



# WHERE DO YOU WANT YOUR BUSINESS TO BE?

BDO'S STEP BY STEP GUIDE TO HELP YOU *PLAN*, *TRACK* AND *SUCCEED* IN 2020

As we enter the new year and you set your new year's resolutions, will you vow to take your business to the next level? Or will you fall into the trap of continuing 'business as usual'? With '2020' vision it's time to start thinking where you want your business to be this time next year and how you will achieve it!

## WHAT WE SEE

Working across the real estate industry, we see many principals with great ambitions to increase revenue or gain market share each year, but when it comes to reflecting on actual results and performance each year, fall into the trap of:

- ▶ "It was a tough market this year"
- ▶ "A key agent had a poor year"
- ▶ "We had a difficult start to the year, which affected our results"
- ▶ "We lost listings due to what competitors were doing"

The last 12-18 months in particular have been a tumultuous time for the industry, with various market factors impacting conditions and the volume of transactions. The businesses that have focused on and executed key financial and operational plans have been the organisations increasing revenue and gaining further market share.

## IT ALL STARTS WITH A PLAN

Creating a plan for your business is where it all starts. A typical plan would be determining the level of GCI to be written for the year; for example 'we want to increase our revenue from \$4.0M to \$4.5M'.

When determining your target for the year, it is important to consider seasonality and the expected fluctuations across the business. Typically we see principals set a target for a year and spread this evenly across 12 months to determine the budget for each month, resulting in ineffective business planning.

The key to budgeting for seasonality appropriately as a business owner, is understanding the peaks and troughs of your business, which will help provide visibility over the months where profit and cash flow will likely fluctuate. For example, the first quarter of the financial year (July to September) could potentially be a leaner sales period for the business, therefore the budget for this period should be adjusted to reflect and align to the relevant trading conditions.

Another critical area to consider is the capacity and growth of your sales team - ensuring the overall sales budget for your business is appropriate based on the skill and expected performance of each agent. The historic sales generated by each agent is a useful starting point in determining any increase (stretch) for the upcoming year.

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## KEY PERFORMANCE INDICATORS (KPIs)

In driving performance across the year, it is important that targets are set for the key indicators of your business. In the context of a sales business, these would be appraisals, listings, settled and written sales. Furthermore these can be expanded to encompass average commission rate, market share or anything else you deem appropriate.

As highlighted above, these indicators should be broken down monthly, based on the expected seasonality of the business. We also recommend these targets be set on a unit basis (i.e. number of listings) to set quantifiable targets for the team.

For example, if the team's budget is 20 sales for March, what is the level of appraisals and listings required across January and February to achieve this result? For every 75 appraisals, we list 25 and for every 25 listings we sell 20.

## ACCOUNTABILITY

Integral to driving performance and revenue across your business, is ensuring accountability across your entire sales team. In the context of KPIs within the business, it is breaking this down to an agent-by-agent level to create monthly targets and expectations.

Once again, the overall KPIs of the business should be allocated across the sales team, ensuring they are appropriate based on the agents expected level of GCI.

Creating a timely level of accountability and expectation ensures the targets set across the sales team, translate directly to the profit and cash flow goals of the overall business.

In summary, if the sales team achieve their budget KPIs and overhead expenditure is controlled, there should be no surprises in terms of profitability month-to-month.

## HOW TO TRACK THIS?

Long gone are the days of writing every listing or sale up on the office whiteboard. The technology and cloud systems now available have created the ability for automation across managing and reviewing the performance of the sales team.

In particular is the open API available through prominent CRM software providers, such as Agentbox and REX. The API allows real-time data from your CRM to be extracted and provide meaningful information to business owners and sales teams.

In a highly competitive market, it is essential that technology is leveraged to extract information for business owners. The understanding of key metrics within your business on a daily basis, creates the ability for faster decision making as well as driving motivation and accountability across your team.

## BDO AGENT DASHBOARD

BDO's real estate specialists have developed a real time cloud based agent dashboard accessible anywhere and on any device to monitor your team's performance.

