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## Get a jump on 2012 prospects

### *6 tips for a better business plan*

Do you wait until January to do your business plan? If so, shifting your planning now can give you a major jump on 2012.

While most Realtors wait until January to do their business planning, most corporations start their planning process well before the end of their fiscal year. If you would like to get a serious jump on 2012, follow the tips below.

#### **1. Work *on* your business, not just *in* your business.**

In his book "The E-Myth Revisited," Michael Gerber draws a distinction between "working on" your business versus "working in" your business. "Working on" your business refers to taking time to plan, analyze and modify your business as market conditions merit. "Working in" your business refers to going on appointments, attending closings, talking with clients and doing what is necessary to deliver services to your customer base.

Most Realtors spend the bulk of their time "working in" their businesses. Very few take regularly scheduled times to identify which areas of their business are profitable and merit expanding and which are losing money and should be dropped.

#### **2. Schedule your time off and your "working on" time first.**

Most agents schedule their business activities first. Taking a vacation or planning time off is an afterthought. A better approach is to begin your business planning process by scheduling your vacation time, what days you plan to take off, as well as how you will keep yourself in shape mentally, spiritually, emotionally and physically. When you take time to care for you, you attract higher-quality clientele that will be less prone to problems. In contrast, when

you are stressed out and frazzled, the law of attraction says that is exactly what you will attract.

### **3. Identify your top profit centers.**

To identify where your business is strongest, begin by listing all the transactions you have closed as well as your current listings and buyers. Next, identify the *type of activity that generated each lead* as well as the price range and location.

For example, you may have met a buyer at an open house who was looking for a downtown loft condominium for \$225,000. The next question to ask is, "How many other closed transactions or active clients resulted from holding open houses?" Also, "How many downtown loft transactions did you close?" Repeat the process for each transaction and current client on your list.

Once you have completed your list, look for patterns. Is there a price range or location where you did the bulk of your business this year?

Next, identify the top three income-producing sources from all activities. In other words, what three parts of your real estate business produced the largest number of closed transactions in 2010 and/or 2011? What market niches do these represent: first-time buyers, a geographical area, or relocation clients? Concentrate your activities in 2012 on those activities that produced the greatest amount of revenue by type of client, location and type of niche.

### **4. What's costing money but not producing results?**

While it's important to identify where you are getting your greatest rate of return, it's equally important to identify the activities that are not producing results. For example, if you have been mailing 500 postcards per month to a geographical farm and have generated no closed transactions, eliminate that expense and allocate those dollars in an area that is producing results.

Another way of achieving the same goal is to write down the activities that generated each lead. Next, place them in rank order with the greatest revenue-producing activities at the top of the page and the activities that produced the least amount of revenue at the bottom. Now draw a line through the middle of the page. The activities that are below the line are your best candidates to cut back on or eliminate entirely.

### **5. Identify new opportunities for 2012.**

Is the time right for you to start a blog or to organize a Facebook fan page for the market area you serve? Should you expand your current geographical farm into an adjoining area? Innovating on a regular basis is an excellent way to stand out from the crowd and keep your incomes flowing.

### **6. Evaluate your technology.**

It's also smart to evaluate whether you should upgrade your technology. For example, is it time to upgrade to a faster computer or a smart phone? Would working with a transaction-tracking platform or a transaction coordinator free you up so you can do more business?

Taking the time to "work on" your business is one of the most important activities you can do. In fact, it's smart to schedule at least one hour of "working on" time every week. Have you "worked on" your business this week?

If you need more help with your business plan, call me and we can discuss how to set schedules, open houses and other production goals.