

Your success hinges on these 3 numbers: Do you know them?

Numbers don't lie. If you want to grow in real estate, you have to evaluate and focus on the right ones. Here are a few questions you can ask yourself to understand where your business is coming from and how to push it forward

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What we inspect, we can expect to grow. Is your business healthy and growing? Will this year be better than last year? Are there certain aspects of your business that, through evaluation, can answer these questions? There absolutely are and the answers are in the numbers.

Numbers don't lie. They are unemotional, and focusing on the right numbers can give you a clear picture of the health — or lack thereof — of your business. The following are the numbers every real estate sales professional should evaluate about their business.

1. Where does your business come from?

Until we know where we've been, it is hard to chart a course for the future. This starts by understanding where your business has come from in the past. Do you know what percentage of business came from certain activities?

Did they come from your sphere of influence, were they [referrals](#) from past clients, or did they come from online real estate lead generation? Did they come from hosting successful open houses, from real estate geographic farming or any other lead generation source? Once you've identified the numbers of where they came from, break them into percentages of your business that come from each activity.

By understanding where your business is coming from and which strategies are bearing fruit, now we can chart the path to growth. Craig Hagopian, founder and CEO of Chalk Digital suggests agents should think of their marketing and business generation strategies in the same way global brands like Coca-Cola, Apple and Google do.

“They use a 70/20/10 model where 70 percent of their marketing dollars, time and effort are spent on proven, trusted and repeated strategies, 20 percent spent on strategies that make the 70 percent work harder and better, and 10 percent spent on experimental, ground-breaking, even high risk/reward strategies,” Hagopian said.

This is a great model for your real estate business as well. By understanding where your business has come from in the past and focusing your efforts to enhance those areas, your business will grow dramatically faster than by always looking for the new shiny way to do business.

2. Do you know the value of your database?

Show me your database, and I can predict what your future business will look like. Is your database consistently growing? Are you consistently communicating with and adding value to [your database](#)?

Do you have automated systems in place to leverage your communication with your database? All of these are important questions, but do you know the numbers associated with your database?

Depending on the makeup of your database, regarding the percentages of buyers and sellers, there are some general assumptions we can make. These assumptions are not exact, but they will give you an understanding of the value of a growing database.

The typical homeowner in the United States lives in their home an [average of 10.5 years](#). This means the people in your database will be buying, selling (or both) once every roughly 10 years.

This means roughly 10 percent of your database will buy or sell a home each year. This also means roughly 2.5 percent of your database will be buying or selling a home in the next 90 days.

Let's use some easy numbers for the sake of math. Let's assume you have 1,000 people in your database. Then based on the percentages above, roughly 100 people in your database will be buying, selling or selling and buying a home this year.

I wish we could get them all, but we won't. So let's assume you convert 10 percent of these 100 people then you should expect to generate 10 sales from these 100 opportunities in your database this year. So, what can you do to increase your number of sales from your database?

Here are a few steps to make sure you maximize the opportunities your database presents.

Add more people to your database

Simply by growing your database, your sales will go up by the additional number of opportunities, even if you don't increase your conversion rate.

Optimize the information you provide to your contacts

Make sure each contact has consistent, [automated emails](#) going out with pertinent property details. If the contact is a homeowner, make sure they are set to receive homes that come on the market, go under contract, or that have sold like their home.

If they are a buyer, make sure they are set to receive daily, automated emails with properties that come on the market or that have price reductions meeting their search criteria.

Friend or follow as many of your leads as possible on social media

By connecting with the contacts in your database on social media, you will be able to elevate your [relationship](#) to a more personal level. People do business with people, make sure you are not just another email they receive, but a person they've connected with personally.

Send consistent video or written content about your area, not just properties and market updates

The agents that convert the highest percentage of their database are viewed as the source for [community](#) information, not just real estate.

Sending monthly emails with video or blog posts going over your five favorite restaurants in your community for a date night dinner, the three best places to watch the sunset in your community, four can't-miss local events this month, or similar content will lead to higher conversions.

Concentrate on growing your database and speaking to the members of your database who are most likely to buy or sell soon.

3. Are you focusing on your leading indicators?

Our real estate businesses work much like our weight. If I step on a scale today, my weight is influenced slightly by what I've eaten today, but it is more so a reflection of what I've eaten over the past 60 to 90 days.

It is the same with our real estate businesses. The listings you take and the closings you have are more influenced by your activities over the past 60 to 90 days than what you've done today.

So, what are the main leading indicators you can focus on to know that your future business will grow? I like to start with real estate related conversations. Your averages may be higher or lower depending on your experience, but in general, we suggest that 50 real estate related conversations will generate one real estate transaction.

If we understand this then we can take a monthly goal and break it down easily into weekly and daily goals. If your goal is to close two transaction a month, then we will need 100 conversations for the month, 25 per week and five per day for five days a week.

If you focus on the leading indicator of having 25 real estate related calls per week, then you can know the averages will work to your favor over time.

Another leading indicator is the number of listing appointments you go on. If you find that you convert one out of two listing appointments. We now know how many listing appointment you need to meet your goals. If your goal is to take two listings each month then we need to have four listing appointments or one per week.

Focus on your leading indicators and watch your business grow.

There are so many ways to grow your real estate business. By realizing where your business has been coming from, understanding the value of your database and focusing on your leading indicators dramatic results are right around the corner.

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