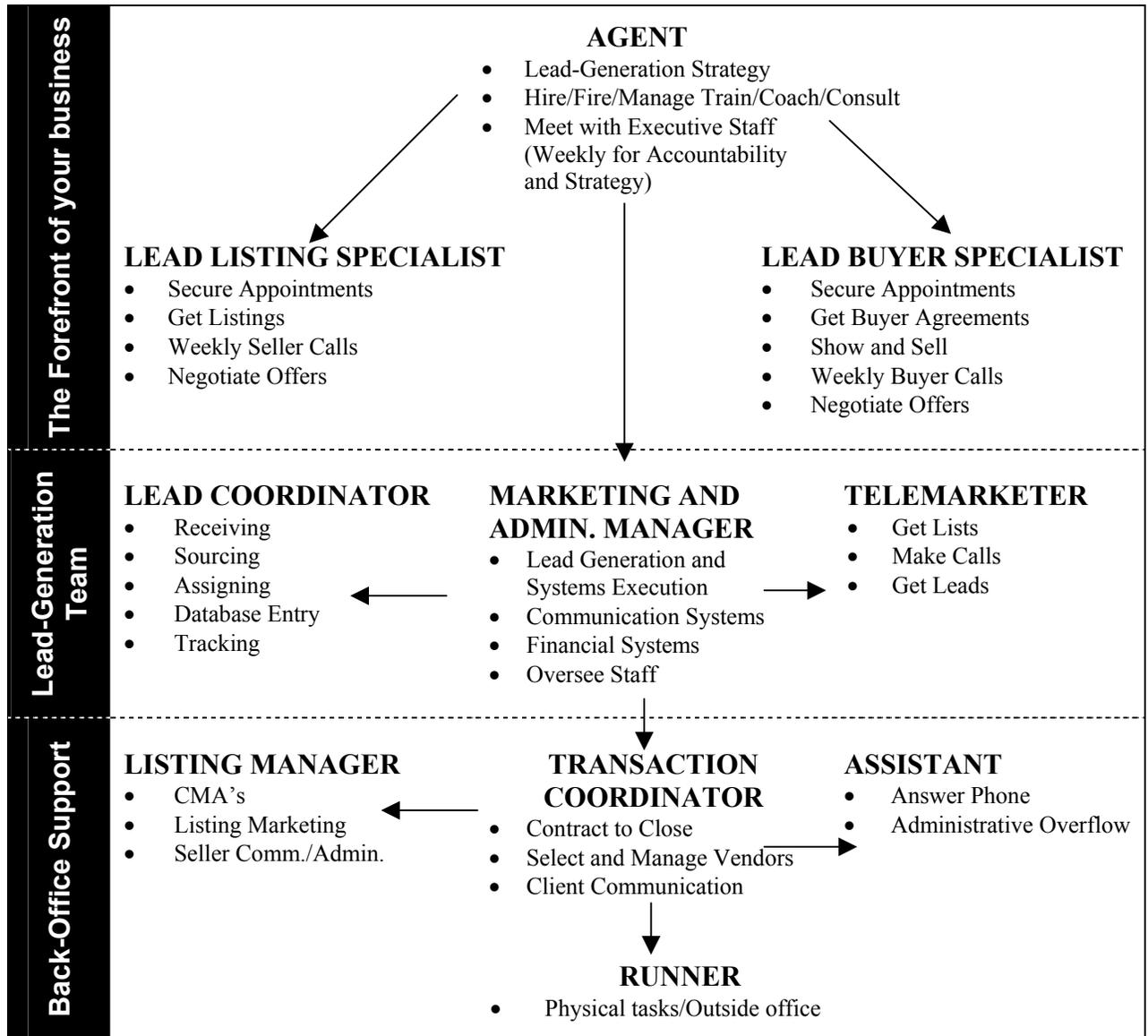
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My Organizational Model

Instructions (continued)

Basic Job Descriptions



Appears on page 200 of *The Millionaire Real Estate Agent*

(continued on the next page)



My Organizational Model

Instructions (continued)

Step 3

Determine whether or not you will move to the next level within the next 12 months.