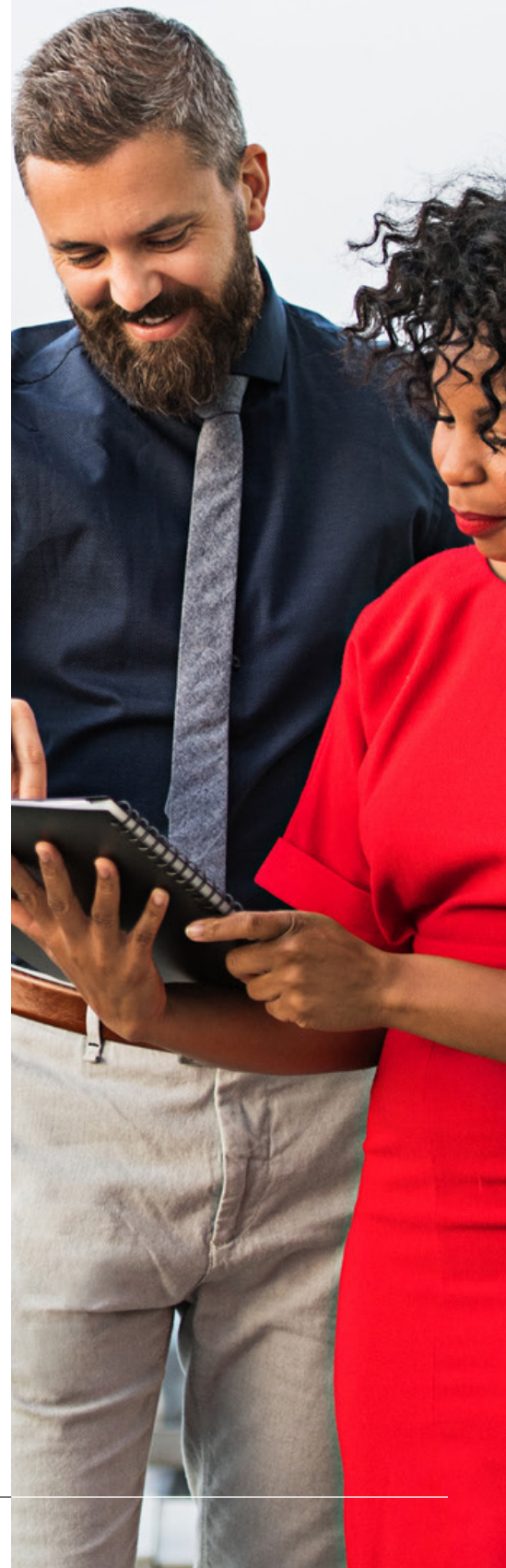
The platform integrates daily with the CRM to provide live insights on actual performance in comparison to budget, highlighting trends and data visualisation to drive accountability across your team.

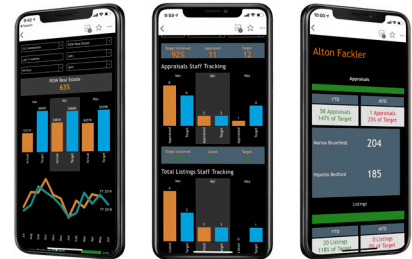
The tools can utilised to track performance across individual agents, teams or locations, depending on the individual circumstances of your business. See attached information sheet.

## TIME TO KICKSTART 2020

The BDO Real Estate team has the knowledge and information to help you on your way in 2020. Whether it be business planning, financial analysis and reporting or benchmarking and profitability growth – we have extensive industry experience, holding the key to helping you achieve your goals.

**Feel free to contact the BDO Real Estate Team to discuss what this means for you and how you can take your business to to next level.**





# AGENT DASHBOARD

REAL TIME INSIGHT INTO YOUR BUSINESS... ANYTIME, ANYWHERE

To improve your revenue and achieve your goals, you must actively respond to the insights and trends generated from your CRM data. BDO's real estate specialists have developed a real time cloud based agent dashboard accessible anywhere and on any device to monitor your agencies performance.

## API INTEGRATION

Custom built integration with REX and Agentbox (additional platforms on the 2020 development roadmap)

## DAILY INSIGHTS

Graphical and tabular reports highlighting key performance indicators by each agent, providing insight on activity and the underlying impacts on business profitability and cashflow

## ACCOUNTABILITY AND TRANSPARENCY

Non financial indicators to capture key information influencing sales execution, along with providing a coaching and accountability tool for the team.

## DATA VISUALISATION

Tools to assist and gain insights into patterns or trends in your business, along with tracking information by team or location

## FOCUS

Keep your office focused on achieving their goals!

## PRICE

\$330 inc GST per month

For more information on BDO's powerful real estate intelligence tools or how you can keep your office growth on track, contact the BDO Real Estate Team.

## BDO REAL ESTATE TEAM



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