



Management by Guesswork

W O R K B O O K



THIS WORKBOOK

The objective of this workbook is to help you understand what it costs to support an agent per year, and further help you evaluate whether recruiting or retaining a particular agent makes economic sense.

There may be factors outside those listed below that suggest retaining an agent whose metrics may not support it, such as their ability to be coached up or their experience in new markets, so this is not a black and white guide about who to employ or not.

Rather it's intended for you to better understand some key costs supporting agents, and whether there are actions to be taken in order to improve your brokerage's performance and profitability.

BASIC FIGURES: OFFICE SPACE

We will first examine what is likely one of your larger expenses, office rent. First let's gather some basic figures, and then determine what it costs per agent to keep the space you have at current levels.

1 TOTAL RENT EXPENSE PER YEAR	\$
2 TOTAL SQ. FT. OF ALL OFFICES	Sq. Ft.
3 TOTAL # OF AGENTS	Agents
4 COST PER SQUARE FOOT (1 DIVIDED BY 2)	\$
5 SQUARE FEET PER AGENT (2 DIVIDED BY 3)	Sq. Ft.
6 RENT PER AGENT (4 MULTIPLIED BY 5)	\$

Many brokerages maintain older PBX phone systems that go unused on many desks for their agents, due to the proliferation of cell phones and internet cloud-based phone systems.

<p>DO YOUR AGENTS WANT A DEDICATED DESK PHONE?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>1 PHONE SYSTEM COSTS PER YEAR Includes service charges for usage, minutes, taxes, etc. per year. Excludes separate support costs and hardware costs.</p>	<p>\$</p>
<p>2 EQUIPMENT COSTS PER YEAR? What are annual telecommunications equipment costs per year (phones, PBX, etc.)</p>	<p>\$</p>
<p>3 SUPPORT COSTS PER YEAR? Costs to add/remove/assign phone extensions, programming, phone routing, etc.. Possibly a service contract.</p>	<p>\$</p>
<p>4 TOTAL # OF AGENTS</p>	<p>Agents</p>
<p>5 TOTAL COST PER YEAR (1 PLUS 2 PLUS 3)</p>	<p>\$</p>
<p>6 COST PER AGENT (5 DIVIDED BY 4)</p>	<p>\$</p>

While many brokerages advertise on the Internet, many may have older, legacy forms of advertising that have not been revisited recently. These questions will help determine their value to you.

<p>1 YELLOW PAGES (OFFLINE/ONLINE) - AD SPEND PER YEAR</p>	<p>\$</p>
<p>2 NO. OF SELLER AND BUYER TRANSACTIONS DIRECTLY ATTRIBUTED TO YELLOW PAGES</p>	<p>Transactions</p>
<p>3 COST OF CUSTOMER ACQUISITION - YELLOW PAGES (1 DIVIDED BY 2)</p>	<p>\$</p>
<p>4 NEWSPAPERS - AD SPEND PER YEAR</p>	<p>\$</p>
<p>5 NO. OF SELLER AND BUYER TRANSACTIONS DIRECTLY ATTRIBUTED TO NEWSPAPERS</p>	<p>Transactions</p>
<p>6 COST OF CUSTOMER ACQUISITION - NEWS-PAPERS (4 DIVIDED BY 5)</p>	<p>\$</p>
<p>7 REAL ESTATE GUIDES - AD SPEND PER YEAR</p>	<p>\$</p>
<p>8 NO. OF SELLER AND BUYER TRANSACTIONS DIRECTLY ATTRIBUTED TO REAL ESTATE GUIDES:</p>	<p>Transactions</p>
<p>9 COST OF CUSTOMER ACQUISITION - REAL ESTATE GUIDES (7 DIVIDED BY 8)</p>	<p>\$</p>

SUPPORT STAFFING COSTS

Larger brokerages may have redundant functions performed at each, or many, of their offices. This will help measure the value of such services, and help you decide if centralizing can be an effective strategy for you.

<p>DO YOU HAVE STAFF IN MULTIPLE OFFICES PERFORMING THE SAME TASKS, SUCH AS LISTINGS INPUT, CONTRACT MANAGEMENT, IT SUPPORT, ANSWERING PHONES?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>1 ANNUAL CONTRACT SUPPORT COST</p>	<p>\$</p>
<p>2 ANNUAL ADMINISTRATIVE SUPPORT COST (MLS input, phones, scheduling, etc.)</p>	<p>\$</p>
<p>3 ANNUAL IT SUPPORT COST (CRM, MLS, mobile phones, other office tech)</p>	<p>\$</p>
<p>4 TOTAL # OF AGENTS</p>	<p>Agents</p>
<p>5 TOTAL ANNUAL STAFFING COSTS (excludes senior management team)(1 plus 2 plus 3)</p>	<p>\$</p>
<p>6 STAFFING COSTS PER AGENT (5 DIVIDED BY 4)</p>	<p>\$</p>
<p>7 TOTAL ANNUAL COST OF RETAINING AN AGENT (#6 FROM PAGE 2) + (#6 FROM PAGE 3) + (#6 FROM THIS PAGE)</p>	<p>\$</p>





NET LISTING CARRYING COSTS

<p>1 COST TO ENTER A LISTING IN MLS (Admin costs)</p>	\$
<p>2 COST OF RELATED MARKETING (sign, install/remove sign, brochures, mailing costs, admin support for same)</p>	\$
<p>3 ECONOMIC BENEFIT OF TAKING A LISTING (promotional value of sign based on list price, street location, traffic passing home, etc.)</p>	\$
<p>4 NET LISTING CARRYING COST. (Negative value is net carrying loss of taking a listing, positive figure is a net carrying gain of taking a listing)</p>	\$



TRIBUS IS MORE THAN JUST A CUSTOM REAL ESTATE BROKERAGE PLATFORM VENDOR. INSTEAD OF FOLLOWING THE CROWD, WE START FROM THE FRAME OF REFERENCE:

What could we do to best help our clients?

 CRM	 IDX/VOW	 INTRANET	 LEAD ROUTING
 EMAIL MARKETING	 COACH	 TRANSACTIONS	 CONCIERGE SUPPORT