Directions:

1. Are you planning to hire anyone in the next 12 months?
2. What position will you be filling:

3. Which of the seven recruiting sources will you use?
 - Ads
 - Allied Resources
 - Job Websites
 - Temporary Employment Agency
 - Permanent Employment Agency
 - Other Agents in Your Market Place
 - Real Estate Schools
4. Do you have a job description for this position? If not, begin with the *Basic Job Descriptions* listed on the previous page.
5. Have you developed a compensation plan? Which of the nine major compensation options will you include in the compensation package? For each option selected, review the information in your *Millionaire Real Estate Agent Business Planning Clinic* student manual or in *The Millionaire Real Estate Agent* to determine how you will structure your compensation package.
 - Salary
 - Commissions
 - Pay Expenses
 - Bonuses
 - Profit Sharing
 - Retirement Plan
 - Insurance Benefits
 - Vacation Time and Sick Leave
 - Equity Opportunities
6. What will be the compensation plan for this position?

7. Is this expense included in your annual budget?
8. What will you do to develop your ability to find, select, train, and consult this position? Who can consult with you in developing and using these skills?

(continued on the next page)



My Organizational Model

Instructions (continued)

Step 4

Determine your training needs.

Directions:

1. What training does my team require over the next twelve months?

Team Member	Training	When & where will this training occur?

2. What training do I require over the next twelve months?

Training	When & where will this training occur?



Target Practice



Think Big
Aim High
Act Bold

Begin with the end in mind.

Aim high toward a big goal.

Establish your path through a set of goals.

Where do you want to be “Someday”?

In this section, you will establish your Someday, Three-Year, and One-Year Goals.

My Long-Term Planning Worksheet

Directions

1. Determine your Someday goals for each of the categories below. Refer back to your Economic Model and Lead Generation Model from *Playing with the Numbers* if you need assistance. Also, record approximately when you would like to achieve your Someday Goals. Record this at the bottom of the column next to When: _____.
2. Determine where you need to be three years from now to be on track for reaching your Someday goals.
3. Finally, determine where you need to be one year from now to be on track for reaching your three years goals. Start with the numbers you identified in the *Playing with the Numbers* section of this booklet. Make adjustments as needed.

Category	One-Year	Three-Year	Someday
GCI			
COS (29.2% of GCI)			
Op Exp (29.2% of GCI)			
Net Income			
Volume			
Sales			
Buyer			
Seller			
Listings Taken			
Buyer			
Seller			
Appointments			
Buyer			
Seller			
Database			
Met			
Haven't Met			

WHEN: _____



Annual Action Plan



Think Big • Aim High • Act Bold

*Imagine that you have reached your summit.
You are standing at the top of your Real Estate career.
What does that look like to you? Can you picture it in your mind? Keep this
picture in your mind. This mental picture, along with your Millionaire Real
Estate Agent models, gives you direction.
Think of them as your compass.*

*A compass is only useful as a guide for movement in the right direction. You
don't really need a compass if all you are going to do is stand still.
This course is about heading in the right direction with speed.
So, let's get moving.*

*Now that you have played with the models and established your Someday,
Three-Year, and One-Year Goals, it is time to create your
Annual Action Plan.*

My Annual Action Plan

Directions

When you concentrate on the process of implementing a plan that comes from a Big Model, big achievement becomes not just possible but much more likely. Now that you have played with the four models and have set your targets by aiming high, you are ready to create your plan of action. By putting the models together in one plan, you determine where you need to be going over the course of the next 12 months with regards to your activities and your decisions. Once you have a completed plan, hold yourself accountable to implementing your plan on a daily, weekly, and monthly basis.

1. Complete your Annual Economic Model using the numbers from the *My Long-term Planning Worksheet*. If you need help with the math, refer back to the *My Economic Model* under *Playing with the Numbers*.
2. Complete your Annual Lead-Generation Model using the numbers from the *My Long-term Planning Worksheet* and what you learned from completing the *My Lead-Generation Model* under *Playing with the Numbers*.
3. Complete your Annual Budget Model. Make adjustments based on what you learned from completing the *My Budget Model* under *Playing with the Numbers*.
4. Complete your Annual Organizational Model. Make adjustments based on what you learned from completing *My Organizational Model* under *Playing with the Numbers*.
5. Complete the Goal section of your Annual Goal vs. Actual Worksheet using the numbers from your four models.



