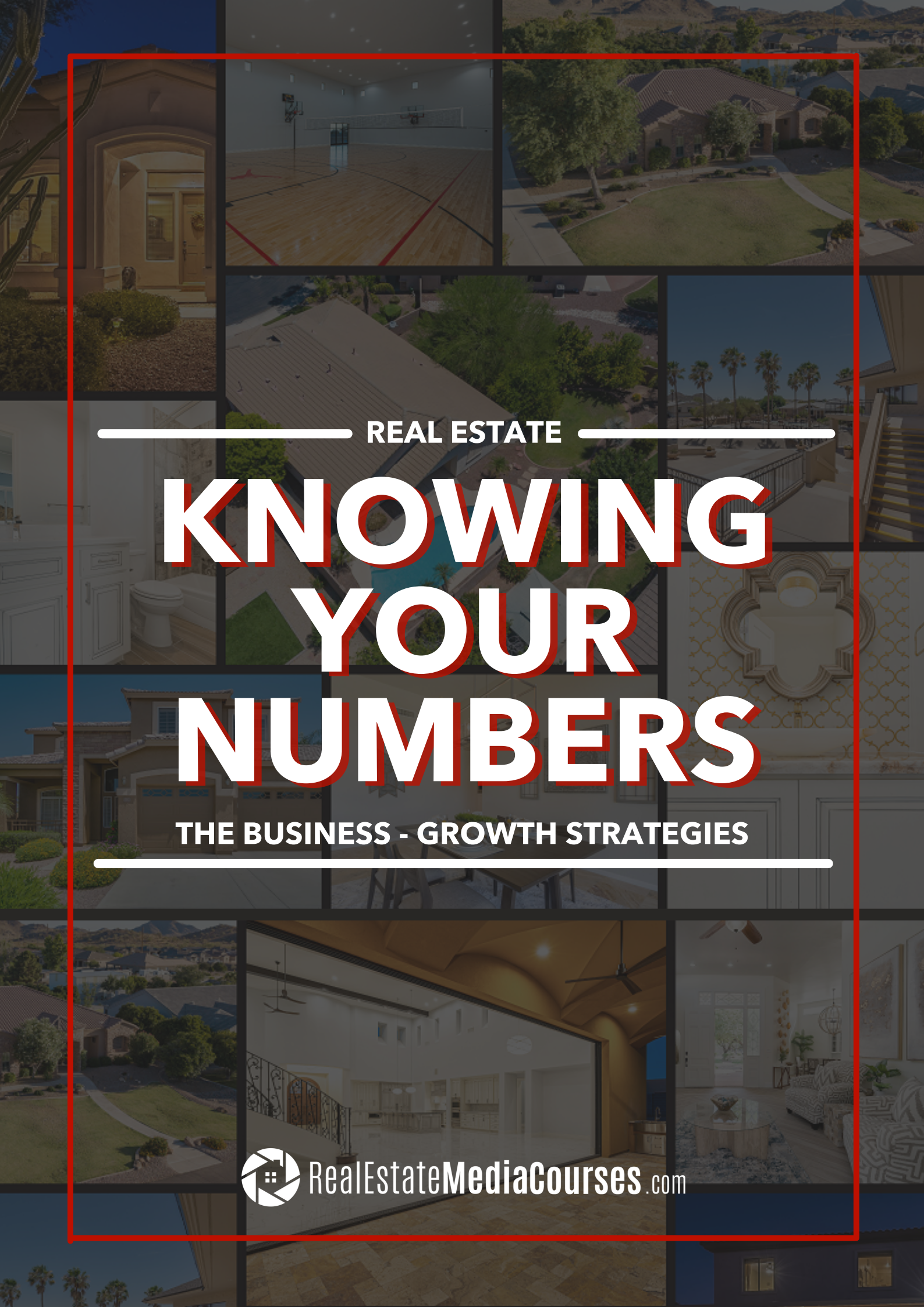




REAL ESTATE

KNOWING YOUR NUMBERS

THE BUSINESS - GROWTH STRATEGIES



RealEstateMediaCourses.com

NUMBERS & METRICS TO KEEP AN EYE ON GROWTH STRATEGIES

In this guide, I will discuss some important numbers you need to know and keep an eye on. Of course, there are many different numbers and metrics you'll likely want to know outside of the ones I mentioned here, but the numbers we would go through are the most important ones.



