

## Business Model Plan

**The business plan is part of our regular business planning process. It can be revised regularly based on new objectives.**

### **Objectives and Goals**

- This summarizes our market opportunity and the solution to a problem that our business offers.

Goal setting is planning your dream. It must be a written document and reviewed regularly. It must be instituted. It can be revised.

### **Mission Statement**

- What does our company stand for?

What is your vision for your company? It needs to be spelled out with exact statements of why you need to exist. What do you bring to the table with your business?

### **Keys to Success**

- What are they?

Ethical reputation, credible standing in the community, loyal to customers and vendors, smart people in the office, fun and happy environment.

### **Company Summary/company ownership**

- Who are we?
- Why is it important?

Company policies handbook is important to keep everything in a system.

### **Company locations and facilities**

- What are they comprised of?
- Where are they?

All of your personnel need to know where your branch offices are located. Your facilities need to be updated, state of the art for your area. You must always project that you are in the current mode of new changes, new technologies, new attitude. This allows you to appeal to all generations of customers.

### **Products and Services**

- What do we sell?

Service, expertise, specialties

We make sure our customers have what they need to run their business.

We sell information.

### **Management Team**

- No entrepreneur is an island.

The entrepreneur that can attract the right people are the ones that ultimately succeed.

- Do we have any gaps?
- What additions are needed to the team?

A good management team also attracts good employees.

### **Market**

- What is the size of our potential market?

The entire state – Global – Unlimited –

### **Industry**

- Who are our customers?

Know the basic profile, demographics of your customer.

- Is our industry in a growth mode?

If not, you better diversify your offerings. If yes, you might expand.

### **Market Opportunity**

- The best business opportunities are based on the most compelling needs of the marketplace.
- What are some needs of the marketplace our business can solve?

First time homebuyers

Minority homebuyers

Luxury homebuyers

Condo homebuyers

Second homebuyers

Gated community homebuyers

Planned community homebuyers

### **Solution**

- How does our product benefit the marketplace?

We have a program or person to fit all different needs of the community we serve.

- How is our solution unique from others?

We are passionate about our work. We make people feel at home in our offices. We offer personal service while being professional.

## **The Marketing Plan**

- What unique marketing advantages do we have?

A highly visible and reputable company.

The professional people we hire.

Local, statewide, national presence.

- How are we going to continue to attract customers?

Internet

Seminars

Expansion to new territories

Constant marketing and advertising through various media

Follow up contact via e-mail, direct mail, personal contact

- What important alliances can we develop?

Brokers in both commercial, residential, apartment locating, property management

Lenders and loan officers

Appraisers (Association)

Inspectors (CIA)

Service providers including title companies

Top Producers in each field of expertise

## **Financial Projections**

- Revenues and expenses: the most useful projections are developed around a meaningful unit of measurement.
- What is our unit of measurements?

Commissions and production numbers

- What is our customers worth in lifetime revenue?

They will move about every 4 years.

They bring in additional referrals for additional commission dollars

- How many sales do I need to break even?

## **Projected Profit and Loss**

- Projected cash flow

You must bring down to writing what is needed to cover monthly expenses; therefore, you will know what your gross income needs to be. Be sure and include everything including all salaries, loans, etc.

- Balance sheet

Once you have monthly expenses itemized, gross income calculations, depreciation of assets considered, you should know if you have profited from the months work. By doing this monthly you will not be surprised at the end of the year as to your financial condition.

- Gross Revenue Example: Goal Setting

The simplistic worksheet at the end of this discussion allows you to figure out your fixed and variable expenses. What is left after these expenses is disposable. Pay your fixed and variable expenses first then take the vacation since this is paid for with disposable income.

## **Competition**

- Who are they?

Real estate agents, lenders

- Are they formidable?

Yes!

They are always your competition. Our goal is to be in front, always the leader.

## **Sales Literature**

- Does it sell the company/business?

Yes, our product is very professional.

- Does it sell the products/services?

Your product are the homes you sell and your company is your product as well. You must also show how you sell services.

## **Service Providers/Vendors**

- Do we have a good referral base for our needed services?

You need to have a contact list of all vendors where key people know the location of the contact list and who to call.

- Where do we find their contact information?

In a binder or somewhere in a file either on-line file or hanging file folder.

Do you know where it is?

## **Technology**

- Are we keeping up with the pace?

We have to keep up with the pace.

- Where can we improve?

We have to have an on-line presence.

We have improved our servers at each location.

We have a new stream-lined e-mail service.

What about the integration of technologies?

We use our e-mail instead of fax sometimes.

We choose not to bundle services because if a cable goes out, or wireless is down, all services (phone, fax, on-line) are gone. We are therefore, out of business!

We keep a separate phone and fax line from our on-line services.

## **Pricing Strategy**

- Are we charging appropriately for our service and products?

Do you know what your time is worth?

Do you know how to figure it out?

- How can we track this?

Statements/invoices/research from the marketplace

- Are we tracking this?

Who is the point person for tracking this?

- What areas do we need to track?

Postage and mailing expenses, printing expenses, cost of new equipment, cost of service providers, cost of technology upgrades, cost of build-outs and building improvements.

Always get estimates before giving the work out to a service provider.

## **Promotional Strategy**

- All advertising has to emphasize the selling of the company, not the product.
- Why?

If the company has a solid, ethical reputation, the customer will feel at ease in buying all products. They know your business base is based on their well-being, not yours.

- How can we do that?

We never let the customer see or hear that they have ruffled our feathers. We need to listen to them and not interrupt them. We need to ask them how we can fix the problem to their satisfaction. We try to fix their problem in a win/win fair fashion.

- Sell service and ongoing support after selling the company.
- How do we do that?

We send them monthly or regular reminders that we are always needing their business and referrals. We get involved in what the customer gets involved with their activities, charities, etc.

We make it right with them when we goof up.

### **Personnel Organization**

- Do we have systems for hiring and firing?

Yes, we have the systems in the employee handbook. We have forms to fill out and use.

- Why have systems?

It keeps us on track with rules and regulations we have to comply with.

It is a paper trail that helps prevent potential liability issues.

It is a form of growing our business. Everything within each branch is uniform.

Everyone knows the correct response to an employee or customer.

We always use the following as a guideline:

◆ A policy is a **guide**  
to thought and action  
and is not absolute  
unless it is a policy  
that enforces the law.

Use Common Sense which is  
Sound, prudent judgment.

- What are our systems that are in place?

Employee Handbook

Manager's Handbook

Company structure of authority and responsibility

Procedures when answering the phone

How to counsel a prospect

How to handle a client problem

How to use our computer tools

How to handle a technical problem with on-line

How to handle an emergency

Understanding discrimination laws and counseling questions and answers

Understanding how to operate all technology tools and office equipment

How to handle day to day issues with co-workers

Knowing where items are in the office files and cabinets

- Which part of this discussion would you share with?
  1. Your personnel that work with you
  2. Manager

Office personnel that work with you and for you need to have all of this information shared.

Your manager should know all of your goals and procedures.

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