ANNUAL ACTION PLAN

My Annual Action Plan

My Annual Economic Model

Time Frame (MM/YY – MM/YY): ___/___ - ___/___

_____	Net Income	Step 1
	Cost of Sales (29.2 % of GCI)	
+ _____	Operating Expenses (29.2% of GCI)	Step 2
= _____	Gross Closed Income (GCI)	
_____	Gross Revenue from Sellers	Step 3
÷ 3%	Commission	
= _____	Seller Sold Volume	Step 4
÷ _____	Average Sales Price	Step 5
= _____	Sellers Sold	Step 6
÷ 65%	% Conversion Rate	
= _____	Seller Listings Taken	Step 7
÷ 80%	% Conversion Rate	
= _____	Seller Listing Appointments	Step 8
_____	Gross Revenue from Buyers	Step 3
÷ 3%	Commission	
= _____	Buyer Sold Volume	Step 4
÷ _____	Average Sales Price	Step 5
= _____	Buyers Sold	Step 6
÷ 80%	% Conversion Rate	
= _____	Buyer Listings Taken	Step 7
÷ 65%	% Conversion Rate	
= _____	Buyer Listing Appointments	Step 8



My Annual Action Plan

My Annual Lead-Generation Model

My Lead-Generation Database Option		
Option #	MET	HAVEN'T MET
	_____ in database	+ _____ in database
GOAL: _____ Closed Sales this Year		

How Many Contacts I Need to Add		
	MET	HAVEN'T MET
Goal Numbers		
- Current Numbers		
= People I need to add		

Monthly Database Goals		
	MET	HAVEN'T MET
Month 1:		
Month 2:		
Month 3:		
Month 4:		
Month 5:		
Month 6:		
Month 7:		
Month 8:		
Month 9:		
Month 10:		
Month 11:		
Month 12:		



My Annual Action Plan

My Annual Lead-Generation Model (continued)

My 8 x 8 Program		
Week #	I will make contact by:	I will include this creative and quick reminder <u>and</u> instructions* on how to give me referral business:
1		
2		
3		
4		
5		
6		
7		
8		
Ongoing	Implement your <i>33 Touches</i> .	

* For example, a sticker on the outside of an envelope, a bold graphic in my newsletter, photographs of people who have referred customers to me in my newsletter, a reminder at the end of a telephone call, etc.



My Annual Action Plan

My Annual Lead-Generation Model (continued)

My Lead Generation Costs	
MET*	HAVEN'T MET
<ol style="list-style-type: none"> Every 12 people in your Met database marketed to 33 times each year (33 Touch) = 2 sales. (One sale is a referral and one is repeat business.) Restated: 396 touches (12 x 33) = 2 sales. So, 396 touches x _____ (your average cost of a touch) = \$_____ for 2 sales. Divide this number by 2 for your cost per sale: _____. _____ Closed sales from Met database x _____ Cost per sale = _____ Cost for your 33 Touch program/yr* <p>* Note: The cost of the 8 x 8 program is not included.</p>	<ol style="list-style-type: none"> Every 50 people in your Haven't Met database marketed to 12 times a year (12 Direct) = 1 sale. Restated: 600 touches (50 x 12) = 1 sale. So, 600 touches x _____ (your average cost of a touch) = \$_____. _____ Closed sales from Haven't Met database x _____ Cost per sale = _____ Cost for your 12 Direct program/yr)
Total Cost: _____	



My Annual Action Plan

My Annual Budget Model

Category	This Year's Budget	This Year's Budget % of GCI
Cost of Sales (COS)		
1. Listing Specialist(s)		
2. Buyer Specialist(s)		
3. Other COS		
Total COS		
Operating Expenses		
1. Salaries		
2. Lead Generation		
3. Occupancy		
4. Technology		
5. Phone		
6. Supplies		
7. Education		
8. Equipment		
9. Auto/Insurance		
Total Operating Expenses		
Total Expenses (COS + Operating Expenses)		



My Annual Action Plan

My Annual Organizational Model

1. Draw your current organizational model and where you see your organizational model in 12 months. Refer to the Path to the 7th Level for guidelines on how to structure your organization.

My Current Organizational Model	What my Organizational Model will look like in 12 months

2. Write down your action plan for making this happen. Include what recruiting sources you will use and what Compensation options you will offer.



