



Commercial Classroom: Are you ready for 2022? - by Ed Smith

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This column is offered to help educate agents new to commercial and investment brokerage and serve as a review of basics for existing practitioners.

To a certain extent our business is timeless. Sure, we have new tools, more gadgets, faster computers, and smart phones, with better and more comprehensive websites and apps to help us. But, as I look back in time, some of the basics we need to do in this business, to be successful, never change.

I wrote the following article in December 2003, 18 years ago and it still makes sense.

Setting Goals for 2004 (2022)

What are the goals of each component of your life? At this time of year an assessment is in order, to focus on the future, where do you want to be on December 31st, 2004 (2022)? Life's goals should include your personal initiatives, your family, business, and career directions.

Goals need to be attainable but also a challenge: Set your standards higher than previous achievements. Results must be visible but may take many forms: Self-improvement, accomplishment, recognition, or tangible, such as a new home, a boat, a car or just more money. Once goals are determined, they need to be written down. The action of writing something down etches it into our subconscious mind. We need the constant reinforcement of seeing our goals: A storyboard may be used for this purpose. Create a poster with a collage of pictures representing your goals or surround your office with pictures of what you are striving for.

In order to complete a goal, you need to make it specific and track your progress. One of my goals for 2004 is to get in better shape. To accomplish this requires a more specific plan: In 2004, I will join a health club. To be more specific: I will go to the gym three days a week. Now I write my goal down, including entering "go to gym" on the designated days in my planner. I track my progress as I in fact go to the "appointments" and look and feel better.

A financial goal for a commercial real estate agent may be to make \$120,000 in commission next year. The goal needs to be broken down into steps. Each quarter you need to earn \$30,000, each

month's production needs to yield \$10,000 in commission. Now you are at the point where you can plan how to achieve this.

Reflect on your strengths and apply a percentage to each area of income potential. A strong listing person may expect:

60% of income from listing side fees,
15% sales commissions,
15% referral fees and
10% from lease commissions.

Someone concentrating on the sale/lease side of the business may project income as follows:

Lease commissions 40%,
Sales commissions 30%,
Listing side fees 20%, and
Referral fees 10%.

Once you develop a goal/plan of how you intend to earn your commissions focus on the activities needed to accomplish this.

Determine how much of your time you should spend on revenue producing activities such as:

Developing new clients,
Prospecting,
Seeking referrals from past customers and residential agents,
Expired listings,
FSBO's,
Cold call canvassing,
Internet marketing, and
Co-broke contacts.

Allocate a percentage of your day or week to each activity. Plan daily details to achieve your long-range goals. Write down your overall goal, enter your monthly goal into your planner and track your progress. Manage your time by concentrating on the things that are most productive to you.

Napoleon Hill said, "What the mind can conceive and believe in, it can achieve."

Also remember ten two-letter words: “If It Is To Be It Is Up To Me.”

Make the commitment to accomplish your goals in 2004.

Tip Time

Holiday cards are fine, but the end of the year is a great excuse to call on past clients and customers to wish them greetings of the season. Of course, ask how their business is doing, they may surprise you by sharing news of planned expansion (a need for more space or additional locations). Their business may be off, could you help then sub-lease some space? Landlords may share upcoming lease expirations with you.

Your clients may not have a need today, but this communication will help them remember you in the future. Always conclude your conversation by asking for a referral. “Oh, by the way, is there anyone you know who I could be of service to?”

Today you will replace the “planner” with your computer calendar. You may also find that many of these businesses will be looking to downsize in the future. Setting up a virtual meeting with past clients is good but stopping by to greet them is even better. 2022 will be a year of opportunities as we continue to recover from the pandemic. Now is the time to plan your strategy, how you will take advantage of the current market conditions.

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