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*This Article*  
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Build a business plan...Build a business plan...Build a business plan!



Have you had enough of the pundits screaming "Build a Business Plan" from the lecture circuit? While they are correct, the fact is few of them have actually done it themselves.

They are terrific motivational speakers, and they really can talk the talk. But *walking the talk* in the everyday pressure cooker of running a business is a different story; especially in this economic environment.

Most of us start the New Year with great aspirations about developing and implementing a new business plan for the upcoming year. Unfortunately, three quarters of the business plans never get fully implemented. Instead they end up filed under good intentions.

Understanding the reasons why people build a business plan, but then fail to implement it, is another long and complex blog post entirely. Resolving those issues for your specific business is better served with diligent real estate coaching and/or consulting program.

However, there is a simple formula for business planning success in 2013. We have successfully used it in the businesses we own and run, and with those of clients we serve. Its core components include simplicity, clarity and accountability.

**We call it: SIX...FIVE...ONE...THREE**

Let us explain how the **SIX...FIVE...ONE...THREE** strategy will help you successfully build a business plan.

## **SIX OBJECTIVES**

Your business plan should have NO MORE THAN **six major objectives for the coming year**. **Less is better**. *Fewer objectives make your business plan far more manageable and its goals achievable.*

Each objective should be **clear**, **focused** and **quantifiably measurable**. If you cannot benchmark and measure the objective, it is not an objective.

Here are six generic **objectives** to illustrate our point:

1. **REVENUE:** Increase annual revenue by 5% over last year.
2. **PROFITS:**
  - a. Increase gross profit margin from 22% to 25%, or;
  - b. Increase pretax profit from \$510,000 to \$625,000.
3. **GROWTH:**
  - a. Increase listings taken; 1 every month in 2013.
  - b. Increase sales growth by 10% over \$100,000.00.
  - b. Launch a business follow-up system to deliver home services to new and existing clients.
4. **OPERATIONAL PRODUCTIVITY:**
  - a. Increase my presentation capabilities in areas of lead generation
  - b. Increase average closed commission per side from 2.4% to 3.0%.
5. **COMMUNICATIONS:**
  - a. Publish 12 monthly newsletters to current and prior customers, or;
  - b. Develop and implement a new daily internal electronic newsletter to all past customers and clients.
6. **CUSTOMER SERVICE:**
  - a. Increase "Excellent" rating on customer service from 55% to 65%, or;
  - b. Implement a system to "re-engage" expired listings and sale-fall-thru transactions.

## **FIVE STRATEGIES PER OBJECTIVE**

Underneath each objective you should have **no more than five specific strategies** to accomplish the objective. That's right, a limit of five strategies to accomplish each objective. We repeat a theme here:

- *Each strategy should be clear, focused and quantifiably measurable.*
- *If you cannot benchmark and measure the strategy, it is not a strategy.*

The clear, concise development of strategies is where the rubber hits the road for achievement of the objective. It is the critical success factor for your business plan. There must be a direct cause and effect relationship between the successful implementation of the strategy and the achievement of the objective.

The strategies are the heart and soul of your business plan.

## **ONE CRITICAL ASSIGNMENT**

With a maximum total number of thirty strategies in the overall business plan, all of your allowable work hours will be deeply impacted. Your time selection will be a matter of choice. You will be involved and accountable for the achievement of the strategies therefore the end result of your objectives and action steps should be a realistic match of time, the monetary commitment you wish to be accountable for and lastly, the honest assessment of your business abilities and what

you need additionally to acquire or learn in order to achieve your commitment. Often, less is more!

## **THREE WEEK REVIEWS**

As the Owner, President and/or General Manager “and” the agents **MUST** pick a time and day of the week that can be mutually blocked off. This will require a minimum of 1 hour of each persons calendar for non-interruptible time every three weeks. **Block off this time in your calendar every three weeks for the entire year.** Do not take calls, meetings or other interruptions during this review time. This time is your exclusive strategy review time, and it occurs every three weeks.

The Broker will require a short, concise written update and status report every three weeks, due in their email the day before your strategy review time. No excuses for late arrival. Set the annual schedule of due dates and put it in your “Outlook” calendar.

The report will require the Agents response to each strategy complete with a short, concise overview of results obtained. If the progress is successful the agent will be recognized and given positive congratulatory feedback. If remedial action is required a scheduled face-to-face meeting within the next seven days to opt for a recommitment of the original strategy or re-work a new strategy. No delay in action.

The process of consistent review every three weeks and implementing immediate action (positive reinforcement or remedial action) on each strategy is a key to success for the business plan. Delays feed on themselves and this is the major downfall in the success of business planning. Be self-disciplined with the three week review process and you will reap the rewards.

Remember the simple formula: **SIX....FIVE....ONE....THREE**

- **SIX OBJECTIVES**
- **FIVE STRATEGIES PER OBJECTIVE**
- **ONE ASSIGNMENT**
- **THREE WEEK REVIEWS**

### **Do You Need Help With Your Business Plan?**

Call Realty offers strategic and business planning sessions. We can help you build a new business plan, or provide guidance with your current business plan. [Click here to sign up](#) .