ANNUAL ACTION PLAN

My Annual Action Plan

Annual Goal vs. Actual Worksheet

Category	Year: _____		
	Goal	Actual	Variance
Lead Generation			
Seller Leads			
% Conversion to Seller Appointments			
Seller Appointments			
Buyer Leads			
% Conversion to Buyer Appointments			
Buyer Appointments			
Listings Taken			
% Seller Appointments Conversion to Listing Agreements			
Seller Listings Taken			
% Buyer Appointments Conversion to Buyer Agreements			
Buyer Listings Taken			
Contracts Written			
% Seller Listings to Contracts			
Seller Contracts Written (units)			
% Buyer Listings to Contracts			
Buyer Contracts Written (units)			
Seller Contracts Written Volume			
Buyer Contracts Written Volume			
Seller Contracts Written GCI			
Buyer Contracts Written GCI			
Contracts Closed			
Seller Contracts Closed (units)			
Buyer Contracts Closed (units)			
Seller Contracts Closed Volume			
Buyer Contracts Closed Volume			
Seller Contracts Closed GCI			
Buyer Contracts Closed GCI			
Money			
Total GCI			
Cost of Sales			
Operating Expenses			
Net Income			
People	Planned annually, monthly, and weekly on your 4-1-1		
Systems/Tools	Planned monthly and weekly on your 4-1-1		
Personal Education	Planned annually, monthly, and weekly on your 4-1-1		



ANNUAL ACTION PLAN

My Annual Action Plan

Monthly Goal vs. Actual Worksheet

Category	Month: _____		
	Goal	Actual	Variance
Lead Generation			
Seller Leads			
% Conversion to Seller Appointments			
Seller Appointments			
Buyer Leads			
% Conversion to Buyer Appointments			
Buyer Appointments			
Listings Taken			
% Seller Appointments Conversion to Listing Agreements			
Seller Listings Taken			
% Buyer Appointments Conversion to Buyer Agreements			
Buyer Listings Taken			
Contracts Written			
% Seller Listings to Contracts			
Seller Contracts Written (units)			
% Buyer Listings to Contracts			
Buyer Contracts Written (units)			
Seller Contracts Written Volume			
Buyer Contracts Written Volume			
Seller Contracts Written GCI			
Buyer Contracts Written GCI			
Contracts Closed			
Seller Contracts Closed (units)			
Buyer Contracts Closed (units)			
Seller Contracts Closed Volume			
Buyer Contracts Closed Volume			
Seller Contracts Closed GCI			
Buyer Contracts Closed GCI			
Money			
Total GCI			
Cost of Sales			
Operating Expenses			
Net Income			
People	Planned annually, monthly, and weekly on your 4-1-1		
Systems/Tools	Planned monthly and weekly on your 4-1-1		
Personal Education	Planned annually, monthly, and weekly on your 4-1-1		



Staying Accountable



Think Big
Aim High
Act Bold

Now that you have a completed plan, you must time block for focus and then get accountability to keep that focus. In this section you will design your Annual 4-1-1, time block your perfect week, and identify your accountability relationship.

STAYING ACCOUNTABLE

My Annual 4-1-1

NAME:

4-1-1 Action Goal Worksheet

MY ANNUAL GOALS

YEAR OF:

JOB	BUSINESS	PERSONAL FINANCE	PERSONAL



MY MONTHLY GOALS

MONTH OF:

--	--	--	--



STAYING ACCOUNTABLE

My Annual 4-1-1

NAME: _____

4-1-1 Action Goal Worksheet



MY WEEKLY GOALS

	JOB	BUSINESS	PERSONAL FINANCE	PERSONAL
1.				
2.				
3.				
4.				



My Perfect Week

	MON	TUE	WED	THUR	FRI	SAT	SUN
5:00							
6:00							
7:00							
8:00							
9:00							
10:00							
11:00							
12:00							
1:00							
2:00							
3:00							
4:00							
5:00							
6:00							
7:00							
8:00							
9:00							
10:00							
11:00							
12:00							



My Accountability Relationship

How I Will Stay Accountable

Who will be my Accountability Consultant?

My Accountability Consultant	
Name:	
Relationship:	
Phone Number:	
Email Address:	

How frequently will we meet?

Where and how (i.e., in person, over the phone, etc.) will we meet?



Someday Action Plan



Think Big
Aim High
Act Bold

Before you create your Three-Year Action Plan, you need to make sure you are thinking big, aiming high, and acting bold. Let's create your Someday Action Plan.

