

GRI Designation Core Course

# Creating A Business Plan

**SESSION ONE**

*Lesson Eight*

If you are a relator that does not have a business plan, you are not in business. A business plan is essential for an agent to know where the business is going and choosing the best path to get there.

## **Business Planning Tips**

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- **A business plan should be a living document.** The plan should be evolving growing along with the business.
- **Focus on meeting top goals.** Everything in the plan should be geared toward achieving the REALTORS® primary objectives.
- **Don't sweat the small stuff.** Every small business has obstacles to overcome. Take on the big issues and avoid getting caught up in the little things.
- **Measure progress.** Knowing where your business stands. Measuring success will keep the business on track or allow for adjustment.
- **Expect changes.** No plan is perfect. Changes are coming. Avoiding frustration during these periods of adjustment are important.

## **The Business Plan**

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**The financial part of the business plan will consist of the following:**

- **Gross Income** – Checks received from the title company.
- **Cost of Goods Sold (CODB)** – the Cost of Doing Business (splits, referrals, desk fees, etc.)
- **Gross Profit** – The gross income minus the cost of doing business.

- **Expenses** – What is spent in the business. Tracking your expenses is critical in business.

**There are three types of expenses:**

- **Mandatory Expenses:** Expenses required to maintain your business.
- **Next Level Expenses:** Spending money to make money.
- **Heated Seat (Comfort) Expenses:** Expenses incurred to polish your brand

**Net Profit** – Your goal of how much money you wish to take home each year.

	Last year	This Year
Gross Income:	\$_____	\$_____
(minus) COGS:	\$_____	\$_____
Gross Profit:	\$_____	\$_____
(minus)Total Expenses:	\$_____	\$_____
Net Profit:	\$_____	\$_____

**Notes:**