



Company Key Number – Causes and Cures

Percent of Closed Business from Listings

- Total company dollar divided by company dollar from listings sold
- Indicator of how focused the company is listings
- Shows how sales agent are spending their time

Recommended: 55% +

CAUSES

Overpriced for the market
Not prospecting Listings
Working buyers only
Not using listing tools
Lack of or inadequate follow-up
Inadequate Exposure
Environment Supports Buyers

CURES

Recruit Listing Agents
Training & Sales Meetings
Agent Business Plan Review
Role Play
Create a Listing Environment
Benefits of a Listing Agent
Explain the three business models

Gross Margin

- GCI minus Cost of Sales divided by GCI expressed as a percentage
- Profitability indicator
- Represents the proportion of each dollar of revenue that the company retains as gross profit.

Recommended: 25% +

CAUSES

Commission splits too high
Non-productive lower split agents
Not following split policy
Not leveraging the WD's
No Pass through Fees

CURES

Recruit in the sweet spot
Lower transaction expenses
Coach and train middle agents
Consistent, on-going review of splits
Implement a Pass through Fee

Listing Inventory Sales Rate

- Listings sold divided by listings taken
- Percentage of your listings that sell
- Reflects the quality of inventory

Recommended: 65% +

CAUSES

Overpriced inventory
Taking the wrong listing
Lack of knowledge of the inventory
Not managing inventory properly
Lack of exposure/marketing
Lack of Confrontational Skills

CURES

Recruiting listing agents
Getting the right price
Systematic price review
Good seller follow-up
Creativity
Defined marketing plan
Proper exposure

Percentage of Sales That Close

- Sales closed divided by contracts received/pending
- Percentage of sales that close

Recommended: 85% +

CAUSES

Poor front end work
Pre-Approved v Credit Approved
Buyers' remorse
Market/Economic news
No Written Closing Procedures
Poorly qualified prospects
Operating from position of weakness
Not recognizing opportunity

CURES

Recruit experience
Train and coach
Creative Financing
Agent Creativity
Credit Approval
Contract to Close Management
Client Training

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