My Someday Action Plan

Directions

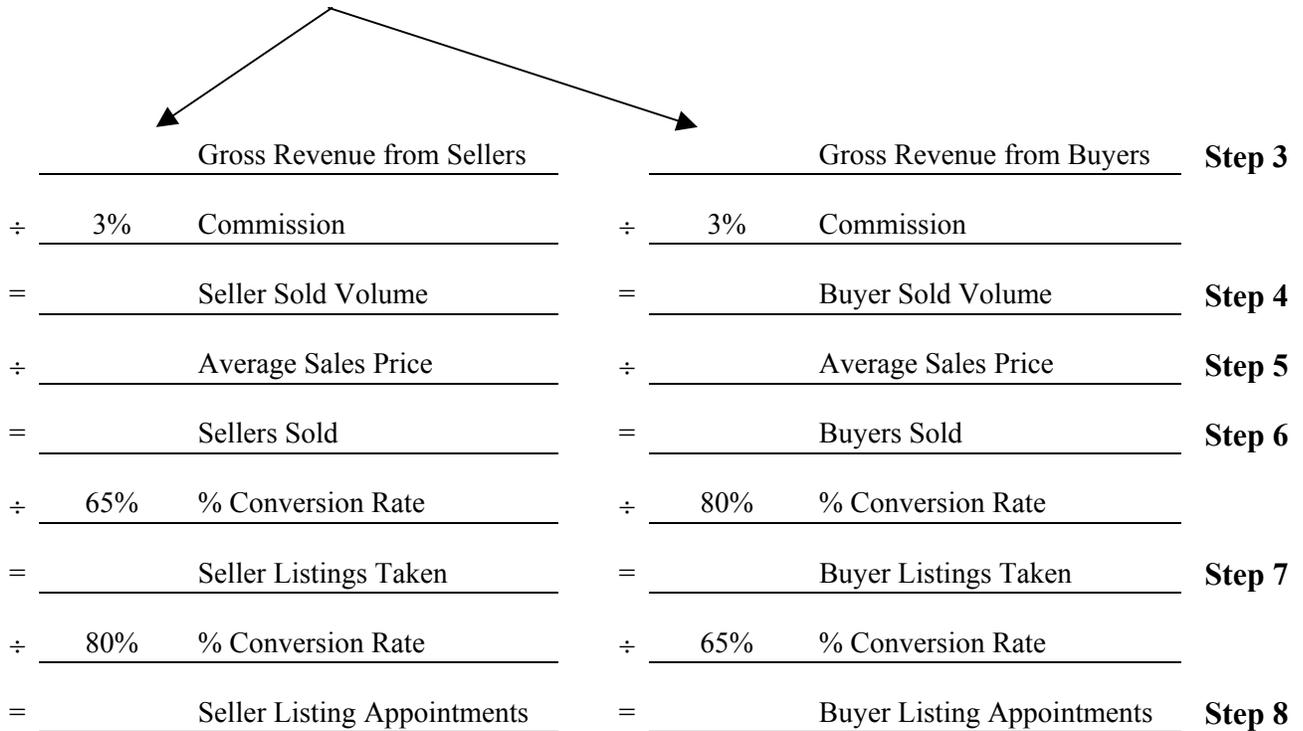
1. Complete your Someday Economic Model using the numbers from the *My Long-term Planning Worksheet*. If you need help with the math, refer back to the *My Economic Model* under *Playing with the Numbers*.
2. Complete your Someday Lead Generation Model using the numbers from the *My Long-term Planning Worksheet* and what you learned from completing the *My Lead Generation Model* under *Playing with the Numbers*.
3. Complete your Someday Budget Model. At this point, you should have your budget model in line with the Millionaire Real Estate Agent Model. Refer back to the *My Long-term Planning Worksheet* for your GCI, COS, and Operating Expense goals and then break your COS and Operating Expenses down into the appropriate categories using the Millionaire Real Estate Agent percentages. Refer back to the *GCI to Operating Expenses Quick Chart* on pages 38-39 of *Playing with the Numbers*.
4. Complete your Someday Organizational Model.



