



Critical Mass Work Sheet

We are going to "reverse engineer" into our income goal and critical mass transaction goal for 2017 and help you get to know the number of closings you need and people to contact to help achieve or beat your goal. What is your income goal for 2017 & beyond?

1) What is the NET Income you desire?

100,000
7,500
13.3333

2) Write down the average net commission after all splits and expenses

3) Divide #1/#2 above which will equal the number of transactions need to do

To hit your goal, the number of transactions needed for you to hit your income goal depends on you're the average price range of the homes you sell and the net commission you make. The higher the price of homes you sell, the less transaction you need to do to hit your income goal.

4) Write down how long the average person in your area owns their home

5.5
73.333

Hint: It's 5.5 years in Portland-Metro. Now take 5.5 x your # of transactions

This number would be equal to the number of people you need in your contact list that you need to generate "X" amount of your transactions every year. However, you would need to be called by every one of them 100% of the time when they are thinking about buying or selling!!

So you need to adjust for your PMS... "Personal Market Share".

Personal market share comes down to this. Of those on your contact list, what % on average will call you before anyone else to sell or buy

A home? Mine is 85-90% of my contacts will call me and that is why I can do 30-40

sales just by being around every year. They just keep coming back every year

Because I stay in contact with them every year. So let's do a couple more things:

5) Take your number of people in #4 above, divided by your PMS % This will give

293

You the number of people you need in your data base to generate your income

Goal from people you know. Is there a discrepancy between how many people

you currently know and how many people you require to meet your income goal?

This is where your business planning session in Summa University will help you

determine a plan to make up the difference.

Another way to calculate this is as follows: I know 295 people and 80% of the time they will call me to buy or sell. $295 \times 80\% \text{ market share} = 236$ people. Divide 236 by 5.5 homes per year sold in PDX-Metro = 43 transactions a year. I make an average net commission of \$7500 so in the next 12 months my income goal is \$322,500!

6) Now how do we get that amount of people on our contact list?

1) Clean up your list...How many do you have and how are you contacting them?

2) How many leads do you have in your lead generation pipeline?

3) How are you going to get the difference of the people you actually have vs. how many you need total in your "Critical Mass Mailing List" to reach your goals? Let's examine how we are going to accomplish this in the years to come!