1 | MARGIN

The first one is the margin. The margin is the amount of money left over after expenses for any given job. So if your labour cost and expenses are 50 bucks per job, then setting your price at \$100 would give you a margin of \$50.

It's important to make sure that you have a good margin in your products, especially if you plan on growing beyond yourself because bringing on additional people will likely increase your expenses and lower your margins.



2 | PROFITABILITY

If you're barely making any money working by yourself and you're not going to be able to sustain a team. This leads me to the next number which you want to keep an eye on, profitability. You don't want to put a lot of time and effort into growing a large organization that doesn't make any money.

HOW TO INCREASE PROFITABILITY?

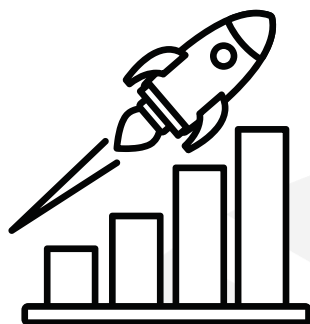
If you're looking to increase your profitability, you may need to increase your pricing, increase cells or reduce expenses where you can. One expense to manage very closely is your wage expense, as this is likely the most considerable expense you will have if you have a team.



INVESTING FOR BUSINESS GROWTH

The real estate media business can be a high-profit business, but only if you manage it properly. There have been years where I have intentionally had low profitability because I wanted to invest almost all the profits generated to fuel business growth.

But if you have low profitability, and it is not intentional, you need to review your profit and loss statement and see where you can save money or increase sales.



3 | CASHFLOW

The following number you'll want to keep an eye on is your cash flow. Cash is the lifeblood of your business. If you operate on a cash-only basis, it's essential to make sure that you have money set aside for expenses.

The last thing you want to happen is payroll to process and not have enough money in the bank to cover it. This situation could be disastrous for your business. But, on the other hand, operating on cash hold you accountable for making sound business decisions.

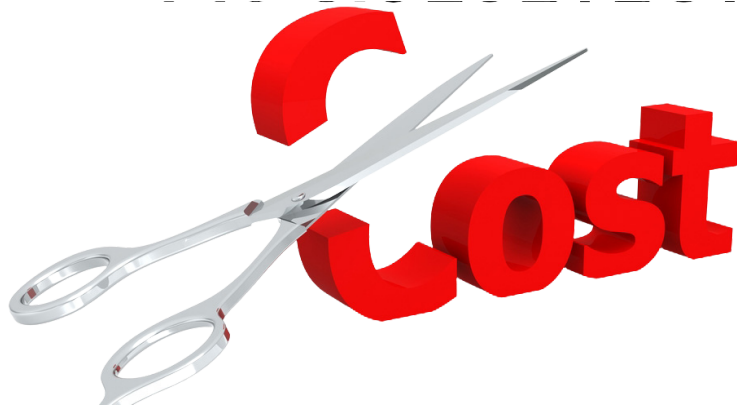
If you are cash poor, you may need to increase your pricing, increase sales, collect money owed, or reduce expenses.



4 | KEEP SALES TEAM OPEN-EYED

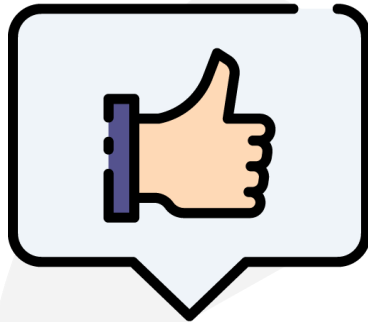
If you have a sales team, keep an eye on new customer acquisition costs and the lifetime value of your customers. I think it's important to acquire customers at a fraction of the revenue you can expect throughout the lifetime of the relationship.

Also, know your new customer acquisition costs related to vendor contracts to make sure you're getting a good return on investment.



5 | CUSTOMER RETENTION

Another number to keep an eye on is customer retention. The last thing you want to do is spend a lot of time building relationships and only have them use you once. If this is the case, they likely didn't enjoy the customer experience. It is also a good idea to keep track of where your new customers are coming from.



REFERRALS

From our experience, the bulk of our new customers are referrals from our existing customer base. So we encourage referrals.