My Someday Action Plan

My Someday Economic Model

		Net Income	Step 1
		Cost of Sales (29.2 % of GCI)	
+		Operating Expenses (29.2% of GCI)	Step 2
=		Gross Closed Income (GCI)	



My Someday Action Plan

My Someday Lead-Generation Model

Understanding My Options			
	MET	+	HAVEN'T MET
Option 1	_____ in database	+	0 in database
Option 2	0 in database	+	_____ in database
Option 3	_____ in database	+	_____ in database
Someday Closed Sales Goal _____			

OPTION 1: Closed Sales Goal _____ x 12/2 = _____ Contacts in your Met Database

OPTION 2: Closed Sales Goal _____ x 50 = _____ Contacts in your Met Database

OPTION 3: Closed Sales Goal _____ x _____ % from Met database = _____ Sales from Met database

Closed Sales Goal _____ - _____ Sales from Met database = _____ Sales from Haven't Met database

_____ Sales from Met database x 12/2 = _____ Contacts in your Met Database

_____ Sales from Haven't Met database x 50 = _____ Contacts in your Haven't Met Database

My Someday Lead-Generation Database Option		
Option #	MET	HAVEN'T MET
	_____ in database	_____ in database
Someday Closed Sales Goal _____		

How Many Contacts I Need to Add		
	MET	HAVEN'T MET
Goal Numbers		
- Current Numbers		
= People I need to add		



SOMEDAY ACTION PLAN

My Someday Action Plan

My Someday Lead-Generation Model (continued)

Yearly Database Goals		
	MET	HAVEN'T MET
Year 1:		
Year 2:		
Year 3:		
Year 4:		
Year 5:		
Year 6:		
Year 7:		
Year 8:		
Year 9:		
Year 10:		
Year 11:		
Year 12:		
Year 13:		
Year 14:		
Year 15:		

My Lead Generation Costs	
MET*	HAVEN'T MET
<ol style="list-style-type: none"> 1. Every 12 people in your Met database marketed to 33 times each year (33 Touch) = 2 sales. (One sale is a referral and one is repeat business.) 2. Restated: 396 touches (12 x 33) = 2 sales per year. 3. So, 396 touches x _____ (your average cost of a touch) = \$ _____ for 2 sales per year. Divide this number by 2 for your cost per sale: _____. 4. _____ Closed sales from Met database x _____ Cost per sale = _____ Cost for your 33 Touch program/yr* x _____ # of years until Someday goal = _____ Total Cost for your 33 Touch program. <p><small>* Note: The cost of the 8 x 8 program is not included.</small></p>	<ol style="list-style-type: none"> 1. Every 50 people in your Haven't Met database marketed to 12 times a year (12 Direct Mail) = 1 sale per year. 2. Restated: 600 touches (50 x 12) = 1 sale per year. 3. So, 600 touches x _____ (your average cost of a touch) = \$ _____. 4. _____ Closed sales from Haven't Met database x _____ Cost per sale = _____ Cost for your 12 Direct program/yr x _____ # of years until Someday goal = _____ Total Cost for your 12 Direct program.
Total Cost: _____	



My Someday Action Plan

My Someday Budget Model

Category	Someday Budget	Someday Budget % of GCI
Cost of Sales (COS)		
1. Listing Specialist(s)		
2. Buyer Specialist(s)		
3. Other COS		
Total COS		29.2%
Operating Expenses		
1. Salaries		12%
2. Lead Generation		9.2%
3. Occupancy		2.0%
4. Technology		1.5%
5. Phone		1.0%
6. Supplies		1.0%
7. Education		1.0%
8. Equipment		1.0%
9. Auto/Insurance		0.5%
Total Operating Expenses		29.2%
Total Expenses (COS + Operating Expenses)		58.4%



Three-Year Action Plan



Think Big
Aim High
Act Bold

Now, let's create your Three-Year Action Plan.

My Three-Year Action Plan

Directions

1. Complete your Three-Year Economic Model using the numbers from the *My Long-term Planning Worksheet*. If you need help with the math, refer back to the *My Economic Model* under *Playing with the Numbers*.
2. Complete your Three-Year Lead Generation Model using the numbers from the *My Long-term Planning Worksheet* and what you learned from completing the *My Lead Generation Model* under *Playing with the Numbers*.
3. Complete your Three-Year Budget Model. Within 3 years, you should have your budget model in line with the Millionaire Real Estate Agent Model. Refer back to the *My Long-term Planning Worksheet* for your GCI, COS, and Operating Expense goals and then break your COS and Operating Expenses down into the appropriate categories using the Millionaire Real Estate Agent percentages. Refer back to the *GCI to Operating Expenses Quick Chart* on pages 38-39 of *Playing with the Numbers*.
4. Complete your Three-Year Organizational Model.



