

Critical Rate of Sales Worksheet

INCOME GOAL = \$ _____ per year \$100,000 per year
 \$ _____ per month \$8,400 per month

Step #1: Calculate Your Total Fixed Overhead Per Month

How much gross income do you need to cover your fixed expenses?

	\$\$	Example
• Your Compensation Target (add)	_____	<u>\$8,400</u>
• Fixed Operating Costs	_____	<u>\$4,000</u>
Rent of Office or Facilities, supplies, etc.	_____	\$500
Utilities (electric, gas, water)	_____	\$100
Office phone, cell phone, hotline, Internet	_____	\$250
Computer, software, printer, ink	_____	\$100
MLS fees, continuing education, etc.	_____	\$75
Car payment, fuel, maintenance reserve, etc.	_____	\$525
Insurance: health, auto, liability, disability, etc.	_____	\$250
Fixed marketing (personal marketing)	_____	\$1,000
Assistant's part-time help	_____	\$1,200
 TOTAL Fixed Overhead PER MONTH =	 _____	 <u>\$12,400</u>

Step #2: Calculate Your NET Profit Per Transaction

How much of each commission do you get to keep?

	\$\$	Example
• Average Gross Commission (subtract)	_____	<u>\$6,000</u>
• Variable Cost of Sale	_____	<u>\$2,000</u>
Broker Fees (split, E&O insurance)	_____	\$1,500
Direct Marketing Costs (ads, signs, etc.)	_____	\$500
Total Direct Cost of Sale	_____	_____
 TOTAL Contribution Margin =	 _____	 <u>\$4,000</u>

Step #3: Calculate # of Transaction Sides To Meet Earnings Target

How much of each commission goes toward covering your fixed overhead?

	\$\$	Example
• Fixed Overhead – Total from Step #1 above (divide)	_____	\$12,400
• Contribution Margin – Total from Step #2 above	_____	\$4,000
 TOTAL Sides To Reach Goal =	 _____	 <u>3.1 / month</u> (37 / year)

Personal Money Map™

1. My **NET Income** Goal For This Year = \$ _____

2. My **Transaction** Goals For This Year = # of sides _____ / year =
/ mo.

3. Calculate # of Leads To Meet Goals

	#	Example
• Closings PER MONTH To Reach Income Goal	_____	3
• Prospects PER MONTH To Produce 1 Closing (average)	_____ x 20	20
TOTAL Leads Needed PER MONTH = <u>month</u>	_____	60 /
		(2 / day)

4. Target Markets (*Where Is Greatest Potential For New Business?*)

- Referral Leads From Power List™ # Contacts = _____
- Transactional Leads From Existing Activity # Listings/Buyers = _____
- New Leads From Fertile Niche Markets:
 1. Hot Target Prospects _____ # Ads = _____
 2. FSBO, Expired Promotions _____ # Promos = _____
 3. Strategic Farm Areas _____ # Mailings = _____