My Three-Year Action Plan

My Three-Year Economic Model

		Net Income	Step 1
		Cost of Sales (29.2 % of GCI)	
+		Operating Expenses (29.2% of GCI)	Step 2
=		Gross Closed Income (GCI)	

Gross Revenue from Sellers	Gross Revenue from Buyers	Step 3
÷ 3% Commission	÷ 3% Commission	
= Seller Sold Volume	= Buyer Sold Volume	Step 4
÷ Average Sales Price	÷ Average Sales Price	Step 5
= Sellers Sold	= Buyers Sold	Step 6
÷ 65% % Conversion Rate	÷ 80% % Conversion Rate	
= Seller Listings Taken	= Buyer Listings Taken	Step 7
÷ 80% % Conversion Rate	÷ 65% % Conversion Rate	
= Seller Listing Appointments	= Buyer Listing Appointments	Step 8



THREE-YEAR ACTION PLAN

My Three-Year Action Plan

My Three-Year Lead-Generation Model

Understanding My Options			
	MET	+	HAVEN'T MET
Option 1	_____ in database	+	0 in database
Option 2	0 in database	+	_____ in database
Option 3	_____ in database	+	_____ in database
Three-Year Closed Sales Goal _____			

OPTION 1: Closed Sales Goal _____ x 12/2 = _____ Contacts in your Met Database

OPTION 2: Closed Sales Goal _____ x 50 = _____ Contacts in your Met Database

OPTION 3: Closed Sales Goal _____ x _____ % from Met database = _____ Sales from Met database

Closed Sales Goal _____ - _____ Sales from Met database = _____ Sales from Haven't Met database

_____ Sales from Met database x 12/2 = _____ Contacts in your Met Database

_____ Sales from Haven't Met database x 50 = _____ Contacts in your Haven't Met Database

My Three-Year Lead-Generation Database Option

Option #	MET	+	HAVEN'T MET
	_____ in database	+	_____ in database
Three-Year Closed Sales Goal _____			

How Many Contacts I Need to Add

	MET	HAVEN'T MET
Goal Numbers		
- Current Numbers		
= People I need to add		

Yearly Database Goals

	MET	HAVEN'T MET
Year 1:		
Year 2:		
Year 3:		



My Three-Year Action Plan

My Three-Year Lead-Generation Model (continued)

My Lead Generation Costs

MET*	HAVEN'T MET
<p>1. Every 12 people in your Met database marketed to 33 times each year (33 Touch) = 2 sales. (One sale is a referral and one is repeat business.)</p> <p>2. Restated: 396 touches (12 x 33) = 2 sales per year.</p> <p>3. So, 396 touches x _____ (your average cost of a touch) = \$_____ for 2 sales per year. Divide this number by 2 for your cost per sale: _____.</p> <p>4. _____ Closed sales from Met database x _____ Cost per sale = _____ Cost for your 33 Touch program/yr* x _____ 3 years = _____ Total 3-year cost for your 33 Touch program.</p> <p>* Note: The cost of the 8 x 8 program is not included.</p>	<p>1. Every 50 people in your Haven't Met database marketed to 12 times a year (12 Direct Mail) = 1 sale per year.</p> <p>2. Restated: 600 touches (50 x 12) = 1 sale per year.</p> <p>3. So, 600 touches x _____ (your average cost of a touch) = \$_____.</p> <p>4. _____ Closed sales from Haven't Met database x _____ Cost per sale = _____ Cost for your 12 Direct program/yr x _____ # 3 years = _____ Total 3-year cost for your 12 Direct program.</p>
<p>Total Cost: _____</p>	



THREE-YEAR ACTION PLAN

My Three-Year Action Plan

My Three-Year Budget Model

Category	Three Year Budget	Three Year Budget % of GCI
Cost of Sales (COS)		
1. Listing Specialist(s)		
2. Buyer Specialist(s)		
3. Other COS		
Total COS		29.2%
Operating Expenses		
1. Salaries		12%
2. Lead Generation		9.2%
3. Occupancy		2.0%
4. Technology		1.5%
5. Phone		1.0%
6. Supplies		1.0%
7. Education		1.0%
8. Equipment		1.0%
9. Auto/Insurance		0.5%
Total Operating Expenses		29.2%
Total Expenses (COS + Operating Expenses)		58.4%



